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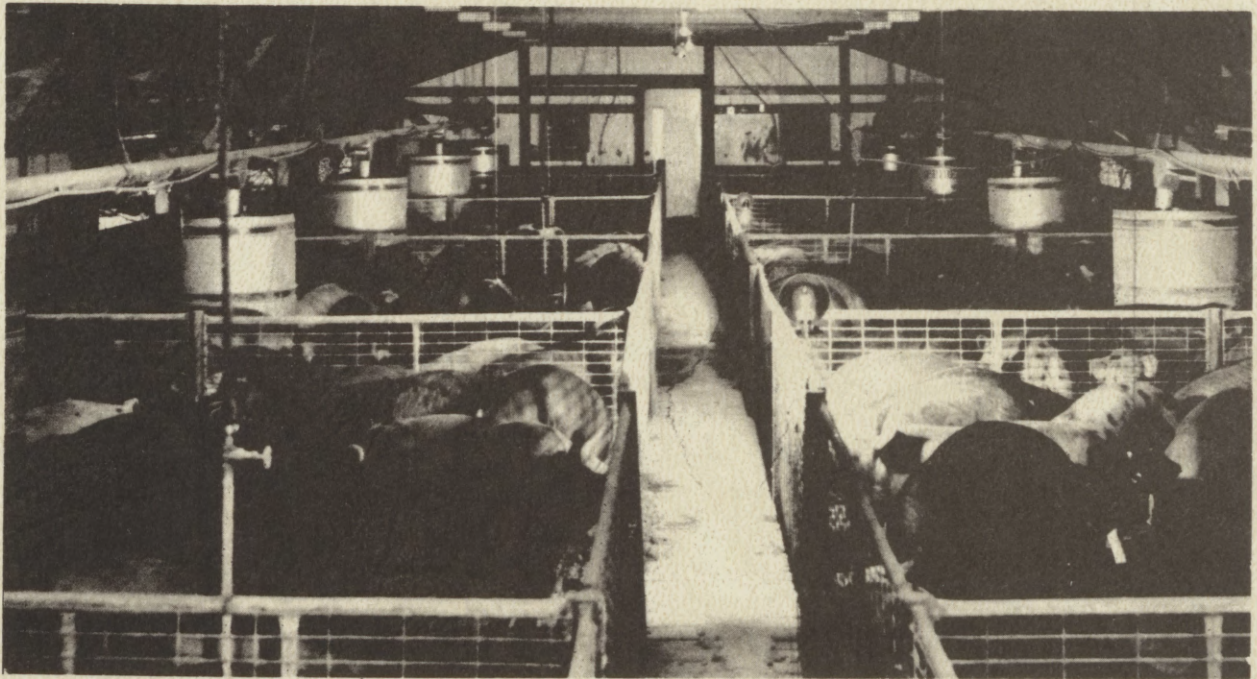
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Swine - Cost of prod.

**Supplement for 1975 to
Input Requirements and Production Costs
Complete Confinement Swine Rearing Operations
Texas High Plains**

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College of Agricultural Sciences
Texas Tech University
Lubbock, Texas

SUPPLEMENT FOR 1975 TO
INPUT REQUIREMENTS AND PRODUCTION COSTS
COMPLETE CONFINEMENT SWINE REARING OPERATIONS
TEXAS HIGH PLAINS

by

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SUMMARY

Sharp rise in price of sorghum and other feed grains during the last two years cut deeply into profit margins of hog producers. Hog producers in the Texas High Plains area were not spared from this situation. The hog-corn ratio which is an indicator of profit margins in production of live hogs decreased from 22.1 in 1972 to 11.8 in 1974, the lowest level since 1956. This change in profit margins has placed tremendous pressure on the producers to examine and analyze expected costs of production and returns very closely to stay in live hog producing operation. This study was conducted to update information which was published in 1971 so that hog producers can examine and analyze costs and returns of swine rearing operations and make necessary adjustments when needed to better cope with changing conditions.

The study indicated a range in capital requirements from \$363,490 for a 200 sow capacity model plant to \$1,731,820 for a 1,200 sow capacity model plant. Capital requirements per sow capacity for each model plant amounted to \$1,814 (200 sows), \$1,628 (400 sows), \$1,514 (600 sows), \$1,488 (800 sows), \$1,442 (1,000 sows), and \$1,443 (1,200 sows).

Costs per hundredweight of hogs marketed ranged from a high of \$38.56 for the 200 sow capacity model plant to a low of \$35.40 for the 1,000 sow capacity model plant. Substantial economies of size were indicated between the 200 sow capacity model plant, the 400 sow capacity model plant, and the 600 sow capacity model plant. As capacity was increased from 200 to 400 sows, costs per hundredweight of hogs marketed was reduced by \$1.42 per hundredweight, and as capacity increased from 400 to 600 sows, costs were reduced by \$0.93 per hundredweight. Additional increases in sow capacity from 600 to 800 sows and above had only a minor effect on unit costs.

The time period required to pay off investment in the model plants was estimated on the basis of assumed or selected average prices received per hundredweight of hogs, given costs per hundredweight of hogs produced, expected annual output, and total investment in each plant as estimated in this study. These estimates indicated that the 200-sow capacity model plant would require 13.2 years to pay off the investment at a price of \$42.00 per hundredweight. At an average price of \$42.00 per hundredweight, the pay off periods for the 400, 600, 800, 1,000, and 1,200 sow capacity model plants were estimated to be 8.4, 6.5, 6.0, 5.4, and 5.5 years, respectively.

In summary, the model plant analysis indicates that production costs for the smallest plant (200 sow capacity) are of such a magnitude that expected profit margins are relatively narrow for hog prices of \$42.00 per hundredweight or below. For the larger plants (600 sows capacity and above) expected profit margins are broader and hence are sufficient to pay off invested capital in a relatively short time (10.0 to 7.8 years) even when average hog prices are at a level of \$40 per hundredweight.

The initial budgets for each of the six model plants were subsequently modified to take into consideration changes in the basic assumptions on feeding efficiency, farrowing rates, and the number of pigs born, weaned, and marketed per litter. Other situations considered were changes in feed prices, labor costs, labor utilization, utility costs, construction costs, interest rates and depreciation rates.

INTRODUCTION

Due largely to the greatly expanded sale of feed grains to foreign buyers since 1973 the price of sorghum along with prices of other feed grains, rose rapidly. The price of sorghum, the major feed grain for swine production on the Texas High Plains, rose from \$2.72/cwt in January 1973 to \$5.85/cwt in November 1974. The sharp rise in price of feed grains resulted in an extremely unfavorable hog-feed grain ratio to hog producers. The hog-corn ratio for 1974 was 11.8, the lowest since 1956. Low hog-feed grain ratios along with much higher prices for other major input resources make it essential, more than ever before, for hog producers to have up-to-date information on costs of production and returns.

Owens, Snodgrass and Lee completed a study in 1971 in which they established input requirements and production costs for complete confinement swine rearing operations for the Texas High Plains.¹ However, major changes have occurred since 1971 in prices of input resources affecting the swine producing operations on the Texas High Plains drastically. Thus, this report was prepared to update the 1971 findings of Owens, Snodgrass and Lee employing and reflecting the conditions which existed during the early part of 1975 on the Texas High Plains in regard to production of hogs.

Objectives

The major objectives of this report were to update the findings of the 1971 study by Owens, Snodgrass and Lee and to examine and evaluate the changes which took place since 1971 on costs and returns associated with selected sizes of complete confinement swine production operations

¹Owens, T.R., Snodgrass, Carter, and Lee, Hong Y., Input Requirements and Production Costs: Complete Confinement Swine Rearing Operations on the Texas High Plains, 1971, ICASALS Special Report Number 46, Texas Tech University, Lubbock, Texas, May 1971.

on the Texas High Plains.

Methodology, Source of Data, Etc.

The methodology, source of data, scope of study, basic assumptions and physical inputs used in this report were the same as the original study. Prices of input resources and production prices, however, were changed to reflect the situation that existed during the early part of 1975.

FINDINGS

Tables 1 through Table 40 show the updated information on various aspects of costs of and returns to swine production operations on the Texas High Plains. These tables also show the impact of changes in prices of input resources and product prices since 1971. Also shown in these tables are comparisons between 1971 and 1975 for major aspects of costs of production and returns to swine production operations.

Table 1

Land, Water Well, and Fencing Requirements and Costs, Complete Confinement Swine Rearing Operations, Six Model Plants, Texas High Plains, 1975 and 1971

Plant Capacity ¹	Land	Land Cost ²		Water Wells ³	Well Cost		Fencing	Fence Cost ⁴	
		1971	1975		1971	1975		1971	1975
	(Acres)	(Dollars)		(No.)	(Dollars)		(Feet)	(Dollars)	
200	6.8	2,040	5,400	1	2,700	3,500	2,100	2,625	5,250
400	9.8	2,940	7,840	1	2,700	3,500	2,360	2,950	5,900
600	12.9	3,870	10,320	1	2,700	3,500	2,760	3,450	6,900
800	15.0	4,500	12,000	2	5,400	7,000	3,020	3,775	7,550
1000	17.0	5,130	13,680	2	5,400	7,000	3,300	4,125	8,250
1200	20.1	6,030	16,080	2	5,400	7,000	3,680	4,600	9,200

¹All model plant capacities are described in terms of the number of sows maintained.

²Land cost \$300.00 per acre for 1971 and \$800.00 per acre for 1975.

³Based on a need of 5,000 gallon/100 sows/day. Pumps were assumed to be 3 HP submersible with a pumping capacity of 80 G.P.M. and a lift of 120 feet. Includes cost of drilling, casing, developing pump and control panel installed.

⁴Fencing cost \$1.25/ft. for 1971 and \$2.50/ft. for 1975. Includes all materials and labor.

Table 2

Building Requirements and Estimated Costs Per Building Unit, Complete Confinement Swine Rearing Operations, Six Model Plants, Texas High Plains, 1975 and 1971

Building	Size of Plant						Cost/Unit	
	200	400	600	800	1,000	1,200	1975	1971
	(Number of Units)							
Gestation	1	2	3	4	5	6	60,000	28,000
Farrow	3	6	9	12	14	17	17,000	10,500
Nursery	3	6	7	10	12	15	16,000	7,500
Finish	5	10	15	19	24	29	16,500	10,500
Auxiliary ¹	1	1	1	1	1	1	8,400	3,600
Office	1	1	1	1	1	1	6,000	2,800

¹The Auxiliary building consists of a repair shop and equipment storage area.

Table 3

Building Specifications, Complete Confinement Swine Rearing Operations,
Texas High Plains, 1975 ¹

Building	C & D ²	Construction	Flooring	Equipment
Gestation	200 sows 48' x 60'	steel frame, aluminum covered, 4' wide ventilation doors on all sides, insulated ceiling.	1/4 - aluminum slotted, 1/3 open sand pit, remainder-solid concrete.	feeding stalls, concrete feeding troughs, spray cooling system, feed storage.
Farrowing	20 sows 23' x 60'	Wood frame, corrugated aluminum siding outside, plywood interior walls, 3-1/2 fiber glass insulation walls, 8" mineral wool insulation on ceiling.	aluminum slotted	20 steel farrowing crates, 140M BTU/hr. forced air heater, 6500 CFM evaporative cooler, 2-24" exhaust fans (1 for pit), 20 heat lamps, bowl waterer, creep feeders.
Nursery	23 litters 20' x 60'	Same as farrowing house.	aluminum slotted	23 steel pens with nipple waterer, fogger system, auger system, feed tank, 6500 CFM evaporative cooler, 2-24" exhaust fans, feeders.
Finishing	200 pigs 36' x 48'	Same as farrowing house.	Aluminum slotted	hog feeders, nipple, waterer, feeder auger system, bulk feed tank, spray fogger, 4-24" exhaust fans.

¹Building specifications include complete sewage, water, and electrical connections for all buildings plus connections for natural gas for the farrowing house.

²C. & D.: Capacity and dimensions

Table 4

Estimated Building Investment By Operational Facilities, Complete Confinement
 Swine Rearing Operations, Six Model Plants, Texas High Plains, 1975
 (With 1971 Total)

Production Facility	Size of Plant					
	200	400	600	800	1,000	1,200
	(Dollars)					
Gestation	60,000	120,000	180,000	240,000	300,000	360,000
Farrow	51,000	102,000	153,000	204,000	238,000	289,000
Nursery	48,000	96,000	112,000	160,000	192,000	240,000
Finish	82,500	165,000	247,500	313,500	396,000	478,500
Auxiliary	8,400	8,400	8,400	8,400	8,400	8,400
Office	6,000	6,000	6,000	6,000	6,000	6,000
TOTAL:						
1975	255,900	497,400	706,900	931,900	1,140,400	1,381,900
1971	140,000	267,900	390,400	512,400	638,400	812,900

¹The Auxiliary building consists of a repair shop and equipment storage area.

Table 5

Estimated Equipment Investment, Complete Confinement Swine Rearing Operations
By Major Equipment Categories, Six Model Plants, Texas High Plains, 1975
(With 1971 Total)

Equipment Categories	Size of Plant					
	200	400	600	800	1,000	1,200
	(Dollars)					
Office and Locker Room	4,075	4,445	4,940	5,660	6,355	6,725
Shop	5,125	5,275	8,625	8,775	8,925	12,275
Mill and Hauling	19,700	21,800	23,300	27,740	28,940	30,740
Vehicles	25,300	26,500	26,500	32,700	32,700	32,700
Total:						
1975	54,200	58,020	63,365	74,875	76,920	82,440
1971	26,025	27,925	29,285	33,715	34,450	35,625

Table 6

Estimated Annual Labor Costs and Labor Requirements, Complete Confinement Swine Rearing
Operations, Six Model Plants, Texas High Plains, 1975 (With 1971 Total)

Labor Classification	Size of Plant					
	200	400	600	800	1,000	1,200
	(Dollars)					
Manager	12,000(1) ¹	18,000(1) ¹	21,000(1) ¹	24,000(1) ¹	27,000(1) ¹	30,000(1) ¹
Other Salaried	8,400(1)	16,800(2)	16,800(2)	25,200(3)	25,200(3)	33,600(4)
Hourly	-0-	5,720(1)	17,160(3)	22,880(4)	34,320(6)	40,040(7)
Office	1,650(.25)	3,300(.5)	6,600(1)	6,600(1)	6,600(1)	13,200(2)
Fringe Benefits ²	2,205	4,382	6,156	7,868	9,312	11,684
Total:						
1975	24,255	48,202	67,716	86,548	102,432	128,524
1971	16,200	29,500	39,700	52,800	60,600	77,300

¹Numbers in the parentheses represent labor requirements in man equivalent unit.

²Fringe benefits are computed at 10% of the cost of labor to cover such items as health insurance, O.A.S.I., Paid Vacation, etc.

Table 7

Estimated Annual Electrical Power Costs Per Production Facility, Complete Confinement
Swine Rearing Operations, Six Model Plants, Texas High Plains, 1975
(With 1971 Total)

Production Facility	Size of Plant					
	200	400	600	800	1,000	1,200
	(Dollars)					
Gestation	140	280	420	560	700	840
Farrowing	1,596	3,192	4,788	6,384	7,448	9,044
Nursery	336	672	784	1,120	1,344	1,680
Finishing	420	840	1,260	1,596	2,016	2,436
Well	84	126	168	252	336	420
Mill	84	168	252	336	420	504
Others ¹	140	168	196	224	252	280
Total:						
1975	2,800	5,446	7,868	10,472	12,516	15,204
1971	950	1,810	2,489	3,372	4,247	5,159

¹Others include electricity for office, shop, and outside lights.

Table 8

Estimated Annual Gas Consumption Costs Per Production Facility, Complete Confinement
 Swine Rearing Operation, Six Model Plants, Texas High Plains, 1975
 (With 1971 Total)

Production Facility	Size of Plant					
	200	400	600	800	1,000	1,200
	(Dollars)					
Farrowing	1,350	2,700	4,050	5,400	6,300	7,650
Nursery	1,350	2,700	3,150	4,500	5,400	6,750
Others	300	360	420	480	540	600
Total:						
1975	3,000	5,760	7,620	10,380	12,240	15,000
1971	975	1,804	2,389	3,218	4,047	4,875

Table 9

Estimated Annual Miscellaneous Costs by Major Expense Categories, Complete Confinement
Swine Rearing Operations, Six Model Plants, Texas High Plains, 1975
(With 1971 Total)

Expense Category	Size of Plant					
	200	400	600	800	1,000	1,200
	(Dollars)					
Veterinary Service	1,895.50	3,791.00	5,686.50	7,582.00	9,477.50	11,373.00
Expendable Supplies	1,200.00	2,400.00	3,600.00	4,800.00	6,000.00	7,200.00
Insurance on Animals	886.70	1,773.40	2,660.10	3,546.80	4,433.50	5,320.20
Other Expenses ¹	7,005.12	10,764.94	14,724.76	16,398.56	19,787.44	23,175.18
Total:						
1975	10,987.12	18,729.34	26,671.36	32,327.36	39,698.44	47,068.38
1971	6,138.13	10,653.61	13,454.57	18,741.56	23,071.57	27,401.01

¹Other Expenses included gasoline, oil, travel, telephone, dues and subscriptions, legal fees, etc.

Table 10

Growing and Lactation Ration, Principal Ingredients, Ingredient Costs and Cost Per Ton, Complete Confinement Swine Rearing Operations, Texas High Plains, 1971 & 1975

Ingredients	Ration Contribution	Units Required	Cost/Unit		Cost/Ton Ration	
	(Percent)	(Cwt)	1975	1971	1975	1971
Milo	73.75	14.75	5.75	2.00	84.82	29.50
Soybean Meal	23.00	4.60	8.75	4.50	40.25	20.70
Salt	0.50	0.10	1.80	0.50	0.18	0.05
Poly-Phos	1.25	0.25	5.00	4.05	1.25	1.01
V & M Pre-Mix	<u>1.50</u>	<u>0.35</u>	<u>25.00</u>	<u>24.00</u>	<u>7.50</u>	<u>7.20</u>
Total	100.00	20.00	6.70	2.92	134.00	58.46

Table 11

Finishing Ration, Principal Ingredients, Ingredient Costs and Cost Per Ton, Complete Confinement Swine Rearing Operations, Texas High Plains, 1971 & 1975

Ingredients	Ration Contribution	Units Required	Cost/Unit		Cost/Ton Ration	
	(Percent)	(Cwt)	1975	1971	1975	1971
Milo	81.75	16.35	5.75	2.00	94.02	32.20
Soybean Meal	15.00	3.00	8.75	4.50	26.25	13.50
Salt	0.50	0.10	1.80	0.50	0.18	0.05
Poly-Phos	1.25	0.25	5.00	4.05	1.25	1.01
V & M Pre-Mix	<u>1.50</u>	<u>0.30</u>	<u>25.00</u>	<u>24.00</u>	<u>7.50</u>	<u>7.20</u>
Total	100.00	20.00	6.46	2.72	129.20	54.46

Table 12

Creep Ration, Principal Ingredients, Ingredient Costs and Cost Per Ton, Complete Confinement Swine Rearing Operations, Texas High Plains, 1971 and 1975

Ingredients	<u>Ration</u>	<u>Units</u>	<u>Cost/Unit</u>		<u>Cost/Ton Ration</u>	
	Contribution	Required	1975	1971	1975	1971
	(Percent)	(Cwt)	(Dollars)			
Milo	65.90	13.18	5.75	2.00	75.79	26.36
Soybean Meal	31.00	6.20	8.75	4.50	54.25	27.90
Salt	0.50	0.50	1.80	0.50	0.18	0.05
Poly-Phos	1.00	0.20	5.00	4.50	1.00	0.81
V & M Pre-Mix	<u>1.60</u>	<u>0.32</u>	<u>25.00</u>	<u>24.00</u>	<u>8.00</u>	<u>7.68</u>
Total	100.00	20.00	6.96	3.14	139.22	62.80

Table 13

Gestation and Boar Ration, Principal Ingredients, Ingredient Costs and Cost Per Ton, Complete Confinement Swine Rearing Operations, Texas High Plains, 1971 and 1975

Ingredients	<u>Ration</u>	<u>Units</u>	<u>Cost/Unit</u>		<u>Cost/Ton Ration</u>	
	Contribution	Required	1975	1971	1975	1971
	(Percent)	(Cwt)	(Dollars)			
Milo	71.30	14.26	5.75	2.00	82.00	28.52
Soybean Meal	24.00	4.80	8.75	4.50	42.00	21.60
Salt	0.50	0.10	1.80	0.50	0.18	0.05
Poly-Phos	1.00	0.20	5.00	4.05	1.00	0.81
V & M Pre-Mix	<u>3.20</u>	<u>0.64</u>	<u>25.00</u>	<u>24.00</u>	<u>16.00</u>	<u>15.36</u>
Total	100.00	20.00	7.06	3.32	141.18	66.34

Table 14

Estimated Annual Feed Costs, Annual Depreciation Charges, Annual Tax Charges,
and Annual Repair and Maintenance Charges, Complete Confinement
Swine Rearing Operations, Six Model Plants, Texas High Plains,
1971 and 1975

Annual Costs	Size of Plant						
	200	400	600	800	1,000	1,200	
	(Dollars)						
Feed	1975	189,806.89	379,613.79	569,420.68	759,227.58	949,034.47	1,138,841.37
	1971	81,586.06	163,172.25	244,780.50	326,344.69	407,930.94	489,517.13
Depreciation	1975	33,692.94	58,340.95	80,265.45	104,838.37	175,967.87	151,084.88
	1971	15,387.20	28,152.18	40,502.18	53,539.40	66,209.40	79,554.50
Taxes	1975	5,914.66	10,477.41	14,481.34	18,945.58	22,864.17	27,464.01
	1971	3,260.15	5,657.27	7,090.44	10,368.39	12,727.70	15,215.70
R & M ¹	1975	6,751.25	10,523.15	13,923.05	17,987.45	21,195.35	25,076.25
	1971	1,541.75	2,794.50	4,034.50	5,291.25	6,561.75	7,901.00

¹R & M - Repair & Maintenance

Table 15

Estimated Annual Insurance Charges, Buildings, Equipment, Vehicles, and Livestock,
Complete Confinement Swine Rearing Operations, Six Model Plants, Texas High Plains, 1975
(With 1971 Total)

Item and Coverage	Size of Plant					
	200	400	600	800	1,000	1,200
	(Dollars)					
Building Fire and ECE ¹	3,514.55	6,730.30	9,525.74	12,568.86	15,347.03	18,566.77
Equipment and Fire ECE	383.79	418.59	489.57	560.08		660.55
Vehicles ² BI and PD	644.65	680.65	680.65	875.59	875.59	875.59
Gen. Liability	54.00	54.00	54.00	54.00	54.00	54.00
Livestock ³	886.70	1,773.40	2,660.10	3,546.80	4,433.50	5,320.20
Total:						
1975	5,483.69	9,656.94	13,410.06	17,605.33	21,297.36	25,477.11
1971	3,037.90	5,213.57	7,306.25	9,523.12	11,655.49	13,480.02

¹ECE - Extend Coverage Endorsement to the fire insurance policy insures against windstorm, hail, smoke damage, vehicle damage, etc.

²BI and PD - Bodily injury and property damage liability insurance.

³Specified risks including fire, lightning, windstorms, building collapse, riot, theft, shooting, drowning, suffocation, etc.

Table 16

Estimated Annual Interest Expenses on Fixed Investment and Operating Capital,¹
 Complete Confinement Swine Rearing Operations, Six Model Plants, Texas High Plains, 1975
 (With 1971 Total)

Annual Charge	Size of Plant					
	200	400	600	800	1,000	1,200
	(Dollars)					
Fixed Capital	19,259.78	34,451.07	48,138.10	63,016.89	76,393.92	91,679.20
Operating Capital	3,847.56	7,629.34	11,321.83	14,982.88	18,599.05	22,411.08
Total:						
1975	23,107.34	42,080.41	59,459.93	77,999.77	94,992.97	114,090.28
1971	8,231.98	14,796.20	21,362.91	28,019.38	34,528.43	41,380.75

¹Interest expenses were computed using 10% per year interest rate for 1975 and 6% per year interest rate for 1971.

Table 17

Total Investment, Annual Costs, Annual Costs Per Sow of Capacity, Costs Per Hundredweight of Market Hogs and Percentage Contribution by Major Expense Categories, 200 Sow Complete Confinement Swine Rearing Operation, Texas High Plains, 1975 (With 1971 Total)

Expense Items	Total Investment	Annual Cost	Annual Cost Per Sow	Cost Per Cwt. Market Hogs	Percent	
					Annual Cost 1975	Annual Cost 1971
(Dollars)						
Land and Building	270,090.00	39,840.31	199.20	4.96	12.9	14.6
Equipment	28,900.00	4,785.57	23.93	0.60	1.6	1.4
Vehicle	25,300.00	6,329.96	31.65	0.79	2.0	2.7
Breeding Stock	39,200.00	4,669.84	23.35	0.58	1.5	1.5
Feed	x	89,806.89	949.03	23.64	61.3	55.3
Labor	x	24,255.00	121.28	3.02	7.8	13.3
Utilities	x	5,800.00	29.00	0.72	1.9	1.4
Other Expenses ¹	x	10,987.32	54.94	1.37	3.5	4.2
Interest	x	23,107.35	115.54	2.88	7.5	5.6
Total:						
1975	363,490.00	309,582.26	1,547.91	38.56	100.00	100.00
1971	216,990.00	146,936.11	734.68	18.30		

¹Includes expenses on veterinary services, insurance on animals, expendable supplies, and miscellaneous expenses.

Table 18

Total Investment, Annual Costs, Annual Costs Per Sow of Capacity, Costs Per Hundredweight of Market Hogs and Percentage Contribution by Major Expense Categories, 400 Sow Complete Confinement Swine Rearing Operation, Texas High Plains, 1975 (With 1971 Total)

Expense Items	Total Investment	Annual Cost	Annual Cost Per Sow	Cost Per Cwt. Market Hogs	Percent	
					Annual Cost 1975	Annual Cost 1971
(Dollars)						
Land and Building	514,640.00	75,482.94	188.71	4.70	12.6	14.2
Equipment	31,520.00	5,077.89	12.69	0.32	0.9	.8
Vehicle	26,500.00	6,665.22	16.66	0.42	1.1	1.6
Breeding Stock	78,400.00	9,339.68	23.35	0.58	1.6	1.6
Feed	x	379,613.79	949.03	23.64	63.6	58.6
Labor	x	48,202.00	120.51	3.00	8.1	12.8
Utilities	x	11,206.00	28.02	0.70	1.9	1.2
Other Expenses ¹	x	18,729.34	46.82	1.16	3.1	3.8
Interest	x	42,080.41	105.20	2.62	7.1	5.4
Total:						
1975	651,060.00	596,396.26	1,490.00	37.14	100.00	100.00
1971	386,315.00	278,164.68	695.41	17.32		

¹Includes expenses on veterinary services, insurance on animals, expendable supplies, and miscellaneous expenses.

Table 19

Total Investment, Annual Costs, Annual Costs Per Sow Capacity, Costs Per Hundredweight of Market Hogs and Percentage Contribution by Major Expense Categories, 600 Sow Complete Confinement Swine Rearing Operation, Texas High Plains, 1975 (With 1971 Total)

Expense Items	Total Investment	Annual Cost	Annual Cost Per Sow	Cost Per Cwt. Market Hogs	Percent	
					Annual Cost 1975	Annual Cost 1971
(Dollars)						
Land and Building	727,620.00	106,525.66	177.54	4.42	12.2	14.2
Equipment	36,865.00	6,229.92	10.38	0.26	0.7	0.7
Vehicle	26,500.00	6,664.22	11.11	0.28	0.8	1.0
Breeding Stock	117,600.00	14,009.52	23.35	0.58	1.6	1.7
Feed	x	569,420.68	949.03	23.64	65.3	60.7
Labor	x	67,716.00	112.86	2.81	7.8	11.9
Utilities	x	15,488.00	25.81	0.65	1.8	1.2
Other Expenses ¹	x	26,671.36	44.46	1.10	3.0	.33
Interest	x	59,459.93	99.10	2.47	6.8	5.3
Total:						
1975	908,585.00	872,185.29	1,453.64	36.21	100.0	100.0
1971	550,605.00	404,382.05	673.96	16.79		

¹Includes expenses on veterinary services, insurance on animals, expendable supplies, and miscellaneous expenses.

Table 20

Total Investment, Annual Costs, Annual Costs Per Sow of Capacity, Costs Per Hundredweight of Market Hogs and Percentage Contribution by Major Expense Categories, 800 Complete Confinement Swine Rearing Operation, Texas High Plains, 1975 (With 1971 Total)

Expense Items	Total Investment	Annual Cost	Annual Cost Per Sow	Cost Per Cwt. Market Hogs	Percent	
					Annual Cost 1975	Annual Cost 1971
(Dollars)						
Land and Building	958,450.00	140,532.50	175.67	4.38	12.2	14.1
Equipment	42,175.00	6,897.25	8.62	0.21	0.6	0.5
Vehicle	32,700.00	8,400.17	10.50	0.26	0.7	1.0
Breeding Stock	156,800.00	18,679.36	23.35	0.58	1.6	1.7
Feed	x	759,227.58	949.03	23.64	65.9	60.9
Labor	x	86,548.00	108.19	2.70	7.6	11.9
Utilities	x	20,852.00	23.06	0.65	1.8	1.2
Other Expenses ¹	x	32,327.36	40.41	1.01	2.8	3.5
Interest	x	77,999.77	97.50	2.43	6.8	5.2
Total:						
1975	1,190,125.00	1,151,463.99	1,439.33	35.86	100.0	100.0
1971	720,244.00	534,755.36	668.44	16.65		

¹Includes expenses on veterinary services, insurance on animals, expendable supplies, and miscellaneous expenses.

Table 21

Total Investment, Annual Costs, Annual Costs Per Sow, Costs Per hundredweight of Market Hogs and Percentage Contribution by Major Expense Categories, 1,000 Sow Complete Confinement Swine Rearing Operation, Texas High Plains, 1975 (With 1971 Total)

Expense Items	Total Investment	Annual Cost	Annual Cost Per Sow	Cost Per Cwt. Market Hogs	Percent	
					Annual Cost 1975	Annual Cost 1971
(Dollars)						
Land and Building	1,169,330.00	171,343.84	171.34	4.27	12.1	14.1
Equipment	44,220.00	7,147.24	7.15	0.18	0.5	0.4
Vehicle	32,700.00	8,400.17	8.40	0.21	0.6	0.7
Breeding Stock	196,000.00	23,349.20	23.35	0.58	1.6	1.7
Feed	x	949,034.47	949.03	23.64	66.8	61.9
Labor	x	102,432.00	102.43	2.55	7.2	11.2
Utilities	x	24,756.00	24.76	0.61	1.7	1.3
Other Expenses ¹	x	39,698.44	39.70	1.00	2.8	3.5
Interest	x	94,992.97	94.99	2.36	6.7	5.2
Total:						
1975	1,442,250.00	1,421,154.33	1,421.15	35.40	100.0	100.0
1971	887,259.00	659,322.99	658.62	16.41		

¹Includes expenses on veterinary services, insurance on animals, expendable supplies, and miscellaneous expenses.

Table 22

Total Investment, Annual Costs, Annual Costs Per Sow of Capacity, Costs Per Hundredweight of Market Hogs and Percentage Contribution by Major Expense Categories, 1,200 Sow Complete Confinement Swine Rearing Operation, Texas High Plains, 1975 (With 1971 Total)

Expense Items	Total Investment	Annual Cost	Annual Cost Per Sow	Cost Per Cwt. Market Hogs	Percent	
					Annual Cost 1975	Annual Cost 1971
(Dollars)						
Land and Building	1,414,180.00	207,071.02	172.56	4.30	12.1	14.1
Equipment	49,740.00	8,310.86	6.93	0.17	0.5	0.4
Vehicle	32,700.00	8,400.17	7.00	0.17	0.5	0.4
Breeding Stock	235,200.00	28,019.04	23.35	0.58	1.6	1.7
Feed	x	1,138,841.37	949.03	23.64	66.6	61.5
Labor	x	128,524.00	107.10	2.67	7.5	11.7
Utilities	x	30,204.00	25.17	0.63	1.8	1.3
Other Expenses ¹	x	47,068.38	39.22	0.98	2.7	3.5
Interest	x	114,090.28	95.08	2.37	6.7	5.2
Total:						
1975	1,731,820.00	1,710,529.12	1,425.44	35.51	100.0	100.0
1971	1,061,483.00	794,673.07	662.23	16.51		

¹Includes expenses on veterinary services, insurance on animals, expendable supplies, and miscellaneous expenses.

Table 23

Estimated Time Required for Payoff with Selected Levels of Average Prices Received, Complete Confinement Swine Rearing Operations, Six Model Plants, Texas High Plains, 1975 and 1971

Hog Average Price Per Cwt	Size of Plant					
	200	400	600	800	1,000	1,200
	1975 (Years)					
42.50	11.5	7.6	6.0	5.6	5.1	5.1
42.00	13.2	8.4	6.5	6.0	5.4	5.5
41.00	18.6	10.5	7.9	7.2	6.4	6.6
40.00	31.5	14.2	10.0	8.9	7.8	8.0
39.10 ¹	84.3	20.7	13.1	11.4	9.7	10.00
	1971 (Years)					
23.00	5.8	4.3	3.6	3.6	3.4	3.4
22.00	7.4	5.2	4.3	4.2	4.0	4.0
21.00	10.2	6.6	5.4	5.2	4.8	4.9
20.88 ²	10.7	6.8	5.5	5.4	5.0	5.1
20.00	16.5	9.0	7.0	6.8	6.2	6.5
19.00	42.2	14.5	10.1	10.1	8.6	9.3

¹Average price, barrows and gilts, U.S. No. 1-3, 220-24 lbs., Omaha, 1973-1974.

²Average price received by farmers per cwt. of hogs, U.S., 1966-1970.

Table 24

Plant Modifications by Items Changed, Number of Changes and Magnitude of Changes Made, Six Model Plants, Complete Confinement Swine Rearing Operations, Texas High Plains, 1975

Item Changed	Number of Changes ¹	Magnitude of Changes in Percent
Feed Price	4	+ 5; + 10; - 5; - 10
Feed Requirements	4	+ 3; + 6; + 9; - 3
Farrowings Per Sow Per Year	3	+ 5; - 5; - 10
Building Costs	4	+ 10; + 5; - 5; - 10
Wage Rates	4	+ 10; + 5; - 5; - 10
Labor Requirements	4	+ 2; + 1; - 1; - 2 ²
Utility Rates	4	- 20; - 10; + 10; + 20;
Interest Rates	4	+ 20; + 10; - 10; - 20;
Building Depreciation	3	+ 25; - 33.3; - 50
Total	34	

¹ Four changes involving pig mortality rates were computed in addition to the 34 changes shown above.

² Changes in labor requirements were made in the form of whole man equivalents of hourly employees. It was also assumed that the minimum number of employees necessary to operate model plants of 200-sow size is 2 men.

Table 25

Feed Efficiency and Feed Price Modifications, Magnitude of Change and Effect on Unit Costs, Complete Confinement Swine Rearing Operations, Texas High Plains, 1975 and 1971

Modification	Magnitude of Change	Change in Unit Cost	
		1975	1971
	(Percent)	(Dollars/cwt)	
Feed Efficiency ¹			
3.918 : 1	- 9	2.17	0.91
3.810 : 1	- 6	1.44	0.61
3.702 : 1	- 3	0.72	0.31
3.488 : 1	+ 3	- 0.72	- 0.31
Feed Prices ²			
7.24	+ 10	2.42	1.01
6.91	+ 5	1.21	0.53
6.25	- 5	- 1.21	- 0.52
5.92	- 10	- 2.42	- 1.01

¹Feed efficiency of the initial budgets assumed at 3.594 : 1.

²Average feed prices of the initial budget estimated at \$6.58/cwt. for 1975 and \$2.852/cwt. for 1971.

Table 26

Modifications in the Average Number of Farrowings Per Sow Per Year, and
Effect on Unit Costs, Complete Confinement Swine Rearing Operations,
Six Model Plants, Texas High Plains, 1975

Farrowings Per Year ¹	Magnitude of Change (Percent)	Change in Unit Costs					
		Size of Plant					
		200	400	600	800	1,000	1,200(200) ²
2.34	+ 5	-0.70	-0.63	-0.58	-0.57	-0.54	-0.55(-0.38)
2.12	- 5	0.77	0.70	0.65	0.63	0.61	0.61(0.43)
2.01	- 10	1.63	1.48	1.37	1.33	1.28	1.29(0.90)

¹Assumes initial farrowing rate of 2.23 times per year.

²Effects of change on Unit Costs of 200 Sow Size Operation for 1971.

Table 27

Modifications in the Average Number of Pigs Born, Pigs Weaned, and Pigs Marketed Per Litter and Effect on Unit Costs, Complete Confinement Swine Rearing Operations, Six Model Plants, Texas High Plains, 1975

Pig Mortality ¹ Modification			Change in Unit Costs						
Pigs Born	Pigs Weaned	Pigs Marketed	Size of Plant						
			200	400	600	800	1,000	1,200	(200) ²
(Number)			(Dollars/cwt)						
10.0	9.4	9.0	-2.01	-1.85	-1.75	-1.72	-1.66	-1.67	(-0.95)
9.5	9.0	8.6	-1.22	-1.12	-1.06	-1.04	-1.00	-1.01	(-0.66)
9.0	8.6	8.3	-0.63	-0.58	-0.55	-0.54	-0.52	-0.52	(-0.34)
8.0	7.7	7.5	1.27	1.18	1.11	1.08	1.06	1.07	(0.37)

¹Initial assumption: 8.5 pigs born, 8.2 pigs weaned, and 8.0 pigs marketed.

²Effects of change on unit costs of 200 sow size operation for 1971.

Table 28

Building Cost Modifications and Effect on Unit Costs, Complete Confinement
Swine Rearing Operations, Six Model Plants, Texas High Plains, 1975

Building Cost Modification	Change in Unit Cost						
	Size of Plant						
	200	400	600	800	1,000	1,200	(200) ¹
(Percent)	(Dollars/cwt)						
+ 10	0.66	0.63	0.60	0.58	0.58	0.58	(0.32)
+ 5	0.33	0.32	0.30	0.29	0.29	0.29	(0.16)
- 5	-0.33	-0.32	-0.30	-0.29	-0.29	-0.29	(-0.15)
- 10	-0.66	-0.63	-0.60	-0.58	-0.58	-0.58	(-0.32)

¹Effects on unit costs for 200 sow size operation for 1971.

Table 29

Labor Cost Modifications and Effect on Unit Costs, Complete Confinement
Swine Rearing Operations, Six Model Plants, Texas High Plains, 1975

Labor Cost Modification	Change in Unit Costs						(200) ¹
	Size of Plant						
	200	400	600	800	1,000	1,200	
(Percent)	(Dollars/cwt)						
+ 10	0.31	0.31	0.29	0.27	0.26	0.27	(0.25)
+ 5	0.16	0.16	0.15	0.13	0.13	0.14	(0.13)
- 5	-0.15	-0.15	-0.14	-0.14	-0.12	-0.13	(-0.12)
- 10	-0.30	-0.30	-0.28	-0.28	-0.25	-0.27	(-0.24)

¹Effects on unit costs for 200 sow size operation for 1971.

Table 30

Labor Requirement Modifications and Effect on Unit Costs, Complete Confinement
Swine Rearing Operations, Six Model Plants, Texas High Plains, 1975

Labor Requirement Modification	Change in Unit Costs					1- (200)	
	200	400	600	800	1,000		1,200
Number of Employees	Size of Plant (Dollars/cwt)						
+ 2	1.60	0.80	0.54	0.40	0.32	0.27	(1.19)
+ 1	0.80	0.40	0.27	0.20	0.16	0.13	(0.60)
- 1	a	-0.39	-0.26	-0.20	-0.15	-0.13	a
- 2	a	a	-0.53	-0.40	-0.31	-0.26	a

¹Effects on unit costs for 200 sow size operation for 1971.

^aAssumes that 2 and 3 employees were the minimum number necessary to operate model plants of sizes 200 and 400 sows respectively.

Table 31
 Interest Rate Modifications and Effect on Unit Costs, Complete Confinement
 Swine Rearing Operations, Six Model Plants, Texas High Plains, 1975

Interest Rate Modification	Change in Unit Costs					1- (200)
	Size of Plant					
	200	400	600	800	1,000	1,200
(Percent)						
+ 20	0.58	0.53	0.50	0.48	0.48	0.48 (0.20)
+ 10	0.29	0.27	0.25	0.24	0.24	0.24 (0.10)
- 10	-0.29	-0.26	-0.24	-0.25	-0.23	-0.24 (-0.11)
- 20	-0.57	-0.52	-0.49	-0.49	-0.47	-0.47 (-0.21)

¹Effects on unit costs for 200 sow size operation for 1971.

Table 32

Building Depreciation Modifications and Effect on Unit Cost, Complete
 Confinement Swine Rearing Operations, Six Model Plants,
 Texas High Plains, 1975

Building Depreciation Modification	Change in Unit Costs					1-	
	Size of Plant						
	200	400	600	800	1,000	1,200	(200)
(Percent)							
+ 25.0	0.85	0.81	0.76	0.74	0.73	0.73	(0.46)
- 33.3	-1.12	-1.06	-1.00	-0.99	-0.96	-0.97	(-0.63)
- 50.0	-1.69	-1.60	-1.50	-1.49	-1.45	-1.46	(-0.94)

¹Effects on unit costs for 200 sow size operation for 1971.

Table 33

Utility Cost Modifications and Effect on Unit Costs, Complete Confinement
Swine Rearing Operations, Six Model Plants, Texas High Plains, 1975

Utility Cost Modification	Change in Unit Cost Size of Plant				
	200	400	600	800	1,000 1,200 (200) ¹
(Percent)					
				(Dollars/cwt)	
+ 20	0.09	0.09	0.08	0.08	0.07 0.07 (0.05)
+ 10	0.02	0.02	0.01	0.01	0.01 0.01 (0.02)
- 10	-0.13	-0.12	-0.12	-0.12	-0.11 -0.12 (-0.02)
- 20	-0.23	-0.19	-0.18	-0.19	-0.17 -0.18 (-0.05)

¹Effects on unit costs for 200 sow size operation for 1971.

Table 34

Equipment Items, Unit Cost and Total Cost, Complete Confinement Swine Rearing Operation, 200 Sow Capacity Model Plant, Texas High Plains, 1975

Item Description	Units No.	Cost/Unit		Total Cost (1975)
		1975	1971 (Dollars)	
Office and Locker Room:				
Typewriter	1	300	200	300
Adding machine	1	200	150	200
Calculator	1	300	700	300
Air conditioner	1	400	300	400
Washer	1	350	250	350
Dryer	1	250	195	250
Refrigerator	1	450	150	450
Office desk	1	225	150	225
Office chair	1	125	80	125
Filing cabinets	2	125	110	250
Cabinets	2	130	75	260
Benches	2	35	25	70
Lockers	5	75	50	375
Safe	1	250	125	250
Other chairs	2	35	25	70
Miscellaneous Furniture and Fixtures	4	50	25	200
Shop:				
Welder	1	300	225	300
Grinder	1	125	75	125
Drill press	1	250	150	250
Power hack saw	1	200	130	200
Hog scale	1	399	250	300
Hot water pump	1	3,200	350	3,200
Miscellaneous tools	1	750	500	750
General Plant:				
Feed mill	1	12,000	6,200	12,000
Feed storage tank	1	6,000	2,000	6,000
Bulk feed wagon	1	1,700	825	1,700

Table 35

Cost Per Hundredweight of Market Hogs Produced with Selected Changes in Basic Assumptions, Factor Requirements and Factor Prices, Complete Confinement Swine Rearing Operation, 200 Sow Capacity Model Plant, Texas High Plains, 1975

	Feed Require		Feed Cost		Farrowings Per Year		Pig Mortality		Building Costs		Interest Rate/Year		Labor Requirement	
	-3%	+6%	+10%	-10%	+5%	-10%	A	B	+10%	-10%	8%	12%	+2 men	
Base \$38.56 ¹ (\$18.30)	37.85	40.00	40.98	36.15	37.86	40.19	36.55	39.83	39.22	37.90	37.99	39.14	40.16	
Feed Requirement:														
-3 percent	X	X	40.27	35.44	37.15	39.48	35.81	39.12	38.51	37.19	37.28	38.43	39.45	
+6 percent	X	X	42.42	37.59	39.30	41.63	37.99	41.27	40.66	39.34	39.43	40.58	41.60	
Feed Cost:														
+10 percent			X	X	40.28	42.61	38.97	42.25	41.64	40.32	40.41	41.56	42.58	
-10 percent			X	X	35.45	37.78	34.14	37.42	36.81	35.49	35.58	36.73	37.75	
Farrowings Per Year:														
+5 percent					X	X	35.85	39.13	38.52	37.20	37.29	38.44	39.46	
-10 percent					X	X	38.18	41.46	40.85	36.27	39.62	40.77	41.79	
Pig Mortality ²														
A (10.0-9.4-9.0)							X	X	37.21	35.89	35.98	37.13	38.19	
B (8.0-7.7-7.5)							X	X	40.49	39.17	39.26	40.41	41.43	
Building Costs:														
+10 percent									X	X	38.65	39.80	40.82	
-10 percent									X	X	37.33	38.48	39.50	
Interest Rate/Year:														
8 percent											X	X	39.59	
12 percent											X	X	40.75	

-----Dollars-----

Farrowings Per Year:

Pig Mortality²

Building Costs:

Interest Rate/Year:

¹Base Price for 1971

²Figures in the parentheses represent pigs born, pigs weaned, and pigs marketed respectively.

Table 36

Cost Per Hundredweight of Market Hogs Produced with Selected Changes in Basic Assumptions, Factor Requirements and Factor Prices, Complete Confinement Swine Rearing Operations, 400 Sow Capacity Model Plant, Texas High Plains, 1975

	Feed Require		Feed Cost		Farrowings Per Year		Pig Mortality		Building Costs		Interest Rate/Year		Labor Requirement + 2 men		
	-3%	+6%	+10%	-10%	5%	-10%	A	B	+10%	-10%	8%	12%			
Base \$37.14 ¹			36.43	38.58	39.56	34.73	36.51	38.62	35.29	38.32	37.77	36.52	36.62	37.67	37.94
(\$17.32)															
Feed Requirement:															
-3 percent	x	x	38.85	34.02	35.80	37.91	34.58	37.61	37.06	35.81	35.91	36.96	35.91	36.96	37.23
+6 percent	x	x	41.00	36.17	37.95	40.06	36.73	39.76	39.21	37.96	38.06	39.11	38.06	39.11	39.38
Feed Cost:															
+ 10 percent			x	x	38.93	41.04	37.71	40.74	40.19	38.94	39.04	40.09	39.04	40.09	40.36
- 10 percent			x	x	34.10	36.21	32.88	35.91	35.36	34.11	34.21	35.26	34.21	35.26	35.53
Farrowings Per Year:															
+5 percent					x	x	34.66	37.69	37.14	35.89	35.99	37.04	35.99	37.04	37.31
-10 percent					x	x	36.77	39.80	39.25	38.00	38.10	39.12	38.10	39.12	39.42
Pig Mortality ²															
A (10.0-9.4-9.0)							x	x	35.92	34.67	34.77	35.82	34.77	35.82	36.09
B (8.0-7.7-7.5)							x	x	38.95	37.70	37.80	38.85	37.80	38.85	39.12
Building Costs:															
+10 percent									x	x	37.25	38.30	37.25	38.30	38.57
-10 percent									x	x	36.00	37.05	36.00	37.05	37.32
Interest Rate/Year															
8 percent											x	x	x	x	37.42
12 percent											x	x	x	x	38.47

¹Base Price for 1971.

²Figures in the parentheses represent pigs born, pigs weaned, and pigs marketed respectively.

Table 37

Cost Per Hundredweight of Market Hogs Produced With Selected Changes in Basic Assumptions, Factor Requirements and Factor Prices, Complete Confinement Swine Rearing Operations, 600 Sow Capacity Model Plant, Texas High Plains, 1975

	Feed Require.		Feed Cost		Farrowings Per Year		Pig Mortality		Building Costs		Interest Rate/Year		Labor Requirements	
	-3%	+6%	+10%	-10%	5%	-10%	A	B	+10%	-10%	8%	12%	+2	men
Base	\$36.21	35.50	37.65	38.63	33.80	35.63	37.58	34.46	37.32	36.81	35.62	35.72	36.71	36.75
	(\$16.79) ¹													
Feed Requirement:														
-3 percent	x	x	37.92	33.09		34.92	36.87	33.75	36.61	36.10	34.91	35.01	36.00	36.04
+6 percent	x	x	40.07	35.24		37.07	39.02	35.90	38.76	38.25	37.06	37.16	38.15	38.19
Feed Cost:														
+10 percent			x	x		38.05	40.00	36.88	39.74	39.23	38.04	38.14	39.13	39.17
-10 percent			x	x		33.22	35.17	32.05	34.91	34.40	33.21	33.31	34.30	34.34
Farrowings Per Year:														
+5 percent				x		x	x	33.88	36.74	36.23	35.04	35.14	36.13	36.17
-10 percent				x		x	x	35.83	38.69	38.18	36.99	37.09	38.08	38.12
Pig Mortality ²														
A (10-0-9.4-9.0)							x	x	x	35.05	33.87	33.97	34.96	35.00
B (8.0-7.7-7.5)							x	x	x	37.92	36.73	36.83	37.82	37.86
Building Costs:														
+10 percent										x	x	36.32	37.31	37.35
-10 percent										x	x	35.13	36.12	36.16
Interest Rate/Year:														
8 percent												x	x	36.26
12 percent												x	x	37.25

¹Base price for 1971.

²Figures in the parentheses represent pigs born, pigs weaned, and pigs marketed respectively.

Table 38

Cost Per Hundredweight of Market Hogs Produced with Selected Changes in Basic Assumptions, Factor Requirements and Factor Prices, Complete Confinement Swine Rearing Operations, 800 Sow Capacity Model Plant, Texas High Plains, 1975

	Feed Require.		Feed Cost		Farrowings Per Year		Pig Mortality		Building Costs		Interest Rate/Year		Labor Requirement +2 men
	-3%	+6%	+10%	-10%	+5%	-10%	A	B	+10%	-10%	8%	12%	
Base \$35.86 (\$16.65) ¹	35.15	37.29	38.27	33.44	35.29	37.19	34.14	36.94	36.44	35.27	35.37	36.34	36.26
Feed Requirement:													
-3 percent	X	X	37.56	32.73	34.58	36.48	33.43	36.23	35.73	34.56	34.66	35.63	35.55
+6 percent	X	X	39.71	34.88	36.73	38.63	35.58	38.38	37.88	36.71	36.81	37.78	37.70
Feed Cost:													
+10 percent			X	X	37.70	39.60	36.55	39.35	38.85	37.68	37.78	38.75	38.67
-10 percent			X	X	32.87	34.77	31.72	34.52	34.02	32.85	32.95	33.92	33.84
Farrowings Per Year:													
+5 percent					X	X	33.57	36.37	35.87	34.70	34.80	35.77	35.69
-10 percent					X	X	35.47	38.27	37.77	36.60	36.70	37.67	37.59
Pig Mortality ² :													
A(10.0-9.4-9.0)							X	X	34.72	33.55	33.65	34.62	34.54
B(8.0-7.7-7.5)							X	X	37.52	36.35	36.45	37.42	37.34
Building Costs:													
+10 percent									X	X	35.95	36.92	36.84
-10 percent									X	X	34.78	35.75	35.67
Interest Rate/Year:													
8 percent											X	X	35.77
12 percent											X	X	36.74

¹Base price for 1971.

²Figures in the parentheses represent pigs born, pigs weaned and pigs marketed respectively.

Table 39

Cost Per Hundredweight of Market Hogs Produced with Selected Changes in Basic Assumptions, Factor Requirements and Factor Prices, Complete Confinement Swine Rearing Operation, 1,000 Sow Capacity Model Plant, Texas High Plains, 1975

	Feed Require.		Feed Cost		Farrowings Per Year		Pig Mortality		Building Costs		Interest Rate/Year		Labor Requirement +2 men
	-3%	+6%	+10%	-10%	+5%	-10%	A	B	+10%	-10%	8%	12%	
Base \$35.40 (\$16.49) ¹	34.69	36.84	37.82	32.99	34.86	36.68	33.74	36.46	35.98	34.83	34.93	35.88	35.72
Feed Requirement:													
-3 percent	X	X	37.11	32.28	34.15	35.97	33.03	35.75	35.27	34.12	34.22	35.17	35.01
+6 percent	X	X	39.26	34.43	36.30	38.12	35.18	37.90	37.42	36.27	36.37	37.32	37.16
Feed Cost:													
+10 percent			X	X	37.28	39.10	36.16	38.88	38.40	37.25	37.35	38.30	38.14
-10 percent			X	X	32.45	34.27	31.33	34.05	33.57	32.42	32.52	33.47	33.31
Farrowings Per Year:													
+5 percent					X	X	33.20	35.92	35.44	34.29	34.39	35.34	35.18
-10 percent					X	X	35.02	37.74	37.26	36.11	36.21	37.16	37.00
Pig Mortality ² :													
A(10.0-9.4-9.0)							X	X	34.32	33.17	33.27	34.22	34.06
B(8.0-7.7-7.5)							X	X	37.04	35.89	35.99	36.94	36.78
Building Costs:													
+10 percent									X	X	35.51	36.46	36.30
-10 percent									X	X	34.36	35.31	35.15
Interest Rate/Year:													
8 percent											X	X	35.25
12 percent											X	X	36.20

¹Base price for 1971.

²Figures in the parentheses represent pigs born, pigs weaned, and pigs marketed respectively.

Table 40

Cost Per Hundredweight of Market Hogs Produced with Selected Changes in Basic Assumptions, Factor Requirements and Factor Prices, Complete Confinement Swine Rearing Operations, 1,200 Sow Capacity Model Plant, Texas High Plains, 1975

	Feed Require		Feed Cost		Farrowings Per Year		Pig Mortality		Building Costs		Interest Rate/Year		Labor Requirement +2 men
	-3%	+6%	+10%	-10%	+5%	-10%	A	B	+10%	-10%	8%	12%	
Base \$35.51 ¹ (\$16.51) ¹	34.80	36.95	37.93	33.10	34.96	36.80	33.84	36.58	36.09	34.94	35.04	35.99	35.78
Feed Requirement:													
-3 percent	X	X	37.22	32.39	34.25	37.51	33.13	35.87	35.38	34.23	34.33	35.28	35.07
+6 percent	X	X	39.37	34.54	36.40	39.66	35.28	38.02	37.53	36.38	36.48	37.43	37.22
Feed Cost:													
+10 percent			X	X	37.38	39.22	36.26	39.00	38.51	37.36	37.46	38.41	38.20
-10 percent			X	X	32.55	34.39	31.43	34.17	33.68	32.53	32.63	33.58	33.37
Farrowings Per Year:													
+5 percent					X	X	33.29	36.03	35.54	34.39	34.49	35.44	35.23
-10 percent					X	X	35.13	37.87	37.38	36.23	36.33	37.28	37.07
Pig Mortality ² :													
A(10.0-9.4-9.0)							X	X	34.42	33.27	33.37	34.32	34.11
B(8.0-7.7-7.5)							X	X	37.16		36.11	37.06	36.85
Building Costs:													
+10 percent									X	X	35.62	36.57	36.36
-10 percent									X	X	34.47	35.42	35.21
Interest Rate/Year:													
8 percent											X	X	35.31
12 percent											X	X	36.28

¹Base price for 1971.

²Figures in the parentheses represent pigs born, pigs weaned, and pigs marketed respectively.