



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search  
<http://ageconsearch.umn.edu>  
[aesearch@umn.edu](mailto:aesearch@umn.edu)

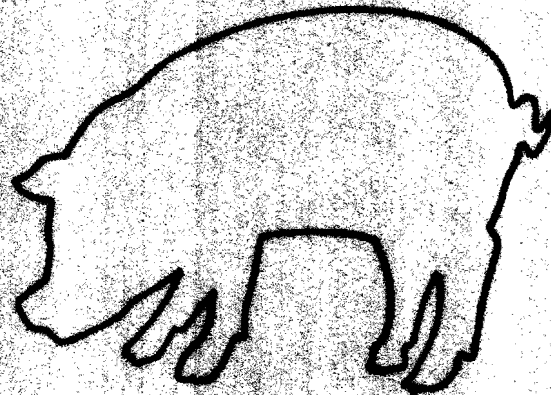
*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

January 1983

A.E. Ext. 83-1

# SWINE FARM BUSINESS SUMMARY

WESTERN NEW YORK  
1981



Stuart F. Smith

Department of Agricultural Economics  
New York State College of Agriculture and Life Sciences  
a Statutory College of the State University  
Cornell University, Ithaca, New York 14853

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.

Tables

	<u>Page</u>
Swine Business Inventory .....	1
Swine Farm Business Receipts .....	1
Swine Farm Business Expenses .....	2
Swine Business Profits .....	3
Swine Herd Management Factors .....	4

## 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 <sup>1</sup>	_____	12,384
Unpaid family labor <sup>2</sup>	_____	<u>1,480</u>
Return to Operator's Labor & Management	\$ _____	\$ 12,655

<sup>1</sup>Nine percent charge on use of average inventory less interest paid.

<sup>2</sup>Hours 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 <sup>1</sup>
Sows & gilts bred	_____	139 <sup>1</sup>
Conception rate	_____	68.3 <sup>1</sup>
Weight of market hogs (lbs.)	_____	216 <sup>2</sup>
Price received per cwt. market hogs	\$ _____	\$45.11 <sup>1</sup>

<sup>1</sup>Average of four farms reporting.

<sup>2</sup>Average 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