

Finishing Pigs for Niche Market in Bedded Hoop Barns: A Year-Round Breakeven Budget

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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 were two groups of pigs fed at the ISU Western Research Farm. The WINTER group was October through February and the SUMMER group was April through August in 2017/18. Each group was approximately 440 head with a beginning average weight of 18 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 WINTER group was fed for 148 days and marketed at an average live weight of 290 lb for an average daily gain (ADG) of 1.84 lb/day. The pigs consumed 858 lb of feed/pig for a feed efficiency of 3.15 lb of feed/lb of gain. The SUMMER group was fed for 149

days and marketed at an average live weight of 278 lb for an ADG of 1.74 lb/day. The pigs consumed 759 lb of feed/pig for a feed efficiency of 2.92 lb of feed/lb of gain. As expected the SUMMER pigs were more feed efficient and grew slightly slower than the WINTER pigs in the cold hoop barns.

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. The budget is an average of the two groups. 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 set at ~1 percent based on actual mortalities and culls. 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 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 is a smaller group size.

Income was approximately \$196/hd. Costs in general: \$70 for the pig, \$78 for feed, \$40 for other variable costs, and \$10 for fixed costs generating total costs of \$197 for a net loss of \$1 (\$0.86) per head (Table 1).

Income over variable costs was positive at \$9/hd. Breakeven price for all costs was approximately \$69/cwt liveweight.

NOTE: This example is for two groups of pigs during 2017/18, 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, 2017/18.

Finishing Feeder Pigs - One Pig

Ag Decision Maker -- Iowa State University Extension and Outreach
 For more information see Information File B1-21 [Livestock Enterprise Budgets](#)

Enter input values in yellow grid-lined cells.						
	Price	Unit		Quantity	Unit	Total
Income						
Market hog	\$0.69	per lb	x	284	lb	= \$195.96
Variable Costs						
	Price	Unit		Quantity	Unit	
Feeder pig 18 lb pig	\$69.00	head	x	1	head	= \$69.00
Interest	9%		x	5	months	= \$2.59
Feed Costs						
Corn	\$3.35	per bu	x	11.79	bu	= \$39.50
Soybean meal	0.182	per lb	x	127.0	lb	= 23.11
Vitamin & minerals	\$0.36	per lb	x	19.0	lb	= 6.84
Feed processing & delivery	\$9.00	per ton	x	0.4	tons	= 3.87
Starter feeds (2.3 lb)						4.40
Total Feed Costs (808.5 lb total)						\$77.72
Veterinary and medical						\$1.32
Fuel, repairs, utilities						4.00
Marketing, miscellaneous						3.85
Other incl bedding (270 lb)						8.50
Manure application cost	\$0.80	per ton		1.25	tons	= 1.00
Interest on variable costs	9%			2.5	months	= 1.63
Death loss	0.09	hd				= 6.21
Labor	\$20.00	per hour		0.55	hours	= 11.00
Total Variable Costs						\$186.82
Income over Variable Costs						\$9.14
Fixed Costs						
Machinery, facilities						\$10.00
Total All Costs						\$196.82
Income over All Costs						(\$0.86)
Breakeven selling price for variable costs						\$65.78
Breakeven selling price for all costs						\$69.30

per
cwt
per
cwt