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MG8C.1

The following data is taken from one pasture hog operation in Kansas.

**Benefits include:**

- There is a much lower initial start-up costs than in a confinement operation.
- A producer might receive a premium for pasture-raised pork.
- Producers think that the hogs are healthier when moved to new areas.
- Producers have fewer of the respiratory problems associated with confinement operations in either the hogs or humans.
- Not as much manure to handle mechanically.

**Drawbacks include:**

- It is more labor intensive.
- The weather can be difficult for the humans working with the hogs.
- There may be a lower litter size.

**Start-up investment**

This budget is calculated on managing 42 sows having 84 litters in a year. Each litter averages 7 pigs per litter for a total of 588 finished hogs. This producer also has a crop operation so in parts of this budget there is an allocated estimate for the investment in the hog operation. The start-up estimates do not take into account land value.

Hog share of tractors, equipment, etc.	\$20,000
Fencing and water system	\$ 5,000
Hog sheds (6 @ \$1,000)	\$ 6,000
Farrowing huts (8 @ \$750)	\$ 6,000
50 gilts @ \$100	\$ 5,000
4 Boars @ \$250	\$ 1,000
Total start-up investment	\$43,000

**Budget (per litter)**

**Income**

7 hogs @ 250 lbs @ 42 cents per lb receiving a 4 cent premium	\$ 735
Cull sows	\$ 9
Total litter income	\$ 744

**Variable expenses**

Purchased feed	\$191.00
49 bushel of corn @ \$2.30 per bushel	\$112.70
Breeding charge	\$ 4.00
Veterinary	\$ 1.00
Fuel	\$ 17.50
Repairs	\$ 23.90
Insurance	\$ 8.10
Hog share of taxes	\$ 9.60
Hog share of utilities	\$ 16.30
Labor	\$ 9.60
Miscellaneous & trucking	\$ 20.70
Total variable litter expenses	\$414.40

**Fixed investment expense,**

\$43,000/7 years @ 8% interest	\$ 8,259
\$8,259/84 litters	\$ 98.32
Total investment expense per litter	\$ 98.32
Income	\$744.00
Variable expenses	\$414.40
Fixed investment expense	\$ 98.32
Profit	\$231.28

If an operator puts 15 hours of labor into a litter the above profit would be paying him \$15.42 per hour of labor.

This enterprise budget was developed by Donn Teske. Donn is a farmer and FINPACK analyst. Funding for this management guide came from USDA's Sustainable Agriculture Research and Education program.