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WHERE TO MARKET MY HOGS

Worton Smith, Agricultural Economics Department
February 1962

Wide ranges in price generally exist among Indiana hog markets.

Table 1. Hog Prices at 10 Markets for Two Weight Ranges, Indiana, January 6, 1958.

Markets	200-210 lbs.	280-300 lbs.	Price Break Because of Weight
A	* \$18.95	\$17.00	\$1.95
B	* 19.25	17.35	1.90
C	* 19.50	17.65	1.85
D	19.50	18.25	1.25
E	19.25	16.75	1.50
G	19.50	16.90	2.60
I	19.00	17.00	2.00
J	19.50	17.50	2.00
N	19.25	17.25	2.00
O	19.25	16.50	2.75

* Add 25¢ premium for No. 1, meat-type hogs.

Ranges	(\$18.95 to \$19.50)	(\$16.50 to \$18.25)	(\$1.25 to \$2.75)
	55¢	\$1.75	\$1.50

Costs

Prices are important, BUT —

Prices can be deceiving if costs are not considered.

1. Freight costs (see Table 2)
2. Shrink loss (see Fig. 1 & Table 3)
3. Commission fee (see Table 4)
4. Yardage fee (see Table 5)

Table 2. Average Trucking Expense Per Head of Livestock Hauled to Market in Motortrucks Hired by Farmers and Ranchers, by Market Outlets, United States, 1955.

Kind of Livestock	Terminal markets (Dollars)	Auction markets (Dollars)	Country sales (Dollars)
Cattle	3.38	1.51	1.54
Calves	1.43	.87	.54
Hogs	.74	.38	.28
Sheep and lambs	.96	.38	.28

Source: Phillips, Victor B., Hired Truck Transportation in Marketing Livestock, Marketing Research Report No. 297, U. S. Department of Agriculture, December 1958, p. 11.

Table 3. Relationship of the Length of Haul to Shrinkage of Hogs, 1,132 Lots - 38,303 Hogs.

Miles hauled	Shrinkage	
	Not fed at market (percent)	Fed at market (Percent)
0-5	1.06	*
6-15	1.12	1.03
16-25	1.39	1.24
26-35	1.75	1.51
36-45	2.06	1.79
46-55	2.50	1.99
56-65	2.68	2.03
66-75	2.76	2.08
76-85	*	2.14
86-95	*	2.16

* Sufficient data not available.

Table 4. Average Charges for Selling Livestock by Commission Agents at Posted Terminal Markets, by Species, United States.¹

Type of sale	Average charges per head			
	Cattle (Dollars)	Calves (Dollars)	Hogs (Dollars)	Sheep and lambs (Dollars)
Initial sales	1.18	0.65	0.38	0.25
Resales	.94	.52	.23	.21

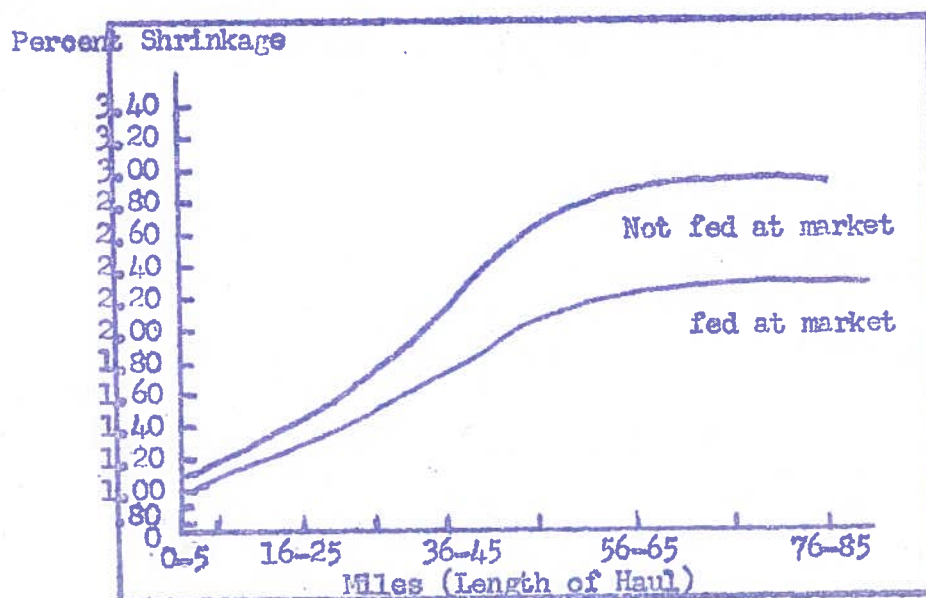
¹ Based on available data for 1954.

Table 5. Average Yardage Charges for Livestock at Posted Terminal Markets, United States.¹

Type of sale	Charges per head			
	Cattle (Dollars)	Calves (Dollars)	Hogs (Dollars)	Sheep and lambs (Dollars)
Initial sale	0.82	0.46	0.28	0.17

¹ Based on data available for 1954.

Figure 1. Note the effect of length of haul to market on the shrinkage of hogs fed and not fed at market.



Other Considerations

1. Sorting practices
2. Type of hogs produced (fat or meat-type)

Recommendations

1. Compare market prices as to weight (and sometimes grade) by radio, TV, newspaper, telephone.
2. Select markets which you have confidence in, figure the costs to ship there. Subtract the costs from the market's prices (for your weight and type of hog). Sell at the market where you can get best profit.
 - a. Know truck costs if commercially hauled - estimate cost if you do your own hauling.
 - b. Figure approximate shrink loss (Table 3).
 - c. Know commission fee (remember, this is usually figured by the head instead of by the hundredweight as shrink and freight are).
 - d. Know yardage fees (again, figured by head rather than hundredweight).
3. Write down the costs figured for shipping to different markets. In the future you can quickly pick out the best price a market will pay for your hogs from daily market quotations.