

FACT SHEET

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COST OF PRODUCING FEEDER PIGS

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Producing feeder pigs can be a profitable enterprise in most areas of Texas. Efficient production units can vary in size from four or five sows to as many as management can adequately care for. This publication was developed to assist potential producers of feeder pigs and those currently involved in pig production.

How much does it cost to produce a 50-pound feeder pig? This cost varies primarily because of two major factors; the number of pigs marketed per sow per year and the cost of feed. As the number of pigs marketed per sow per year increases from 14 pigs to 18 pigs, the cost per pig decreases more than \$3.00 per head. Feed cost represents approximately 55 percent of the total cost of producing feeder pigs. For each \$1.00 increase per cwt. of feed, the cost of producing a 50-pound pig increases approximately \$1.50, if 16 pigs are marketed per sow per year.

The cost of producing 50-pound feeder pigs can be calculated by:

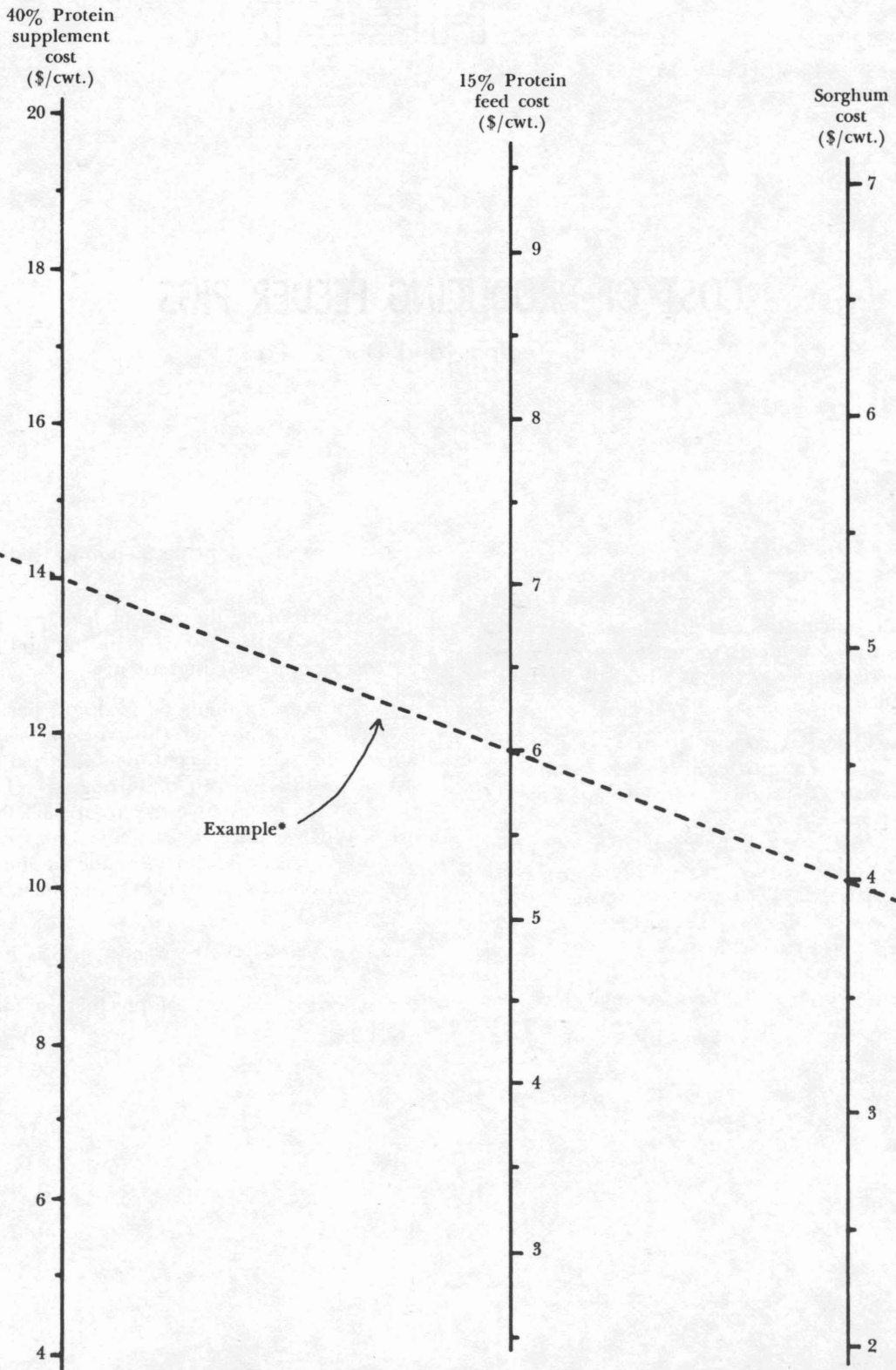
- Determining the cost of feed per cwt. using Table 1. Add the cost of grinding and mixing to the cost of the feed ingredients.

- Using this calculated feed cost per cwt., refer to Table 2. Knowing the cost of feed and the number of pigs expected per sow per year, the cost of production can be estimated. This cost is based on a capital investment of \$300.00 per sow unit. When capital investments vary from \$300.00 per sow, corrections can be made in the estimated cost of production by using the formula at the bottom of Table 3.

The variable cost of items, such as health aids, labor, boar expenses, marketing and interest, used in calculating the cost of production for Table 2 are shown in Table 3.

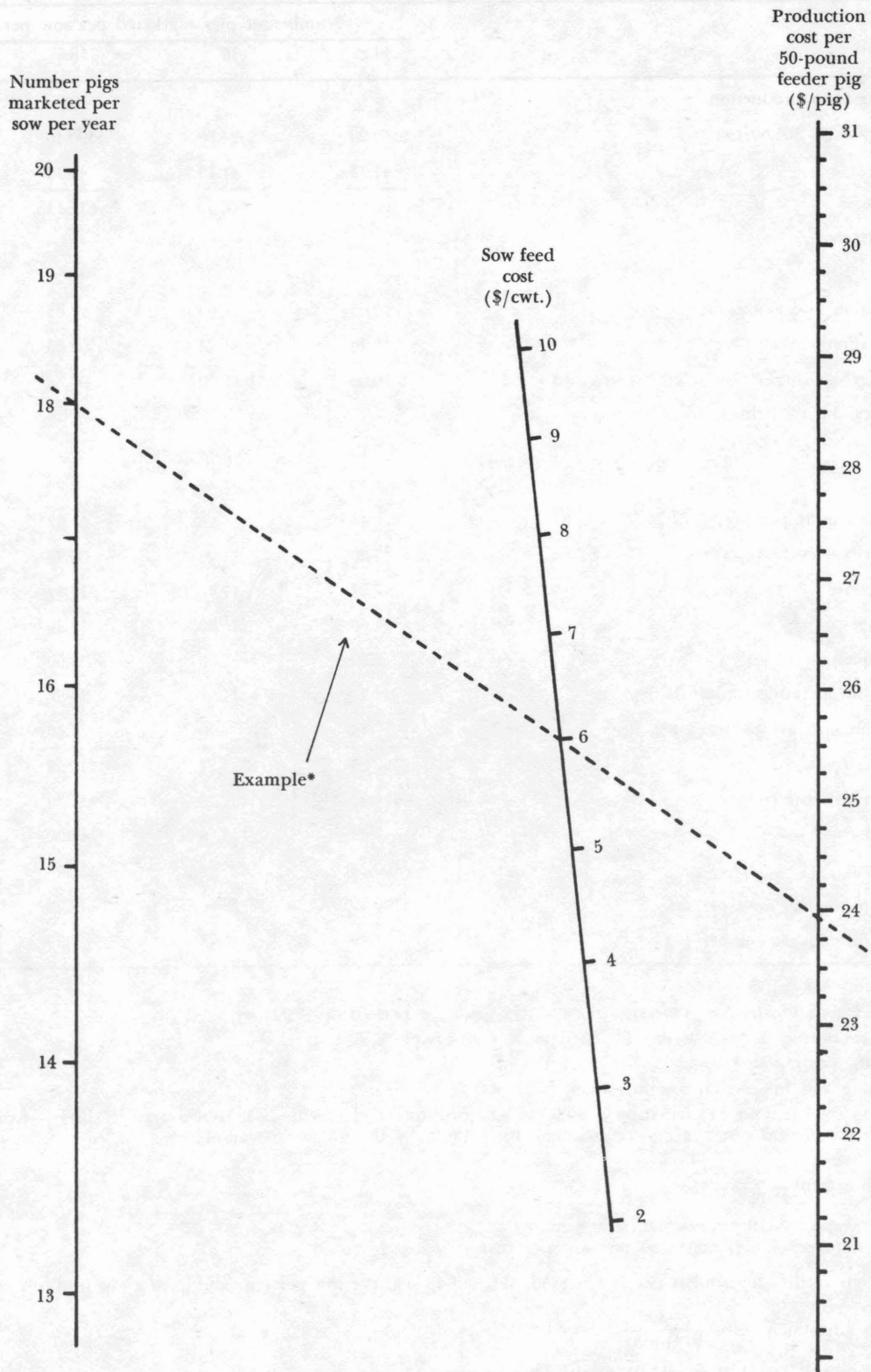
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Table 1. Cost of 15 percent protein ration with varying cost of 40 percent protein supplement and sorghum.



*Explanation: Place a straight edge across the sorghum and 40 percent protein supplement prices. Where it crosses the middle line will be your cost for a 15 percent protein ration. Example—a \$14 supplement and \$4 sorghum cost gives a \$6 mixed feed cost. Note: The cost of grinding and mixing should be added.

Table 2. Production cost per 50-pound feeder pig with varying sow feed cost and number of pigs marketed per sow per year.



*Explanation: Place a straight edge across the number of pigs marketed per sow per year and sow feed cost per cwt. Extend this line to find your estimated production cost per 50-pound feeder pig. Example—marketing 18 pigs per sow per year at a sow feed cost of \$6 per cwt. gives a cost per pig of about \$24.

Table 3. Feeder pigs, 15-sow unit, annual estimated costs and returns per sow

	Number of pigs marketed per sow per year			
	14	16	18	20
1. Gross receipts from production				
feeder pigs, 50# @ \$65.60/cwt.	\$459.20	\$524.80	\$590.40	\$656.00
Cull sow ¹	41.73	41.73	41.73	41.73
Total income	500.93	566.53	632.13	697.73
2. Variable costs				
A. Feed:				
Pre-gestation and gestation ²	70.03	70.03	70.03	70.03
Sow lactation ³	77.50	85.25	93.00	100.76
Pig starter ⁴	70.00	80.00	90.00	100.00
B. Veterinary and medicine				
Sow	5.12	5.12	5.12	5.12
Pigs	1.40	1.60	1.80	2.00
C. Labor, 1.65 hour per pig @ \$1.75	40.43	46.20	51.98	57.75
D. Gilt purchase every 3½ years	35.26	35.26	35.26	35.26
E. Boar expense	17.37	17.37	17.37	17.37
F. Marketing	14.00	16.00	18.00	20.00
G. Miscellaneous	4.00	4.00	4.00	4.00
H. Interest on operating capital @ 9% ⁵	14.44	15.51	16.58	17.65
I. Interest on sow investment @ 6%	7.40	7.40	7.40	7.40
Total variable costs	356.95	383.74	410.54	437.34
3. Income above variable costs	143.98	182.79	221.59	260.39
4. Annual fixed costs ⁶	43.39	43.39	43.39	43.39
Total costs	400.34	427.13	453.93	480.73
Net returns to management per sow	\$100.59	\$139.40	\$178.20	\$217.00
Net returns to management per pig	7.19	8.71	9.90	10.85

¹Cull sow sold every 3.5 years.

²Pre-gestation and gestation feed = 4#/day, 126 days × 2 gestation periods × \$6.92/cwt.

³Lactation feed = 1#/pig + 3#/sow/day for 56 days × 2 litters @ \$6.92/cwt.

⁴Pig starter = 50# per pig @ \$10/cwt.

⁵Exclude marketing and interest on sow investment.

⁶These production costs per pig are based on a \$300 per sow investment in facilities. If your average facility cost per sow is not \$300, adjust the production cost per pig as presented in Table 2 by the following formula:

$$\text{Cost per pig adjustment} = \frac{d-300}{6.914b}$$

Where: d = average facility investment cost per sow
b = number of pigs marketed per sow per year

Example: Your facility investment per sow is \$450; you sell 18 pigs per sow per year and have a sow feed cost of \$6 per cwt.

$$\text{Cost per pig adjustment} = \frac{450-300}{(6.914)(18)} = +\$1.21$$

\$24 (from Table 2) + \$1.21 = \$25.21 production cost per 50-pound feeder pig.

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