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DEPARTMENT OF AGRICULTURAL ECONOMICS

SOME ECONOMIC ASPECTS OF PIG PRODUCTION

1954 - 1955

by

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I. THE MARKETING SITUATION 1954-55

During 1954-55, pig farmers' policies and, to some extent, their fortunes have been dominated by the changing marketing situation and accompanying uncertainties. While the Government have continued to subsidise the free market prices received, fluctuations in prices, the structure of the subsidies and the complexity of marketing channels available have caused farmers considerable uneasiness. As a consequence many farmers have drastically reduced their pig enterprise, many herds which were formerly expanding have remained static, and many have radically changed their type of production, in particular selling fat pigs rather than breeding gilts and weaners. The general effect of these changes on the number of pigs in the national herd can be seen in the Quarterly Census. (Table A. Appendix I).

The effect on the supply of pigs to the butcher and curer is shown in the statistics of monthly slaughterings. Large numbers were slaughtered in the autumn of 1954, the total weekly supply reaching a peak in December.

There were two outstanding characteristics of the winter period; first the heavy slaughtering of breeding stock (from Table A it can be seen that the number of sows for breeding and sows in-pig dropped by 64,000 (11½%) between September, 1954 and March, 1955); and second the high demand for pork before and after Christmas (in August baconers made up 45% of all pigs being slaughtered but this proportion steadily fell until December 1954 when it was only 29%).

Except for a temporary decline in January the supply of pigs was maintained until May when a period of marked shortage began, which was to last until the late autumn of 1955.

The wholesale bacon price is to some extent influenced by the amount of imported bacon released by the Government, and the retail price of pork is influenced by fluctuations in consumer demand. Nevertheless these wide fluctuations in the supply of pigs from home farms have had considerable effect on the prices paid. Graph I, for instance, shows the

average prices being paid for pigs of 6 score and 10½ score liveweight in representative markets in England and Wales during the year. Except for the period around Christmas, 1954, when the demand for pork was specially high, the price curve has tended to move inversely to the supply of pigs.

The prices paid by the butcher and curer are of course much modified by the subsidies paid by the Government. In the liveweight market these ensure that not only do all pigs reach an appropriate individual guarantee price but that pigs as a whole, over periods of 12 months, reach a guaranteed standard price. An example of the effect that subsidies have had on the prices received for pigs sold by auction is shown in Graph II. Pigs sold by deadweight are awarded subsidies which are based on the subsidies paid to pigs sold liveweight at the same time, but a large proportion of those pigs pass through the hands of the Fatstock Marketing Corporation who modify the prices actually paid to the farmer to encourage an improvement in quality and an even supply of bacon.ϕ

Prices in the store market followed fairly closely the prices of fat pigs, recovering from their depression in the autumn of 1954, but finally regaining the level of spring 1954 only when the market prices for fat pigs rose in the summer of 1955. Variations in weekly average prices between 78/- and 130/- for 8-10 week-old weaners were experienced during the year. This tendency for fat pig and weaner prices to keep in step seems to arise from the difficulty which the feeder finds in estimating what price his pigs will realise when fat. A comparison of weaner prices with the 6 score and 10½ score pig prices (including all subsidies) 10 and 20 weeks ahead respectively shows how great was the variations in the difference which the feeder experienced on individual bunches of pigs (see Graph III).

To some extent the success or failure reflected in the farmers' results that follow was influenced by these changes in pig prices.

ϕ The system of subsidy payment has now been simplified (March, 1956) in such a way that while only one subsidy will be paid the amount will be adjusted where necessary to ensure that average weekly prices fall within a range of about 10% either side of the guaranteed average price, a price range quite similar to that resulting under the former system (for instance, see Graph II).

II. THE RESULTS OF 46 COSTINGS

The following analysis is based on the results of 46 co-operators over the period from the autumn of 1954 to the autumn of 1955. Only three of these could be classed as specialist pig producers, the remaining 43 being farmers for whom pigs are only one source of income.

Although 20 farmers have continued from the previous year the nature of the group has substantially changed. Many of those remaining have so altered their production policy that the subdivisions used in the 1953-54 report are hardly relevant. In particular the part played by sales of breeding pigs has greatly declined. A different grouping has therefore been used; it is thought that this gives the individual farmer a more useful basis of comparison for assessing his own results. All these herds contain breeding sows, few fattening pigs being purchased as weaners.

Table I indicates that the bacon producers costed had more success than the weaner and pork producers. At least part of this success must be attributed to the better prices generally obtainable for bacon pigs. It even seems likely that the main buyers, the F.M.C., were supporting bacon prices during the summer of 1955 with funds accumulated in the previous summer.

The 14 herds mainly producing weaners had substantially higher labour and other costs than herds in the other groups.

Although the sample was not large enough to examine in detail the effect on effeciency of scale of production, a strong impression was gained that the large herds (both in terms of numbers of sows and the liveweight produced) were the more profitable, economies in costs being achieved especially by substitution of purchased proprietary feed by the growing and/or mixing of feed on the farm and by greater labour efficiency.

There are 20 farms for which records exist for two consecutive years. While in 1953-54 the average surplus per £100 Gross Output was £13.4 on these farms it dropped for 1954-55 to £6.9.

TABLE I[ϕ]

FINANCIAL RESULTS OF 46 PIG HERDS 1953-54 (GROSS OUTPUT = £100.0)

	Herds Producing Mainly Weaners	Herds Producing Mainly Pork	Herds Producing Mainly Bacon	All Herds
Number of Herds	14	13	19	46
	£	£	£	£
Sales	117.4	108.0	95.6	105.8
Valuation Change	-10.8	-4.7	+9.7	-.6
Less Pig Purchases	6.6	3.3	5.3	5.2
GROSS OUTPUT	100.0	100.0	100.0	100.0
Purchased Feed	69.5	67.2	62.1	65.7
Homegrown Feed	7.1	9.3	7.8	8.0
Labour	14.1	8.5	8.1	10.1
Other Costs	6.0	3.2	3.6	4.2
TOTAL COSTS	96.7	88.2	81.6	88.0
SURPLUS	3.3	11.8	18.4	12.0
NUMBER OF SALES	Nos.	Nos.	Nos.	Nos.
Weaners and Stores	2693	759	369	3821
Porkers	340	2178	627	3145
Baconers and Heavy Pork	294	833	3156	4283
Boars and Gilts	42	38	34	114
Old sows and boars	96	61	96	253
TOTAL PIGS SOLD	3465	3869	4232	11616

ϕ For definition of terms used see Appendix B.

Although the herds included were the same, substantial changes in their composition and the methods employed occurred. 1953-54 was a period of substantial expansion, over 20% of the gross output in that year being in the form of larger numbers of stock on hand in the closing valuations. While there was little change in size of herds between the autumn of 1954 and the autumn of 1955 sales were substantially greater in this second year, particularly of pork and bacon.

Changes in methods between the first and second year were shown in an increase in the relative importance of purchased as against homegrown feed, as well as a 6% increase in the total cost of feed per £100 gross output. Labour costs increased by 1½%, other minor costs remaining stable relative to output.

Standards of Production Efficiency

Within any group of farms of this kind there must inevitably be a wide range of farming conditions. The relationship between the pig enterprise and the rest of the farm will vary and so the approach of the farmer to the costs and returns of the pigs must also vary. Nevertheless all farmers keeping pigs will seek to improve their efficiency as pig producers wherever possible and it is interesting to examine a few accounts in detail where this efficiency has been high. It is probably by aiming at and beyond the standards achieved in these examples that future success is likely to be achieved.

The former report+ drew attention to the following factors as being crucial in the reduction of costs:

On the breeding side -

A high farrowing rate.
Large numbers reared per litter.
Low feed costs per sow (comprising both low feed price per cwt and economical feed consumption per sow and litter).

+ Miscellaneous Cost Studies No. 28. University of Reading.

On the fattening side -

Low feed cost per lb of liveweight gain (comprising both low feed price per cwt and low feed consumption per lb of liveweight gain).

Good quality of carcases.

The costings that have been collected over the last two years illustrate that success can be achieved with pigs under all sorts of conditions of organisation and housing and with various marketing objectives. The following examples, while showing this, illustrate the importance of the factors listed above.

With the exception of M 27, a small farm producing pigs and poultry, pigs form a subsidiary enterprise on these farms.

Of the five results included it will be seen that the first (B9) is that of a herd entirely concerned with the selling of weaners. While this market has been very unstable and most breeders have found this year one of low profit, the numbers produced per sow and the cheapness of the system on this farm have been such that a substantial profit has resulted. The breed mostly used is Wessex Saddleback with a recent development of Landrace and Landrace crosses which seem to be adapting themselves well to the conditions. The sows are run entirely outside, farrowing down under rough Nissen shelters, with farrowing dates concentrated in spring and autumn. Beside deriving much benefit from the leys and spare grass over which they run the sows and litters are heavily fed on cubes made up from ingredients either purchased or grown on the farm. The high productivity of the sows and the cheapness of the feed ensure a low feed cost per weaner.

The second herd (M 27) is smaller, producing various sizes of pig according to the market prospects, which are frequently reviewed by the farmer. The Wessex Saddleback breeding herd is again kept under very rough conditions on grass and forage crops, their ration being supplemented with Tottenham Pudding and swill. A good breeding record of 1.7 litters per sow per year and 8.6 reared per litter helps to ensure a low feed cost per sow and per weaner. Fattening is also based on concentrates and swill. While

TABLE II. RESULTS OF FIVE SUCCESSFUL HERDS ϕ

Code No.	B9	M27	M55	M34	M11
Average Number of sows	60	13.1	13.7	15	21
COST STRUCTURE PER £100 OF GROSS OUTPUT	£	£	£	£	£
Purchased Feed	50.2	57.8	38.7	39.8	51.6
Homegrown (concentrates)	.5	-	26.6	18.1	6.7
(fodder and grazing)	2.2	1.3	.5	.7	-
Labour	8.3	8.2	11.3	5.6	4.6
General Expenses	6.0	2.5	3.7	1.5	2.7
Total Costs	67.2	69.8	80.8	65.7	65.6
Surplus	32.8	30.2	19.2	34.3	34.4
NUMBERS OF PIGS SOLD	Nos.	Nos.	Nos.	Nos.	Nos.
Weaners and Stores	1068	3	-	-	-
Porkers	-	78	53	78	10
Baconers	-	50	171	99	261
(Grade A baconers)	-	(30)	(76)	(49)	(210)
Others	23	1	3	-	14
Total Pigs Sold	1091	132	227	177	285
STANDARDS OF PERFORMANCE					
Breeding					
Farrowings per sow	2.3	1.7	1.9	1.87	1.62
Nos. reared per litter	8.2	8.6	8.9	9.2	8.2
Feed cost/cwt	31/7	..	30/10	33/-	30/4
Feed per sow	33cwt	..	30cwt	19.4cwt	36.5cwt
Feed cost per sow	£52	£40.6s	£46.4s	£32.2s	£55.10s
Feed cost per weaner	£2.15s	£2.12s	£2.15s	£1.17s	£3.14s
Fattening					
Conversion rate	-	..	3.6	3.7	4.1
Feed cost/cwt	-	..	31/2	33/-	30/4
Feed cost per lb. of liveweight gain	-	14d	12d	13d	13d

ϕ The best average standards with which to compare the physical standards of performance achieved on these farms are probably those calculated in 'The Costs and Efficiency of Pig Production, England and Denmark', H.M.S.O. 1954.

grading of the baconers produced has not been very good and a large proportion of the pigs have been porked, the cross-bred pigs used together with satisfactorily adapted buildings have produced quick growth on a very cheap type of feed.

M 55 and M 34 are two herds of chiefly black sows crossed with white boars. The methods and objectives of these farmers are similar. The sows in both cases run out, being confined to huts and runs or to loose boxes for the farrowing period. Home grown meal is supplemented by grazing, this practice being particularly successful on M 34 where canal-side grazing is sufficient to reduce the feed of dry sows to 2 lbs of meal or less in the growing season. Feed cost per weaner is thus low in both cases. The pigs fattened in these herds are entirely home produced the main objective being the bacon market. No conspicuous success was achieved with grading during 1954-55 however, the results of M 55 being worse than M 34. Moderately good conversion rates of 3.6 and 3.7 respectively (bearing in mind that a proportion of the pigs were sold at light pork weights) and good feed cost per cwt were achieved. The lower expenditure on labour and other minor items was a third reason for the rather better result achieved on M 34 and M 55.

M 11 is a herd of Large White sows kept under artificial conditions with good housing at every stage. Again home mixing of home grown grain and purchased balancer is the basis of feeding, giving a low feed cost per cwt. The larger quantity fed per sow however is reflected in a substantially higher feed cost per weaner. On the fattening side feeding to appetite of home grown meal is practised. In this herd the strain of pig reared and the fattening accommodation combine to give not only moderately good conversion of feed to liveweight but also a highly satisfactory grading result. These factors together with low labour and general expenses give a highly profitable enterprise.

The five examples show the sort of herds which did well under the conditions reigning during the past year. It may be of course that market conditions will change. In future years, for instance, there may be more to gain by concentrating on bacon quality, rather than, as this year, on a quick rate of growth from cheap feeds and using pigs which though thrifty

are of moderate quality. In such an event plans may have to be changed and new investment in accommodation may be necessary on many farms. But a high level of achievement in other aspects of pig management, like that shown by the herds included in Table II, could well compensate for any sudden change in emphasis.

III PLANNING PRODUCTION POLICY

The farmer is frequently faced with problems of policy in the short and long term arising through changes in prices, the influence of other departments of the farm or the desire to make radical improvements in production methods. The problems vary widely from farm to farm and there is no way of reducing them to a standard form with a standard prescribed treatment. The levels of efficiency achieved have an important bearing on the decisions taken and are useful when weighing up the pros and cons of alternative plans.

The following are three problems which have occurred frequently on co-operating farms this year where information gained about standards of efficiency have been used in reaching a solution.

(1) The choice between rearing and fattening where general purpose accommodation permits the extension of either.

(2) The use of home grown barley to extend the fattening enterprise.

(3) At what weight and to what market to sell fat pigs.

(1) Rearing versus Fattening

With the rapid fluctuations in the size of the national herd experienced in the last two years a number of the more enterprising farmers have considered the possibility of forecasting the movement of weaner prices and adjusting the relative sizes of their breeding and fattening sides to take advantage of weaner price variations. On some farms the accommodation available for pigs is such that this can fairly easily be done.

The individual farmer in these circumstances needs to be able to calculate what may be called his 'break-even' weaner price, that is, the weaner price which, on his own standards of performance would give him an equal return on capital in breeding and fattening. A typical calculation of the break-even price is shown below, x being the symbol used to denote the break-even price of a litter. A farmer wishing to calculate his own break-even price should follow the same procedure substituting his own standards of performance and current prices for those used here.

It will pay the farmer to expand weaner production, either relative to, or in place of, his fattening operations as long as his own break-even price is below the price he estimates weaners will fetch by the time his expansion policy matures. This of course, assumes that his unit production costs in breeding and fattening are not greatly changed as a result of the changed policy.

It must be emphasised that this calculation throws no light on the absolute profitability of breeding or fattening but only on the relative merits of adjusting the proportions of each. Furthermore the farmer must be prepared for weaner prices to move in response to (a) the general level of fat pig prices (b) short term changes in demand for weaners and (c) any long term changes in the relative cost of breeding and fattening in the national herd.

Breeding	sh.	Fattening	sh.
Opening investment in breeding stock	400	Initial cost of 7 weaners	x
Feed for sow and litter of 7, $14\frac{1}{2}$ cwts @ 36/- per cwt	522	Feed for 7 weaners, 49 cwts @ 33/- per cwt	1617
Labour and other expenses	174	Labour and other expenses	404
Peak investment at sale	1096	Peak investment at sale	2021 + x
Average investment$^{\phi}$	$\frac{400 + 1096}{2}$	Average investment$^{\phi}$	$\frac{x + (2021 + x)}{2}$
	= 748/-		(1010 + x)/-

Revenue from 7 weaners	x/-	Revenue from 7 fat pigs at $7\frac{3}{4}$ sc.	2790/-
Expenses of feed, labour and other items (plus 40/- sow depreciation)	736/-	Expenses of feed, labour and other items	2021 + x
Net return on average investment	$\frac{x - 736}{748}$	Net return on average investment	$\frac{2790 - (2021 + x)}{1010 + x}$

The break-even point can therefore be calculated from the equation:-

$$\frac{x - 736}{748} = \frac{2790 - (2021 + x)}{1010 + x}$$

$$(x - 736)(1010 + x) = 748\left[2790 - (2021 + x)\right]$$

$$x^2 + 274x - 743360 = 575000 - 748x$$

$$x^2 + 1022x - 1318360 = 0$$

$$(x + 1766)(x - 744) = 0$$

Therefore $x = 744/-$

or 106/- per weaner.

ϕ Average Investment is assumed to be the mean of the opening and peak investment. While investment tends to increase at an increasing rate a simple average is considered sufficiently accurate for the farmer's purpose.

(2) The Use of Home Grown Barley

The arable farmer is frequently faced with the questions (1) whether to sell his barley immediately or to store it and sell when the price improves and (2) whether to feed the stored grain to pigs or to sell it to a merchant. The first is essentially part of the arable department of the farm and the answer to it is dependent on such things as harvesting method, varieties grown, the capital available for purchasing storage equipment etc.

The answer to the second question will differ according to whether the farmer already has a pig herd and permanent specialised equipment or whether he fattens pigs intermittently. In the first case he has to compare the price of bought-in barley against the maximum price he expects to get for his own.

The intermittent pig fattener is in a rather different position. He must base his calculations on the margin he is likely to experience between the weaner price at the time he buys and the fat pig price at which he sells; this has varied widely over the first 18 months of free marketing.

Moreover, it is likely that, although his labour and accommodation are in any case available and therefore not to be taken into account here, his conversion rate and the quality of the resulting carcase will be poorer than the regular producer's. He is therefore likely to be working to a fairly narrow margin of profit.

He has to satisfy himself that his pigs will remain profitable when consuming barley at the highest price likely to be realised for his own crop. He must therefore compare the maximum price he hopes to get for his stored grain and the maximum price at which he can feed barley and avoid a loss on his pigs (i.e. the 'no profit' price).

The 'no profit' price can be calculated on the following lines using the farmer's standards of performance, if known, and the fat pig and weaner prices expected.

		£.	s.	£.	s.
Expected average price for 7¾ score pig (at 50/- per sc. DW.)				19.	7.
less marketing charge		0.	9.		
less weaner cost		5.	10.		
less cost of ½ cwt of protein balancer		1.	16.		
less cost of grinding and mixing respectively 7 and 7½ cwts meal		0.	14.		
less interest charge on capital required	about	0.	5.		
				8.	14.
Difference available to cover barley purchase				£ 10.	13.

If 7 cwts of barley are required to fatten a baconer the 'no profit' price of barley would here be 30/5 per cwt.

If the farmer with these costs of production and these prices for weaners and fat pigs is not likely to get more than 30/5 per cwt for his barley by direct sales he would be advised to feed it to pigs.

During 1954-55 when the maximum average monthly price for barley was 29/5 (in March, 1955) the intermittent producer whose grade of pig averaged 'C' could only have used his barley profitably as pig feed by feeding weaners which were bought cheaply in October-November, 1954 for sale in January-February, 1955.

The major difficulty the farmer faces, of course is to estimate in advance the way barley and pig prices will move.

The Marketing of Fat Pigs

The problem of marketing which faces the producer of fat pigs was discussed in last year's report. Since then another year has passed under free marketing conditions. Nevertheless it would not be true to say that the farmer's choice is much clearer. The external influences bearing on the demand for home killed pigs, together with certain weaknesses in the system of subsidy payment have often caused prices to move unexpectedly.

Thus fluctuations in the market have tended to obscure the benefits of planning production in relation to conditions on the farm and to standards of performance.

The problem is many sided, but in particular the farmer has to decide (a) between producing pork and bacon

(b) at what weight to sell.

Owing to the fact that under present conditions there is no clear-cut distinction between pork and bacon breeds this problem may crop up with every bunch of pigs being fattened and, furthermore, may resolve itself into the question 'pork at 120 lbs, bacon at 210 lbs or heavy hog at 300 lbs live-weight?'

At the outset it is necessary to distinguish between 3 main types of pig producer

(1) the farmer who produces his own weaners and who has elaborate and expensive fattening accommodation

(2) the large scale feeder

(3) the producer with no specialised accommodation, with or without a breeding herd of his own.

The self contained herd with good fattening accommodation generally has as its objectives (1) a steady production round the year (2) high quality production, so as to take maximum advantage of the fattening house. Because the effects of good housing and controlled feeding can best be seen at bacon weight and because the highest premium for quality is generally paid on bacon, such a herd, will probably have bacon as a main objective. Moreover it will be wise policy in such a herd to aim at high quality carcases (by culling sows which are shown by careful records to produce poor quality pigs, and by controlled feeding). In this way advantage is teken of high quality premiums in periods when the supply of pigs tends to outrun the demand of the curers, and in periods of shortage when the records of high quality act as an attraction to buyers of gilts for breeding.

In these conditions pork is likely to be a subsidiary product, confined to pigs which are obviously growing very slowly and are therefore wasting

food and space, and possibly to those which appear to be too fat for good grading (though the probable pork prices and 'C' and 'F' bacon prices near the time of sale must be compared before deciding).

The decision to sell good quality pork under these circumstances must be taken on the grounds (1) whether or not fattening space will be left vacant if the pigs are sold (2) the profit likely to accrue by keeping on the pigs to bacon. If the accommodation would anyway be left vacant it is the profit per pig which is relevant; if the accommodation can be filled it is the relative profit per pig-week which can be made in the accommodation as between pork and bacon production.

The temptation to sell at pork weight occurs particularly at Christmas time. It was noticeable however in 1954-55 that while auction prices early in December reached a peak of 30/- per score liveweight (with subsidies, 56/- per score deadweight) the effect of this boom was to cause a shortage of baconers 10 weeks later when the FMC price for Grade 'A' bacon was 60/- per score.

The large scale feeder has substantial fixed costs in the form of accommodation, labour and, perhaps, swill contracts and therefore has steady production as a main objective. Buying pigs in the market where quality might be difficult to assess, he is likely to be interested in bulk rather than quality production. To him the performance of his pigs in relation to feed cost before and after bacon weight is likely to be crucial. If he uses a cheap feed capable of conversion by large pigs he will generally be concerned to produce a steady supply of heavy hogs.

The mixed farm with no specialised accommodation is faced with the most difficult problem because there is not only the possible variation in the sale product but also the possibility of buying in weaners to fatten. It has sometimes proved highly profitable to buy weaners in the market. Thus a sale of porkers in early December 1954 when pork prices were high, and replacement by weaners for sale in late February, 1955 might have proved more profitable than one crop of moderate quality bacon sold in February, at any rate in those herds where conversion rate deteriorates after 120 lbs live-weight due to inferior accommodation.

Thus assuming a conversion rate of 3.5 from weaning to pork weight, and 4.5 from weaning to bacon weight, with labour and other charges constant and sow and weaner meal andfattening meal at 34/- and 30/- respectively:-

2 Porkers	£. s.	1 Baconer	£. s.
1st weaner cost	4. 8.	Weaner cost	4. 5.
2nd weaner cost	4. 5.		
Feed cost (30 to 120 lb at 3.5 conversion rate with meal at 34/- cwt)	9. 10.	Feed cost to 120 lbs at 3.5 conversion rate weaner meal at 34/- cwt.	4. 15.
		Feed cost to 210 lbs at 5.5 conversion rate with meal at 30/-	6. 13.
	18. 3.		15. 16.
1 porker at 30/- sc. LW		1 baconer ('B') at 57/- score DW	22. 2.
1 porker at 28/- sc. LW and subsidies	25. 12.		
Margin	£ 7. 9.		£ 6. 6.

If however the price difference between weaners and porkers 10 weeks later is likely to be narrow the mixed farmer is in a position (1) to sell weaners himself or (2) carry his pigs on to bacon weight. In the first place he makes a profit directly on his breeding herd and has fattening boxes he can temporarily use for other purposes; in the second he hopes either to sell when fat pig prices have recovered or to increase his profit per pig.

A farmer in this position needs to know the average rate of conversion and feed cost per cwt before and after 120 lbs liveweight.

APPENDIX A

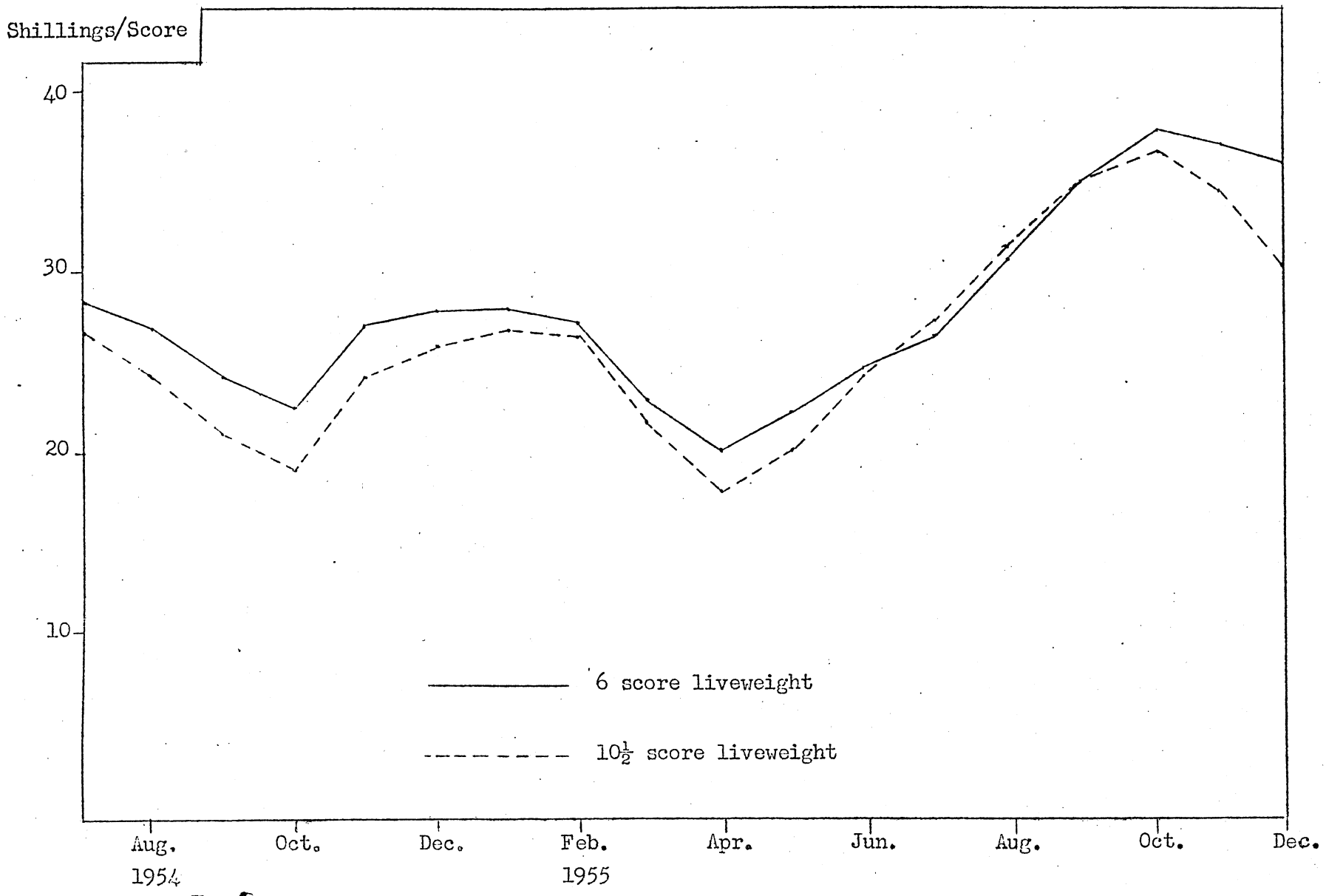
TABLE A

Quarterly Census of Numbers of Pigs, England and Wales ('000 s)

	Sept 1954	Dec. 1954	March 1955	June 1955	Sept 1955	Dec. 1955
Breeding Pigs						
Sows in pig	324	334	312	304	290	289
Gilts in pig	103	87	87	78	68	88
Other sows for breeding	236	216	205	182	188	175
Total sows for breeding	663	637	604	564	546	552
Boars for service	38	39	37	36	34	34
Other Pigs						
5 months old and over (including barren sows)	1301	1169	1236	883	1122	1117
2 - 5 months old	2177	2475	2025	1986	1949	2072
Under 2 months old	1514	1235	1222	1186	1247	1093
Total other pigs	4992	4879	4483	4055	4318	4282
Total pigs	5693	5555	5124	4655	4898	4868

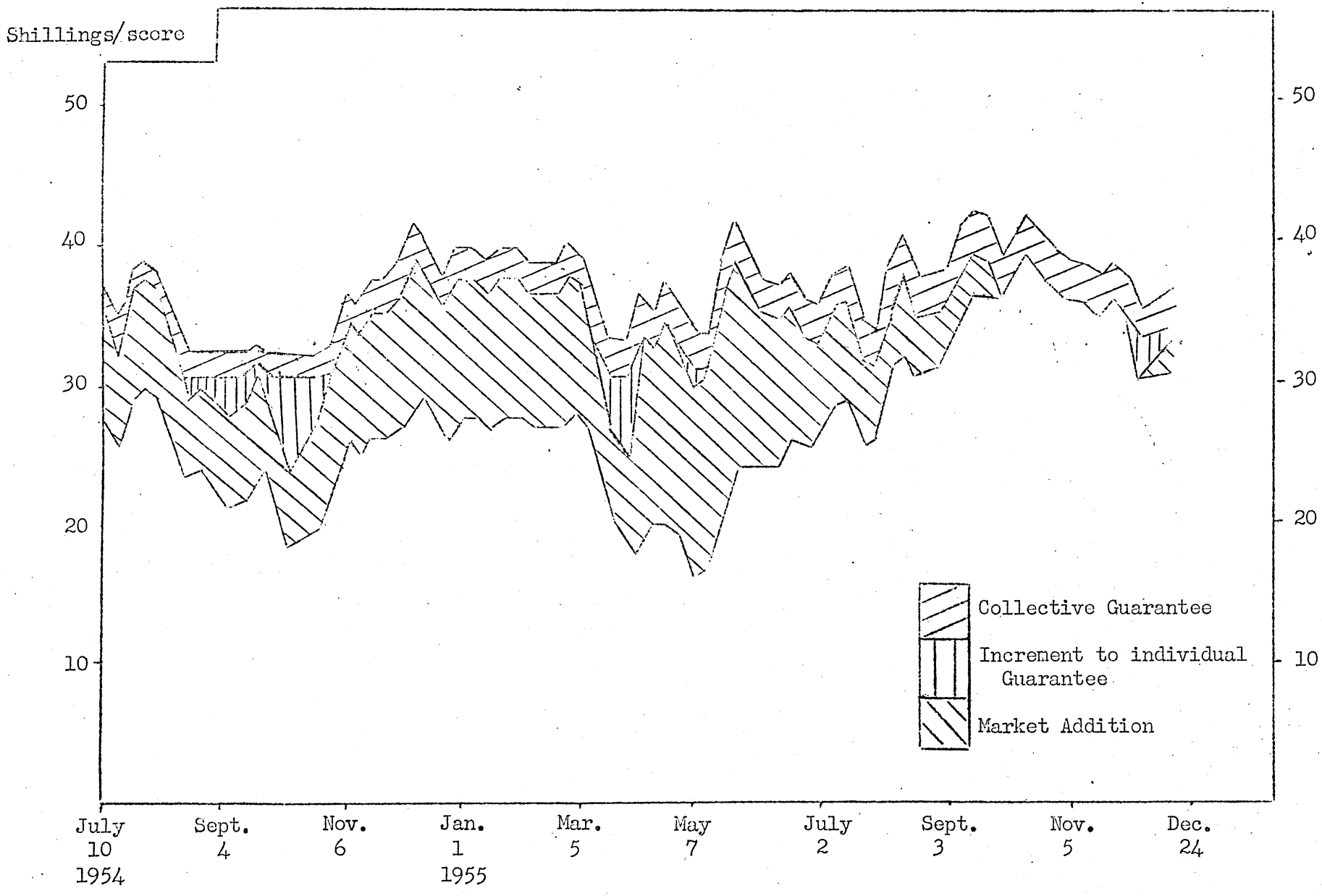
GRAPH I

AVERAGE AUCTION PRICES FOR FAT PIGS



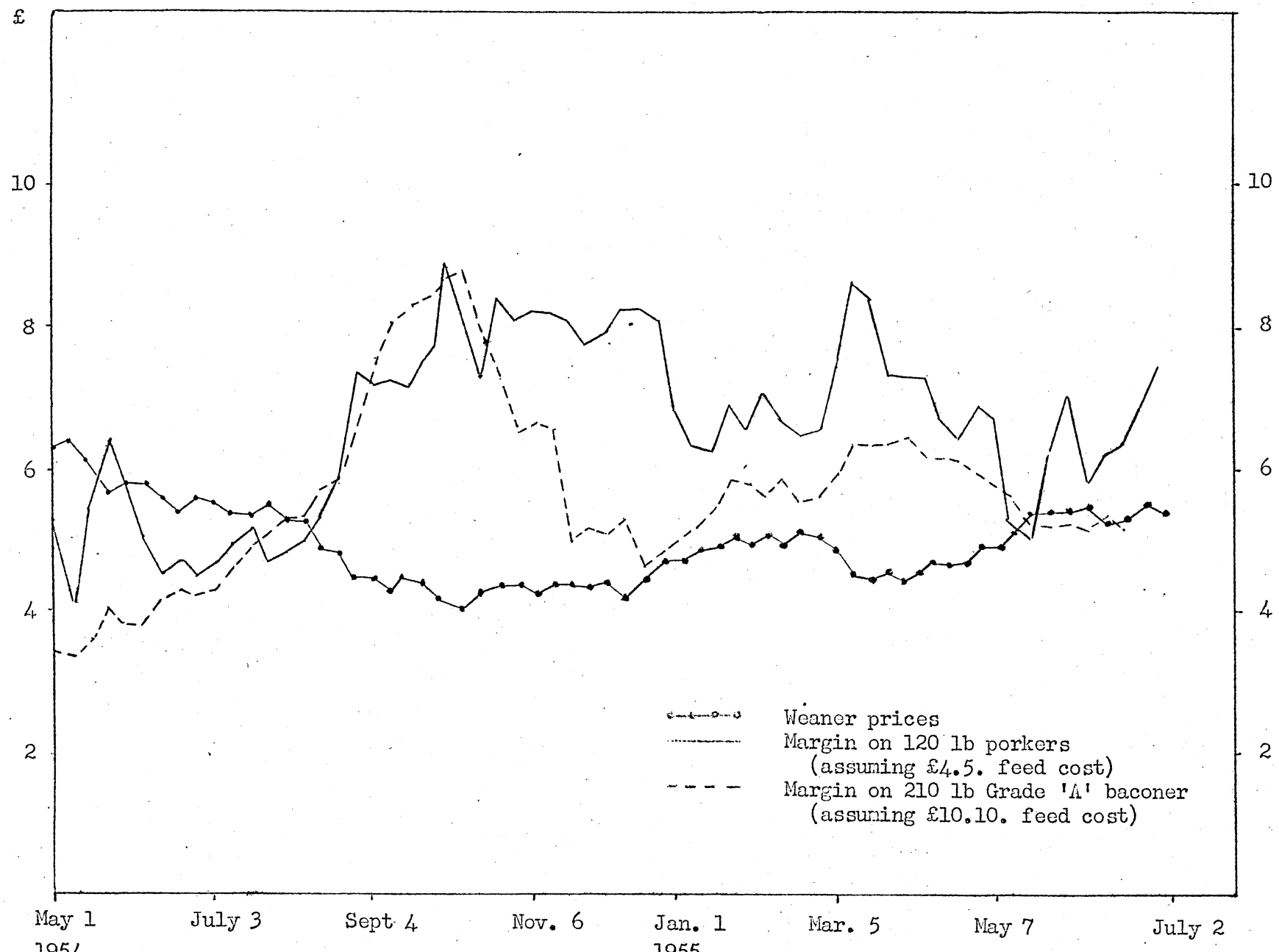
GRAPH II

The average weekly prices paid, and subsidies added, on porkers sold by auction at about 180 lbs liveweight



GRAPH III

A comparison of weaner prices and the margins over weaner and feed costs remaining when selling these weaners as baconers and porkers.



APPENDIX B

Definitions used in Table I.

Sales are net sales after deducting marketing charges, together with any income derived from boar services.

Valuation Change is the difference between the opening and closing valuation of livestock.

Pig Purchases include boar hire.

Homegrown foods have been entered at their estimated market value, together with an appropriate charge for processing. Where forage and fodders have been used for which no market prices exist, cost of production has been calculated.

Labour includes only manual labour. Tractor and horse costs have been included in 'other costs'.

Other Costs include all the minor expenses except accommodation costs and farm overheads. It was found impossible to calculate accommodation costs in some herds where housing was being shared with other types of stock.

Surplus is the sum remaining to cover the cost of accommodation, a return on capital invested and a reward to management.