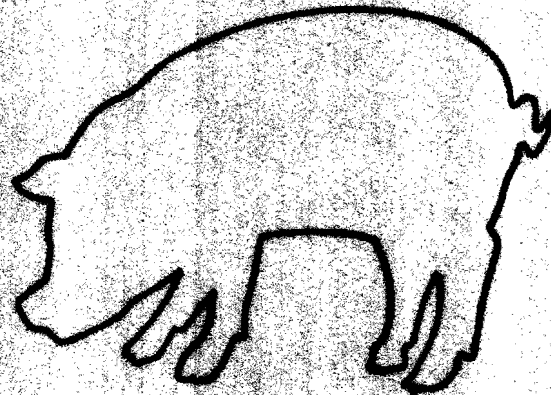


January 1983

A.E. Ext. 83-1

SWINE FARM BUSINESS SUMMARY

WESTERN NEW YORK
1981



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SWINE FARM BUSINESS SUMMARY
Western New York, 1981

Introduction

This is a summary and analysis of business data submitted by five swine producers located in the Finger Lakes and Western Plain regions of New York State. The cooperating producers volunteered to participate in the swine summary program and used the Cornell Swine Business Record Book during 1981. We hope that the interest and participation in the program will increase in 1983 and that the number of cooperators will more than double.

The data published here represents the average of the five swine farms participating. It is not intended to represent an average of all Western New York swine farms. It does not necessarily represent a typical swine business. We expect that the producers participating in this program are above average in management ability and the financial and herd performance measures published here are above average for Western New York.

Much of the credit for completion of this project should be given to Jesse Hannan, Finger Lakes Regional Dairy and Livestock Specialist. Jesse collected most of the records and rode herd until the summary was completed. Swine producers interested in summarizing 1982 records should contact their cooperation extension regional or county livestock specialist.

The 1981 Swine Summary is organized so that any swine producer who has some basic business and herd management records can compare his or her swine business with the average published here.

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1981 SWINE SUMMARY

Business records from five swine operations are summarized here. The primary purpose of the summary is to help the cooperating producers take a closer look at the strengths and weaknesses of their business.

The five swine producers cooperating in this project are located in Western New York. Business size ranged from more than 2,000 market hogs to less than 550. One of the five swine businesses produced only feeder pigs.

SWINE BUSINESS INVENTORY Average of Five Western New York Swine Farms, 1981

| Item | My Farm | | Average | |
|-----------------------|--------------|--------------|---------------|---------------|
| | Beginning | End | Beginning | End |
| Swine | \$ _____ | \$ _____ | \$ 43,749 | \$56,375 |
| Feed | _____ | _____ | 35,434 | 37,362 |
| Machinery | _____ | _____ | 28,748 | 28,748 |
| Buildings | _____ | _____ | 121,400 | 119,000 |
| Total Inventory | \$ _____ | \$ _____ | \$229,331 | \$241,485 |
| Average Inventory | \$ _____ | | \$235,408 | |

The swine inventory excludes the value of land. Only the value of buildings used in the swine enterprise are included under buildings. Capital invested (owned plus borrowed) in the swine enterprise averaged \$235,408 per farm and \$93 per hundredweight of swine production in 1981.

SWINE FARM BUSINESS RECEIPTS Average of Five Western New York Swine Farms, 1981

| Item | My Farm | Average |
|---------------------------------|--------------|---------------|
| Market hogs | \$ _____ | \$ 98,388 |
| Feeder pigs | _____ | 8,630 |
| Cull swine | _____ | 3,469 |
| Breeding stock | _____ | 890 |
| Crop sales* | _____ | 1,600 |
| Miscellaneous | _____ | 1,080 |
| Total Cash Receipts | \$ _____ | \$114,057 |
| Increase in livestock inventory | _____ | 12,626 |
| Increase in feed inventory | _____ | 1,928 |
| Total Swine Receipts | \$ _____ | \$128,611 |

*Only one farm reported crop receipts as part of the swine enterprise.

The sale of market hogs accounted for 86 percent of the cash receipts per farm. Only one swine business sold no market hogs. Four out of five sold feeder pigs.

SWINE FARM BUSINESS EXPENSES
Average of Five Western New York Swine Farms, 1981

| Item | My Farm | Average |
|--|----------|---------------|
| Feed purchased | \$ _____ | \$ 46,813 |
| Labor | _____ | 7,871 |
| Interest paid | _____ | 8,803 |
| Pigs bought | _____ | 641 |
| Vet & medicine | _____ | 1,928 |
| Bedding & supplies | _____ | 1,528 |
| Marketing & trucking | _____ | 1,088 |
| Gas, oil & fuel | _____ | 2,298 |
| Equipment repairs, auto & truck | _____ | 642 |
| Crop expenses | _____ | 5,127 |
| Electricity & phone | _____ | 3,083 |
| Taxes | _____ | 2,020 |
| Insurance | _____ | 1,781 |
| Other | _____ | <u>3,454</u> |
| Total Cash Expenses | \$ _____ | \$ 87,077 |
| Decrease in livestock inventory | _____ | 0 |
| Decrease in feed inventory | _____ | 0 |
| Depreciation on machinery & buildings @ 10% | _____ | <u>15,015</u> |
| Total Swine Expenses | \$ _____ | \$102,092 |

Feed purchased accounted for 54 percent of cash farm expenses and averaged \$18 per hundredweight of swine production. Labor expenses exclude the value of the operator's labor and unpaid family labor.

Total cash expenses averaged \$87,000 per farm and ranged from less than \$30,000 to nearly \$160,000. Cash expenses averaged \$34 per hundredweight of swine production.

Noncash expenses considered part of the swine enterprise are decreases in livestock and feed inventory plus depreciation on machinery and buildings. The average change in swine inventory for 1981 was plus \$12,626. Feed inventory increased \$1,928. Both are included as noncash receipts on page 1. The depreciation charge is based on 10 percent of the beginning value of machinery and buildings.

SWINE BUSINESS PROFITS
Average of Five Western New York Swine Farms, 1981

| Item | My Farm | Average |
|---|----------|----------------|
| Cash receipts | \$ _____ | \$114,057 |
| Cash expenses | _____ | <u>87,077</u> |
| Net Cash Income | \$ _____ | \$ 26,980 |
| Total swine receipts | \$ _____ | \$128,611 |
| Total swine expenses | _____ | <u>102,092</u> |
| Swine Business Income | \$ _____ | \$ 26,519 |
| Interest on equity capital ¹ | _____ | 12,384 |
| Unpaid family labor ² | _____ | <u>1,480</u> |
| Return to Operator's Labor & Management | \$ _____ | \$ 12,655 |

¹Nine percent charge on use of average inventory less interest paid.

²Hours of unpaid family labor times \$2.50.

Net Cash Income measures the amount of cash available for family living, principle payments, and capital improvements paid with cash. It does not reflect the amount of growth that may have occurred in swine numbers during the year.

Swine Business Income does include inventory change as a receipt or expense and includes depreciation. This is the total return to the management family labor and owned capital contributed to the swine business.

Charges for the use of equity or owned capital and family labor have been deducted from Swine Business Income to compute Return to Operator's Labor and Management. Operator's labor averaged 1,954 hours or approximately 7.5 months of labor attributed to the swine enterprise during 1981. Operator's return to labor and management averaged \$6.48 per hour when the charge for equity capital is set at nine percent. If the charge for equity capital were reduced to five percent the return to labor and management would exceed \$9.00 per hour.

SWINE HERD MANAGEMENT FACTORS
Average of Five Western New York Swine Farms, 1981

| Item | My Farm | Average |
|-------------------------------------|----------|----------------------|
| Labor Force: Operator | _____ | 7.5 months |
| Hired | _____ | 2.1 months |
| Unpaid family | _____ | 7.9 months |
| Total | _____ | 17.5 months |
| Worker Equivalent | _____ | 1.5 years |
| Production: Marketings (total lbs.) | _____ | 234,346 |
| Herd growth (lbs.) | _____ | 22,498 |
| Total (lbs.) | _____ | 256,844 |
| Production per worker (lbs.) | _____ | 171,300 |
| Sows & gilts farrowed | _____ | 155 |
| Litters weaned | _____ | 199 |
| Pigs weaned | _____ | 1,650 |
| Litters per sow | _____ | 1.4 |
| Pigs weaned per litter | _____ | 8.7 |
| Pigs weaned per sow | _____ | 12.2 |
| Sows & gilts serviced | _____ | 157 ¹ |
| Sows & gilts bred | _____ | 139 ¹ |
| Conception rate | _____ | 68.3 ¹ |
| Weight of market hogs (lbs.) | _____ | 216 ² |
| Price received per cwt. market hogs | \$ _____ | \$45.11 ¹ |

¹Average of four farms reporting.

²Average of three farms reporting.

The labor force ranged from a little over five months on the smallest to nearly 45 months on the largest swine business. Hours of labor were converted to months by using 260 hours per month. Operator labor varied from four months to 10 months.

Swine production includes total marketings of hogs, pigs, culls, and breeding stock as well as the growth in swine inventory.

Here are some of the ranges in herd management factors:

| | |
|------------------------|---------------|
| Litters per sow | 1.15 to 2.08 |
| Pigs weaned per litter | 7.85 to 10.04 |
| Pigs weaned per sow | 9.37 to 16.33 |
| Conception rate | 78.9 to 91.8 |