

# Finishing Pigs for Niche Market in Bedded Hoop Barns: A Summer 2019 Breakeven Budget

## RFR-A1978

Mark Honeyman, associate dean  
Chris Beedle, farm superintendent

### Introduction

The purpose of this article is to develop a breakeven budget for a group of finishing pigs fed in bedded hoop barns at the ISU Western Research Farm, Castana, Iowa. The pigs were fed for the niche pork market, and were on a comparison feeding trial. Because there were no major differences in pig performance, the pigs were treated as a uniform group for budgeting purposes.

### Materials and Methods

There was one group of pigs fed at the ISU Western Research Farm as a SUMMER group March through July 2019. The group was approximately 440 head with a beginning average weight of 20 lb. The pigs, a mix of barrows and gilts, were the result of PIC white-line sows crossed to high marbling Duroc boars. The pigs were vaccinated and placed in hoop barns bedded first with wheat straw and later with corn stalks. The hoop barns had automatic waterers and round self-feeders. The entire floors of the hoop barns were concrete. All feed usage was tracked. All feed was prepared on the farm with a portable grinder mixer and fed as a complete grind/mix corn-soy diet.

### Results and Discussion

The SUMMER group was fed for 146 days and marketed at an average live weight of 275 lb for an ADG of 1.75 lb/day. The pigs consumed 765 lb of feed/pig for a feed efficiency of 3.00 lb of feed/lb of gain.

A breakeven budget was prepared (Table 1) using ISU Ag Decision Maker Finishing Feeder Pigs – One Pig. Actual costs and amounts were used for prices, pig weights, feed prices, and feed amounts. Because this was a niche pork market, a premium was paid for the feeder pigs and a premium was received for the market pigs. Feed processing and delivery costs were based on actual time spent grinding, mixing, and delivering feed.

Estimated values based on this group of pigs were used for veterinary, fuel, repairs, utilities, marketing, and miscellaneous costs. Labor was estimated at .55 hours/pig at \$20/hour. Death loss was 4.5 percent based on actual mortalities and culls. Interest was set at 6 percent. Fixed costs were set at \$10/head. Manure application costs were based on actual time to clear out the hoop barns and spread manure. Bedding and other costs were set at \$10/pig based on bedding use and market prices. Most of these costs were higher than conventional finishing pig budgets because this was a smaller group size.

Income was approximately \$193/head. Costs in general were \$72 for the weaned pig, \$75 for feed, \$33 for other variable costs, and \$10 for fixed costs, generating total costs of \$190 for a net profit of \$3 (\$3.31)/head (Table 1).

Income over variable costs was positive at \$13/head. Breakeven price for all costs was approximately \$69/cwt liveweight.

NOTE: This example is for one group of pigs during summer 2019 and does not represent all pigs or all situations. Pig performance would be expected to be poorer in winter months.

**Table 1. A breakeven budget for niche market pigs fed in a bedded hoop barn, summer 2019.**

<b>Finishing Feeder Pigs - One Pig</b>						
<b>Income</b>						
Market hog	\$0.70	per lb	x	275	lbs	= \$193.33
<b>Variable costs</b>						
Feeder pig 20 lb pig	\$69.00	head	x	1	head	= \$69.00
Interest	6%		x	5	months	= \$1.73
<b>Feed Costs</b>						
Corn	\$3.77	per bu	x	11.3	bu	= \$42.45
Soybean meal	\$0.154	per lb	x	109	lbs	= 16.82
Vitamin & minerals	\$0.43	per lb	x	18.4	lbs	= 7.93
Feed processing & delivery	\$10.00	per ton	x	0.4	tons	= 3.90
Starter feeds (4.8 lb)						3.55
<b>Total feed costs (765 lb total)</b>						\$74.65
FE = 765/(275-20)=3.00						
Veterinary and medical						\$1.50
Fuel, repairs, utilities						4.00
Marketing, miscellaneous						3.00
Other incl bedding (270 lb)						10.00
Manure application cost	\$0.80	per ton		1.25	tons	= 1.00
Interest on variable costs	6%			2.5	months	= 1.04
Death loss (4.5%)	0.045	hd				= 3.11
Labor	\$20.00	per hour		0.55	hours	= 11.00
<b>Total variable costs</b>						\$180.01
<b>Income over variable costs</b>						\$13.31
<b>Fixed costs</b>						
Machinery, facilities						\$10.00
<b>Total all costs</b>						\$190.01
<b>Income over all costs</b>						\$3.31
Breakeven selling price for variable costs						\$65.46 per cwt
Breakeven selling price for all costs						\$69.10 per cwt