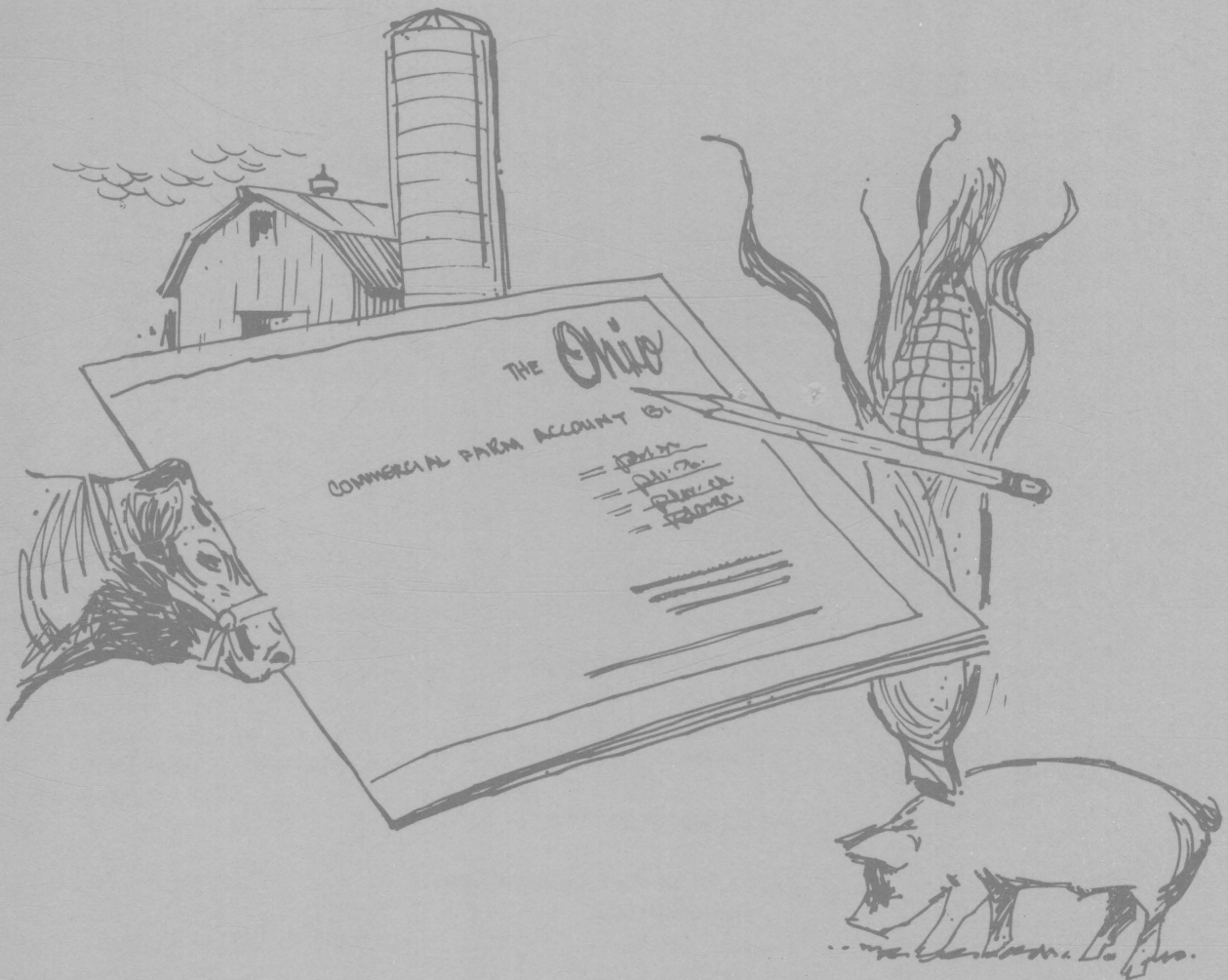


# 1978

# Farm Business Analysis Report

## SWINE SUMMARY



Department of Agricultural Economics and Rural Sociology  
Cooperative Extension Service  
The Ohio State University  
Columbus, Ohio

# SUMMARIES AVAILABLE FOR 1978

## TOTAL FARM SUMMARIES

Dairy  
Dairy By Herd Size  
Swine  
Beef  
General Crop

## ENTERPRISE SUMMARIES INCLUDED

Dairy  
Milk  
Farrow and Finish  
Finishing Only  
Beef Feeding  
Beef Breeding  
Corn  
Soybeans  
Wheat  
Oats  
Corn Silage  
Alfalfa Hay  
Clover-Mixed Hay

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# 1978 OHIO FARM BUSINESS ANALYSIS

## SWINE SUMMARY

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These figures and those on the following pages of this summary were compiled from 17 owner-operator and tenant-landlord swine farms. The value of pork production on the average contributed over 69% of gross farm income to these farms. The return per hour to unpaid labor and management income was \$9.22. These figures represent a 45% increase in unpaid labor income and a 16% decrease in pork production's contribution over 1977.

### TOTAL FARM SUMMARY

On the 17 farms summarized in the overall swine farm section, an average of 917 head of swine were sold per farm. Of this total, 43.6% were sold as feeder pigs. The swine enterprise used an average of 57.3%. In comparison to the 1977 total of 70.4%, this is a substantial reduction in labor used for pork production on these farms.

### INTRODUCTION

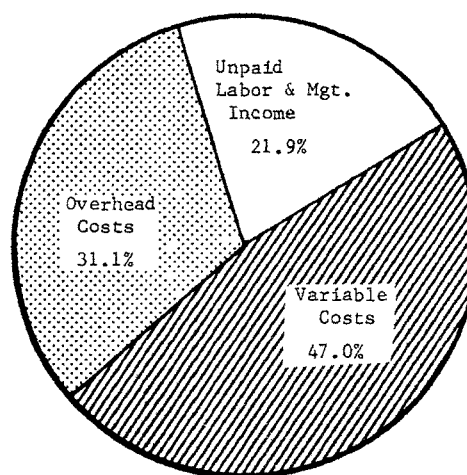
This annual summary is based upon farm and enterprise records sent to The Ohio State University for analysis. The purpose of this summary is to help Ohio pork producers spot strengths or weaknesses in their total farm program or of a particular swine enterprise by comparing their records with those reported in the summary. The format of the summary is similar to the individual detailed analysis received by the farmers submitting their records for analysis. Over 495 farmers from all areas of Ohio took part in the farm business analysis in early 1979 through their Vocational Agricultural instructors or Extension Agents. Not all the swine farm and swine enterprise records submitted contained complete and accurate enough data to be used in this summary.

### HIGHLIGHTS

Ohio swine farms summarized had an average gross farm income of \$115,327 in 1978 (Figure 1). Overhead costs of \$35,845 absorbed 31.1% and variable costs of \$54,231 absorbed 47.0% of gross farm income. This left 21.9% or \$25,251 for unpaid labor and management income. These figures show a 2.2% rise in overhead costs, a 10.5% reduction in variable costs, and an 8.3% increase in unpaid labor and management income in relation to 1977 levels. Also, the average return on investment rose from 9% in 1977 to 13.7% in 1978.

Figure 1

DISTRIBUTION OF AVERAGE GROSS FARM INCOME,  
OHIO SWINE FARMS, 1978



\$115,327

## ENTERPRISE SUMMARIES

Farrow and finish, and feeder pig enterprises are summarized on pages of this report. Due to the lack of complete and accurate data received from those farms with finishing only enterprises, the finishing only enterprise summary has been deleted from this report. Of the 28 enterprises used, 10 were included in the farrow and finish section and 18 enterprises were summarized in the feeder pig portion.

The farrow and finishing enterprise (farms having at least 90% of their swine sales from market hogs) realized a \$10.92 return to unpaid labor and management per hour and \$10.64 per hundred-weight of pork sold. These enterprises averaged 57 sows and gilts per farm, weaned an average of 7.1 pigs per litter, and produced 120,194 lbs. of pork per farm. Returns per dollar of feed fed averaged \$2.00. This represents an 8% increase over the 1977 figure of \$1.84. Cash expenses accounted for 50% of the total cost per hundredweight of pork produced for these enterprises.

The 18 feeder pig enterprises had an average of 70 head of sows and gilts per farm and weaned 7.4 pigs per litter. In terms of sales for 1978 these farms sold an average of 547 feeder pigs for an average value of sale of \$25,190. They received \$2.33 per dollar feed fed, again a substantial increase over that of the \$1.83 received in 1977. The average return per hour to unpaid labor and management income for these farm enterprises was \$10.07. Cash expenses represented 60% of the total cost of production per hundredweight.

### COST OF PRODUCING PORK

Figure 2 on page 3 is a graphic presentation of the costs of producing pork. The graph breaks down these costs into feed, labor and all other costs for each of the enterprise types summarized. The differences in costs of producing pork by the hundredweight can be seen between the two enterprises.

The feeder pig enterprises produced a hundredweight of pork for \$65.26 and the farrow-finish operations per hundred-weight (production cost) was \$42.99. Labor costs for both enterprises were the same. The difference in total costs becomes visible when a comparison of the feed and other costs are taken into account.

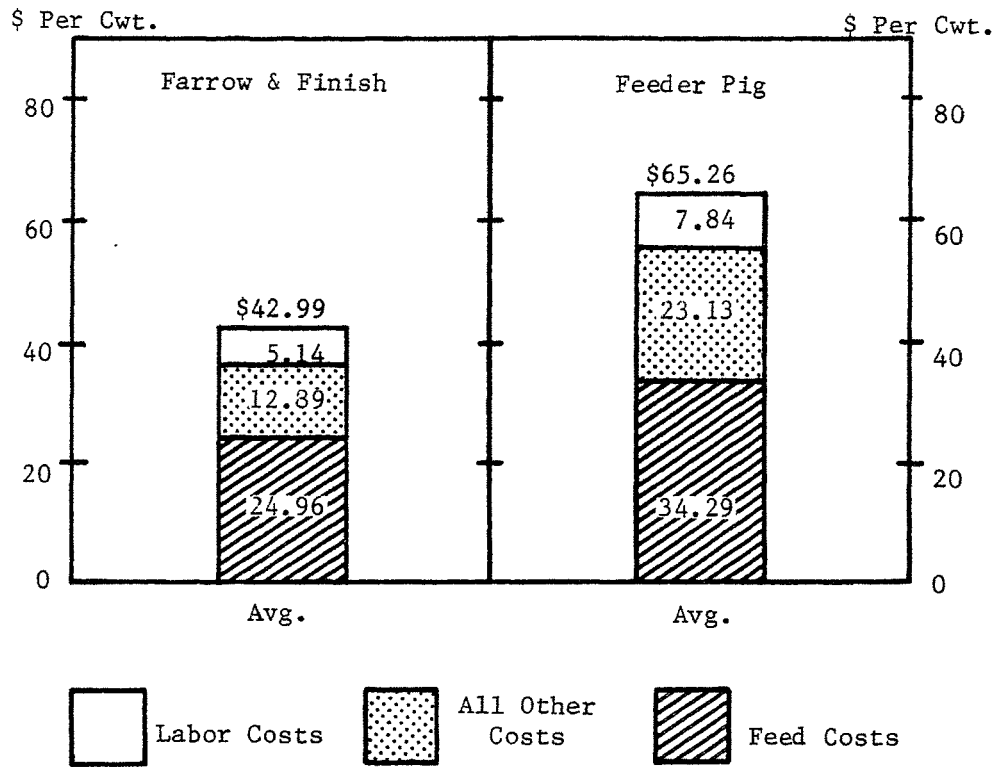
Feed costs per cwt. as a percentage of total cost for the farrow and finish enterprises were 58% of the total. This is 5% higher than the feeder pig enterprises feed costs of 53%. This assists in demonstrating the importance of good feed management in relation to the different types of swine enterprises. Because feed costs are lower in the feeder operations, it is evident that more labor and facilities are required for such an operation. Labor and other costs comprised slightly over 46% of the total cost for the feeder operations in comparison to 42% for the farrow-finish enterprises.

The price of grain is a major factor in the cost of producing a hundredweight of pork as has been indicated above. Despite this fact, not all costs of production move up or down simultaneously. Therefore a comparison of each cost on a per hundredweight basis to those reported in the summary is necessary in spotting potential strengths or weaknesses in the total farm business or a particular enterprise.

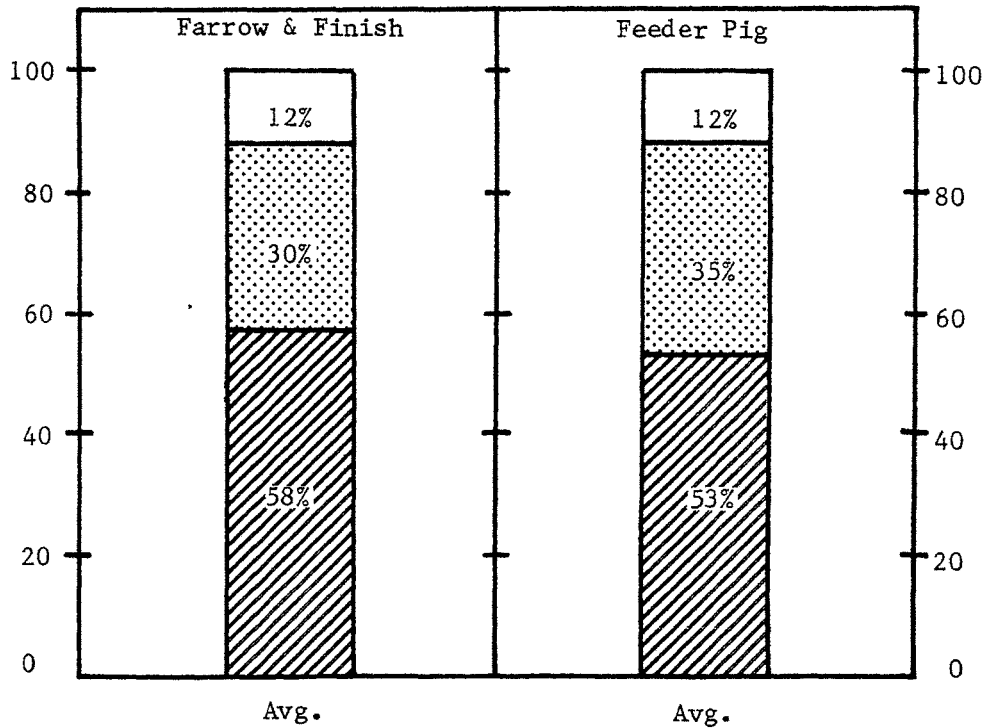
### NOTE

Value of production per hundredweight as defined in this summary is not the same as sales price. It is the increase in value of pork divided by the increase in weight. So, buying a 40 pound feeder pig for \$40 and selling it at 220 pounds for \$50/cwt yields 180 pounds of pork, increasing the value of \$70. This means a value of production per cwt. of \$38.90. Inventory value changes and/or price changes of breeding animals can affect this value in a similar way for both the farrow-finish and feeder pig enterprises.

### COST OF PRODUCING PORK - OHIO, 1978



### INDIVIDUAL COSTS AS A PERCENT OF TOTAL COSTS - OHIO, 1978



1978 OHIO FARM BUSINESS ANALYSIS REPORT

OVERALL SWINE FARM SUMMARY

17 OWNER-OPERATOR & TENANT-LANDLORD SWINE FARMS

	<u>Unit</u>	<u>Upper 50%</u>	<u>Average</u>	<u>Lower 50%</u>	<u>My Farm</u>
<u>INCOME</u>					
Cash Receipts	\$	139,225	99,090	53,939	_____
Capital Gains and Losses	\$	4,460	3,178	1,735	_____
Inventory Changes	\$	23,008	15,725	7,532	_____
- Feeder Livestock Purchased	\$	-4,793	-2,666	-273	_____
Gross Farm Income	\$	<u>161,900</u>	<u>115,327</u>	<u>62,933</u>	_____
<u>EXPENSES</u>					
Cash Expenses	\$	94,765	71,636	45,615	_____
Depreciation	\$	13,741	11,017	7,953	_____
Interest Not Charged	\$	11,581	10,089	8,409	_____
Unpaid Operator & Family Labor	\$	11,546	9,243	6,652	_____
- Feeder Livestock Purchased	\$	-4,793	-2,666	-273	_____
Total Farm Expense	\$	<u>126,840</u>	<u>99,319</u>	<u>68,356</u>	_____
<u>MANAGEMENT INCOME &amp; PROFIT</u>					
Total	\$	35,060	16,008	-5,423	_____
As a Percent of Gross Income	%	21.7	13.9	-8.6	_____
<u>UNPAID OPERATOR &amp; FAMILY LABOR</u>					
Total	\$	11,546	9,243	6,652	_____
As a Percent of Gross Income	%	7.1	8.0	10.6	_____
<u>OVERHEAD COSTS</u>					
Total	\$	44,060	35,845	26,605	_____
As a Percent of Gross Income	%	27.2	31.1	42.3	_____
<u>VARIABLE COSTS</u>					
Total	\$	71,234	54,231	35,099	_____
As a Percent of Gross Income	%	44.0	47.0	55.8	_____
<u>NET CASH INCOME</u>	\$	44,460	27,454	8,324	_____
<u>NET FARM INCOME</u>	\$	58,187	35,340	9,638	_____
<u>INVESTMENT</u>					
Total	\$	300,003	258,963	212,793	_____
Return to Investment	\$	57,560	35,430	10,536	_____
Percent Return on Investment	%	19.2	13.7	5.0	_____
Gross Income Per \$1,000 Invested	\$	540	445	296	_____
<u>TOTAL UNPAID LABOR &amp; MANAGEMENT INCOME</u>					
Total	\$	46,606	25,251	1,229	_____
Per Hour	\$	13.77	9.22	.61	_____
Number of Farms	No.	9	17	8	_____
Number of Sows & Gilts	Hd.	119	99	76	_____
Labor Efficiency Factor	%	86.6	83.4	77.0	_____

1978 OHIO FARM BUSINESS ANALYSIS REPORT

OVERALL SWINE FARM SUMMARY

	<u>Unit</u>	<u>Upper 50%</u>	<u>Average</u>	<u>Lower 50%</u>	<u>My Farm</u>
<u>CASH RECEIPTS</u>					
General Crops	\$	21,695	15,266	8,034	_____
Special Crops	\$	-0-	179	381	_____
Cash Rent and Royalties	\$	-0-	689	1,465	_____
Labor Off Farm	\$	-0-	11	24	_____
Custom Work	\$	1,917	1,015	-0-	_____
Wool	\$	117	62	-0-	_____
Tax Refund	\$	145	89	27	_____
Patronage Dividend	\$	953	752	526	_____
Miscellaneous Receipts	\$	425	288	127	_____
Government Payments	\$	88	45	-0-	_____
Market Livestock					_____
Swine	\$	102,192	73,510	41,243	_____
Cattle	\$	9,050	5,785	2,112	_____
Lambs	\$	2,643	1,399	-0-	_____
Total Cash Receipts	\$	139,225	99,090	53,939	_____
<u>CASH EXPENSES</u>					
Hired Labor	\$	4,226	3,531	2,749	_____
Feed Purchased	\$	28,975	23,642	17,641	_____
Farm Supplies	\$	6,010	4,141	2,038	_____
Machinery Repairs	\$	3,831	2,915	1,886	_____
Bldg., Fence, Tile, Etc. Repairs	\$	1,538	1,040	479	_____
Fuel, Oil, and Grease	\$	3,576	2,600	1,502	_____
Utilities (Farm Share)	\$	1,990	1,674	1,318	_____
Drying & Storage	\$	855	618	351	_____
Miscellaneous Expenses	\$	704	555	385	_____
Seeds and Plants	\$	3,521	2,363	1,060	_____
Fertilizer and Lime	\$	13,184	9,097	4,499	_____
Machine Hire and Trucking	\$	1,601	1,039	408	_____
Auto Expense (Farm Share)	\$	393	398	408	_____
Interest on Notes and Mortgage	\$	10,919	9,333	7,550	_____
Veterinary and Medicine	\$	1,807	1,318	767	_____
Breeding Fees and Registration	\$	561	340	92	_____
Feeder Livestock Purchase	\$	4,793	2,666	273	_____
Taxes (Farm Share)	\$	1,564	1,227	848	_____
Cash Rent	\$	3,450	2,242	884	_____
Insurance (Farm Share)	\$	1,267	897	482	_____
Total Cash Expenses	\$	94,765	71,636	45,615	_____

1978 OHIO FARM BUSINESS ANALYSIS REPORT

OVERALL SWINE FARM SUMMARY

	<u>Unit</u>	<u>Upper 50%</u>	<u>Average</u>	<u>Lower 50%</u>	<u>My Farm</u>
<u>CAPITAL GAIN</u>					
Raised Breeding Stock	\$	3,854	3,057	2,160	_____
Purchased Breeding Stock	\$	606	178	-303	_____
Machinery and Equipment	\$	0	-57	-122	_____
Total Capital Gain or Loss	\$	<u>4,460</u>	<u>3,178</u>	<u>1,735</u>	_____
<u>NET INVENTORY CHANGE</u>					
Raised Breeding Livestock	\$	5,663	4,569	3,342	_____
Market Livestock	\$	5,055	3,159	1,025	_____
Grain, Hay, Supplement	\$	11,755	7,576	2,872	_____
Supplies and Fertilizer	\$	535	421	291	_____
Total Inventory Change	\$	<u>23,008</u>	<u>15,725</u>	<u>7,530</u>	_____
<u>DEPRECIATION</u>					
Buildings, Fence, Etc.	\$	3,194	3,126	3,052	_____
Machinery and Equipment	\$	10,180	7,297	4,054	_____
Purchased Breeding Stock	\$	367	594	847	_____
Total Depreciation	\$	<u>13,741</u>	<u>11,017</u>	<u>7,953</u>	_____
<u>CAPITAL INVESTMENT</u>					
Purchased Breeding Stock	\$	5,250	8,023	11,147	_____
Raised Breeding Stock	\$	21,829	14,367	5,972	_____
Market Livestock	\$	32,725	22,846	11,732	_____
Grain and Hay	\$	37,298	26,565	14,495	_____
Supplies and Fertilizer	\$	1,954	1,610	1,222	_____
Machinery and Equipment	\$	58,754	42,390	23,900	_____
Buildings, Fence, Tile	\$	42,647	41,603	40,568	_____
Land (Current Ag. Value)	\$	99,546	101,494	103,677	_____
Total Capital Investment	\$	<u>300,003</u>	<u>258,963</u>	<u>212,793</u>	_____
<u>RATIO ANALYSIS</u>					
Profit Margin	\$	35.6	30.7	16.7	_____
Turnover	\$/ \$	.540	.445	.296	_____
Return on Investment	%	19.2	13.7	5.0	_____



1978 OHIO FARM BUSINESS ANALYSIS SUMMARY

OVERALL SWINE FARM SUMMARY

	<u>Unit</u>	<u>Upper 50%</u>	<u>Average</u>	<u>Lower 50%</u>	<u>My Farm</u>
<u>LABOR EFFICIENCY</u>					
Reported Labor Used On Farm					
Operators Labor Used					
Number of Hours		2,846.4	2,295.3	1,675.3	_____
Value/Hour	\$	3.50	3.43	3.36	_____
Unpaid Family Labor Used					
Wife					
Hours		230.0	178.8	121.2	_____
Value/Hour	\$	2.20	2.21	2.25	_____
Family Labor Over 14					
Hours		406.6	356.4	300.0	_____
Value/Hour	\$	2.25	2.31	2.37	_____
Family Labor Under 14					
Hours		61.1	32.2	0	_____
Value/Hours	\$	1.75	1.75		_____
Hired Labor					
Hours		1,535.2	1,172.5	764.6	_____
Value/Hour	\$	2.75	3.01	3.60	_____
Number of Man Equivalent Hours Used	Hr.	4,921	3,912	2,777	_____
Number of PMWU Used	No.	492	391	278	_____
Number of Man-Year Equivalentents Used	Yr.	1.64	1.30	.93	_____
Value of Operators Labor Used	\$	9,924	7,913	5,650	_____
Value of Unpaid Family Labor Used	\$	1,622	1,330	1,001	_____
Value of Hired Labor Used	\$	4,226	3,531	2,749	_____
Value of Total Labor	\$	15,772	12,774	9,400	_____
Value of Labor Per Man Hour Equivalent	\$	3.21	3.27	3.38	_____
Value of Labor Per PMWU	\$	32.05	32.65	33.85	_____
Value of Labor Per Man-Year Equivalent	\$	9,615	9,796	10,155	_____
Labor Efficiency Factor	\$	86.6	83.4	77.0	_____

1978 OHIO FARM BUSINESS ANALYSIS REPORT

OVERALL SWINE FARM SUMMARY

	<u>Unit</u>	<u>Upper 50%</u>	<u>Average</u>	<u>Lower 50%</u>	<u>My Farm</u>
<u>CROPS SUMMARY</u>					
Crop Production					
Corn					
Acres	A.	194	136	70	_____
Yield	Bu.	107.2	105.6	100.8	_____
Soybeans					
Acres	A.	41	24	6	_____
Yield	Bu.	29.8	30.4	34.4	_____
Oats					
Acres	A.	0	1	2	_____
Yield	Bu.		36.5	32.5	_____
Wheat					
Acres	A.	11	6	0	_____
Yield	Bu.	45.4	44.4		_____
Alfalfa					
Acres	A.	7	3	0	_____
Yield	T.	3.2	3.2		_____
Clover					
Acres	A.	7	10	12	_____
Yield	T.	1.2	1.8	2.3	_____
Corn Silage					
Acres	A.	3	1	0	_____
Yield	T.	9.6	9.6		_____
Other Crops					
Acres	A.	12	9	4	_____
General Crop Acres	A.	275	190	94	_____
Total Harvested Crop Acres	A.	277	191	94	_____
Rotation Pasture Acres	A.	4	1	0	_____
Total Tillable Acres	A.	281	192	94	_____
Value of General Crops	\$	55,252	38,118	18,842	_____
Value of All Crops	\$	56,090	38,606	18,937	_____
General Crop Prod. Value Per Acre	\$	200.91	200.62	200.45	_____
All Crop Prod. Value Per Harvested Acre	\$	202.53	202.16	201.46	_____
Percent of Gen. Crops in Corn and Soybeans	%	86.5	84.7	80.9	_____
Percent Total Tillable Acres in Corn and Soybeans	%	84.7	83.9	80.9	_____
Fert. and Lime Cost Per Tillable Acre	\$	46.92	47.38	47.86	_____
Mach. Investment Per Tillable Acre	\$	209.09	220.78	255.11	_____
Total Power and Machinery Cost	\$	22,070	16,415	10,052	_____
Machinery Cost Per Tillable Acre	\$	78.54	85.49	106.94	_____

1978 OHIO FARM BUSINESS ANALYSIS REPORT

OVERALL SWINE FARM SUMMARY

	<u>Unit</u>	<u>Upper 50%</u>	<u>Average</u>	<u>Lower 50%</u>	<u>My Farm</u>
<u>LIVESTOCK SUMMARY</u>					
Total Value of Feed Fed to all Livestock Enterprises	\$	52,946	39,893	25,208	_____
Value of Net Livestock Increase*	\$	123,180	89,076	50,709	_____
Returns Per \$ Feed Fed to all Livestock Enterprises	\$	2.33	2.23	2.01	_____
<u>FARM EFFICIENCY INFORMATION**</u>					
Number of Man-Years of Labor	\$	1.64	1.30	.93	_____
Gross Income Per Man	\$	98,720	88,713	67,670	_____
Number of Full-time Operators	\$	.95	.77	.56	_____
Labor and Management Income Per Full-time Operator	\$	49,059	32,794	2,195	_____
Pounds of Pork Sold Per Farm	Lbs.	173,405	117,279	54,138	_____
Pounds of Pork Sold Per Man	Lbs.	105,735	90,215	58,213	_____
Number of Pigs Weaned Per Litter	Hd.	7.9	7.7	7.2	_____
Farrowings Per Year Per Sow or Gilt***	No.	1.43	1.36	1.28	_____
Pigs Weaned Per Year Per Sow or Gilt	No.	11.34	10.54	9.17	_____
Number of Tillable Acres Per Farm	A.	281	192	94	_____
Number of Tillable Acres Per Man	A.	171	148	101	_____
Number of Sows and Gilts	Hd.	119	99	76	_____
Number of Sows and Gilts Per Man	Hd.	73	76	82	_____
Percentage of Weaned Pigs Sold As Feeders	%	39.0	49.6	72.6	_____
Pounds of Pork Sold Per Sow or Gilt	Lbs.	1,457	1,185	712	_____
Number of Market Hogs Sold Per Farm	No.	627	400	144	_____
Number of Feeder Pigs Sold Per Farm	No.	527	517	506	_____
Total Value of Pork Production	\$	115,625	79,584	39,038	_____
Value of Pork Production as Percent of Gross Farm Income	%	71.4	69.0	62.0	_____
Total Farm Investment Per Dollar Swine Production	\$	2.59	3.25	5.45	_____
Value of Pork Produced Per Man	\$	70,503	61,218	41,976	_____
Percent of Total Farm Labor Used in Swine Enterprise	%	58.3	57.8	56.8	_____

\* These figures reflect inventory changes as well as sales receipts.

\*\* Factors per man include all labor used on the farm and are stated per man-year equivalents. (3,000 man hours = 1 man-year equivalent)

\*\*\* Includes some one-litter operations.

1978 OHIO FARM BUSINESS ANALYSIS REPORT

FARROW AND FINISH SWINE-ENTERPRISE SUMMARY ONLY

<u>PER CWT OF PORK PRODUCED</u> <u>FINANCIAL SUMMARY</u>	<u>Unit</u>	<u>Average</u> <u>Per Cwt</u>	<u>My Farm</u>
VALUE OF PORK PRODUCTION*	\$	49.99	_____
Cash Expenses			
Hired Labor	\$	1.50	_____
Feed Purchased	\$	11.78	_____
Farm Supplies	\$	.88	_____
Machine Repairs	\$	.44	_____
Build Fence, Etc.	\$	.59	_____
Fuel, Oil and Grease	\$	.22	_____
Utilities (Farm Share)	\$	.62	_____
Miscellaneous Expense	\$	.31	_____
Machine Hired Truck	\$	.14	_____
Auto Expense	\$	.13	_____
Interest on Notes	\$	1.99	_____
Vet Medicine	\$	.62	_____
Breeding Fees	\$	.03	_____
Taxes	\$	.31	_____
Rent	\$	.12	_____
Insurance	\$	.39	_____
Total Cash Expenses	\$	20.07	_____
Non-Cash Expenses			
Depreciation			
Building Fence Tile	\$	2.07	_____
Machinery and Equipment	\$	1.03	_____
Purchased Brdg. Stk.	\$	.18	_____
Total Depreciation	\$	3.28	_____
Unpaid Operator and Family Labor	\$	3.64	_____
Interest Not Charged	\$	2.82	_____
Home Grown Feeds	\$	13.18	_____
Total Non-Cash Expenses	\$	22.92	_____
TOTAL EXPENSE OF PORK PRODUCTION	\$	42.99	_____
Management Income and Profit*	\$	7.00	_____
Value of Production minus Cash Expenses	\$	29.92	_____
Return to Unpaid Operator and Family Labor, Management and Profit*			
Total per cwt	\$	10.64	_____
Per Hour	\$	10.92	_____

\* These figures reflect changes of inventory values of breeding animals as well as market hog sales.

1978 OHIO FARM BUSINESS ANALYSIS REPORT

FARROW AND FINISH SWINE-ENTERPRISE SUMMARY ONLY

	<u>Unit</u>	<u>Average</u>	<u>My Farm</u>
<u>NUMBER OF FARMS</u>		10	_____
<u>GENERAL INFORMATION</u>			
Swine Performance			
Sows and Gilts	Hd.	57	_____
Sows and Gilts Per Man Equivalent	Hd.	95	_____
Litters Farrowed	Hd.	82	_____
Total Pigs Weaned	Hd.	580	_____
Pigs Weaned Per Litter	Hd.	7.1	_____
Farrowings Per Year Per Sow or Gilt	No.	1.44	_____
Pigs Weaned Per Year Per Sow or Gilt	No.	10.18	_____
Pork Produced	Lb.	120,194	_____
Pork Produced Per Man Equivalent	Lb.	200,993	_____
Returns Per \$ Feed Fed	\$	2.00	_____
Market Hogs Sold			
Number	Hd.	480	_____
Pounds	Lb.	108,932	_____
Value	\$	51,418	_____
Wt./Hog	Lb.	226.9	_____
Value/Cwt.	\$	47.20	_____
<u>PER CWT PORK PRODUCED</u>		<u>Per Cwt</u>	
Total Investment	\$	64.05	_____
Return on Investment	\$	11.81	_____
Percent Return on Investment	\$	18.4	_____
Total Feed Costs	\$	24.96	_____
Feed Required			
Value of Supplement	\$	10.48	_____
Value of Grain	\$	14.35	_____
Value of Roughages	\$	.12	_____
Productive Man Work Units	No.	.149	_____
Value of Labor Used	\$	5.14	_____
<u>RATIO ANALYSIS</u>			
Profit Margin	%	23.6	_____
Turnover	\$/ \$	.780	_____
Return on Investment	%	18.4	_____

1978 OHIO FARM BUSINESS ANALYSIS REPORT

FEEDER PIG-ENTERPRISE SUMMARY ONLY

PER CWT OF PORK PRODUCED <u>FINANCIAL SUMMARY</u>	Unit	Upper 50%	Average	Lower 50%	My Farm
		Per Cwt	Per Cwt	Per Cwt	
VALUE OF PORK PRODUCTION*	\$	81.22	79.84	77.83	_____
Cash Expenses					
Hired Labor	\$	.73	.53	.25	_____
Feed Purchased	\$	21.46	24.83	29.73	_____
Farm Supplies	\$	.71	1.16	1.80	_____
Machine Repairs	\$	.67	.79	.97	_____
Build Fence, Etc.	\$	.70	.63	.53	_____
Fuel, Oil and Grease	\$	.52	.55	.60	_____
Utilities (Farm Share)	\$	1.18	1.64	2.30	_____
Misc. Expense	\$	.41	.49	.68	_____
Machine Hired Truck	\$	.25	.24	.21	_____
Auto Expense	\$	.31	.31	.31	_____
Interest on Notes	\$	1.88	5.29	10.24	_____
Vet Medicine	\$	1.97	1.93	1.80	_____
Taxes	\$	.37	.36	.34	_____
Rent	\$	.09	.15	.23	_____
Insurance	\$	.43	.47	.53	_____
Total Cash Expenses	\$	<u>31.68</u>	<u>39.37</u>	<u>50.53</u>	_____
Non-Cash Expenses					
Depreciation					
Bldg. Fence Tile	\$	1.73	2.45	3.52	_____
Machinery and Equipment	\$	2.31	3.14	4.34	_____
Purchased Breeding Stock	\$	.12	.18	1.81	_____
Total Depreciation	\$	<u>4.16</u>	<u>6.40</u>	<u>9.67</u>	_____
Unpaid Opr. and Family Labor	\$	5.45	7.31	10.01	_____
Interest Not Charged	\$	4.22	2.72	.55	_____
Home Grown Feeds	\$	8.43	9.46	10.97	_____
Total Non-Cash Expense	\$	<u>22.26</u>	<u>25.89</u>	<u>31.20</u>	_____
TOTAL EXPENSE OF PORK PRODUCTION	\$	53.94	65.26	81.72	_____
Management Income and Profit*	\$	27.28	14.58	-3.89	_____
Value of Production minus Cash Expenses*	\$	49.54	40.47	27.31	_____
Return to Unpaid Operator and Family Labor, Management and Profit*					
Total	\$	15,838	8,926	2,033	_____
Per Hour	\$	22.28	10.07	1.91	_____
Per Cwt	\$	32.73	21.89	6.12	_____

\* These figures reflect inventory changes of feeder pigs and breeding animals as well as sales of feeder pigs.

1978 OHIO FARM BUSINESS ANALYSIS REPORT

FEEDER PIG-ENTERPRISE SUMMARY ONLY

	<u>Unit</u>	<u>Upper 50%</u>	<u>Average</u>	<u>Lower 50%</u>	<u>My Farm</u>
<u>NUMBER OF FARMS</u>		9	18	9	_____
<u>GENERAL INFORMATION</u>					
Swine Performance					
Sows and Gilts	Hd.	76	70	65	_____
Sows and Gilts Per Man Equivalent	Hd.	273	217	177	_____
Litters Farrowed	Hd.	88	82	76	_____
Total Pigs Weaned	Hd.	650	608	567	_____
Pigs Weaned Per Litter	Hd.	7.4	7.4	7.5	_____
Farrowings Per Year Per Sow or Gilt	No.	1.16	1.17	1.17	_____
Pigs Weaned Per Year Per Sow or Gilt	No.	8.6	8.7	8.7	_____
Pork Produced	Lb.	48,389	40,816	33,244	_____
Pork Produced Per Man Equivalent	Lb.	174,061	126,365	90,337	_____
Returns Per \$ Feed Fed	\$	2.72	2.33	1.91	_____
Feeder Pigs Sold					
Number	Hd.	576	547	517	_____
Pounds	Lb.	27,706	25,244	22,782	_____
Value	\$	28,821	25,190	21,559	_____
Wt./Pig	Lb.	48.1	46.2	44.07	_____
Value/Pig	\$	50.04	46.05	41.70	_____
<u>PER CWT PORK PRODUCED</u>					
		<u>Per Cwt</u>			
Total Investment	\$	81.35	106.84	143.92	_____
Return on Investment*	\$	33.38	22.59	6.90	_____
Percent Return on Investment*	\$	41.0	21.1	4.8	_____
Total Feed Costs	\$	29.89	34.29	40.70	_____
Feed Required					
Value of Supplement	\$	14.99	18.76	24.25	_____
Value of Grain	\$	14.31	15.13	16.31	_____
Value of Roughages	\$	.58	.39	.13	_____
Productive Man Work Units	No.	.173	.237	.332	_____
Value of Labor Used	\$	6.18	7.84	10.26	_____
<u>RATIO ANALYSIS</u>					
Profit Margin	%	41.1	28.3	8.9	_____
Turnover	\$/ \$	.998	.747	.541	_____
Return on Investment	%	41.0	21.1	4.8	_____

\* Returns on investment include inventory changes.

GLOSSARY OF SELECTED TERMS\*

GROSS FARM INCOME - is the sum of all cash receipts plus increases in inventory and capital gains less decreases in inventory, capital losses, and feeder livestock purchases. Feeder livestock purchases are deducted to reflect on farm production.

INTEREST NOT CHARGED - represents an estimated charge for equity capital. It is determined by taking seven and one half percent of total investment and subtracting the amount of interest paid during the year. This calculation makes a similar charge for the total investment of each farm enterprise.

UNPAID OPERATOR & FAMILY LABOR - is the wage charge for the operator and unpaid family labor using the time worked and rates per hour estimated by the farm operator.

TOTAL FARM EXPENSE - is the sum of all cash and non-cash expense for the farm less the cost of purchased feeder livestock. Non-cash expense includes depreciation, interest not charged and unpaid operator and family labor charge.

MANAGEMENT INCOME & PROFIT - equals Gross Income minus Total Farm Expense. This represents the return to management income and profit after all cash and non-cash expenses are deducted.

UNPAID LABOR & MANAGEMENT INCOME - equals Management Income and Profit plus Unpaid Operator and Family Labor. This represents the return to the operator and his family for their unpaid labor, management and profit.

NET FARM INCOME - equals Unpaid Labor and Management Income plus Interest Not Charged. This represents the return to the operator for equity capital, unpaid labor, management and profit.

RETURN TO INVESTMENT - equals Management Income and Profit plus paid and unpaid interest. Paid and unpaid interest equals seven and one half percent of Total Investment. This represents the return to all capital, owned and borrowed plus management and profit. This return times 100 divided by Total Investment gives Percent Return on Investment.

OVERHEAD COSTS - is the sum of depreciation, building repairs, interest paid, property taxes, cash rent, insurance and interest not charged. These represent costs that are essentially fixed and must be recovered regardless of the level of production.

VARIABLE COSTS - is the sum of all cash expenses other than those included in Overhead Costs. These costs vary with the level of production.

NUMBER OF MAN-YEAR EQUIVALENTS - represents the number of full-time man equivalents used on the farm for the entire year. Family labor is adjusted to a man-equivalent basis. One man-year equivalent is 3,000 hours.

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\*A complete listing of calculations is contained in occasional paper #300, "An Aid to Understanding the Individual Print-out."



VALUE OF ALL CROPS - represents all crop production valued at market price (not necessarily sold) plus government crop payments. Value of pasture is not included.

VALUE OF NET LIVESTOCK INCREASE - is the net value of livestock and livestock products produced during the year. This includes breeding fees, livestock products and livestock sold less value of livestock purchased during the year plus or minus changes in livestock inventory.

RETURN PER \$ FEED FED TO ALL LIVESTOCK ENTERPRISES - equals the Value of Net Livestock Increase divided by the Total Value of Feed Fed to All Livestock. The returns per dollar of feed fed should pay for the feed, labor, overhead on buildings and equipment required by livestock, other production costs, and provide a profit.

MACHINERY COST PER TILLABLE ACRE - is the sum of fuel, oil, grease, repairs and machine hire expenditures plus charges for depreciation and investment, less custom work receipts divided by total tillable acres. Total tillable acres equal total harvested crop acres plus acres of rotation pasture.

PROFIT MARGIN - equals Management Income and Profit plus paid and unpaid interest divided by gross income times 100. This percent shows the dollars of profit and interest received as a percent of each dollar of gross income.

TURNOVER - equals Gross Income divided by Total Investment. This is the same as the Gross Income Per \$1,000 Invested figure, but is given as a decimal figure rather than a return per \$1,000. It gives the dollars of gross income received during the year for each dollar of investment.

RETURN ON INVESTMENT - equals Management Income and Profit plus paid and unpaid interest divided by Total Investment. This is the same as Percent Return on Investment. It gives the dollars of profit and interest received during the year as a percent of each dollar of investment.

LABOR EFFICIENCY FACTOR - the total standard PMWU's for all enterprises are added together and the total is divided by the Number of Man Equivalent Hours Used (as reported on page 1 of the input form 7363). This figure is multiplied by 100 to give a percent. If more units per hour were cared for than the standard, this factor will be larger than 100.

#### SAMPLE POPULATION

The 17 owner-operator tenant-landlord swine farms and the 28 enterprise records used in this report are part of over 495 farm records from all types of Ohio farmers sent to The Ohio State University for analysis in 1979. Not all the farm records were complete and accurate enough to be used in the summaries.

July 1979

COMPARE YOURSELF TO OHIO'S TOP SWINE PRODUCERS

Enter performance records from your farm to compare with the following statistics of swine producers from the 1977 Ohio Farm Business Analysis.

	Unit	My Farm	Upper Half	Average	Projection for next year
<u>FARROW &amp; FINISH SWINE ENTERPRISE</u>					
1. Sows and Gilts Per Man*	Hd.	_____	109	95	_____
2. Pork Produced Per Man*	Lbs.	_____	208,931	200,933	_____
3. Litters Farrowed Per Sow Per Year	No.	_____	1.38	1.44	_____
4. Pigs Weaned Per Litter	Hd.	_____	7.1	7.1	_____
5. Returns Per \$ Feed Fed	\$	_____	2.06	2.00	_____
6. Value of Pork Prod. Per Cwt.	\$	_____	54	47	_____
7. Total Cost of Pork Prod. Per Cwt.	\$	_____	41	42	_____
8. Returns Above All Costs Per Cwt.	\$	_____	13	5	_____
9. Returns Above Cash Costs Per Cwt.	\$	_____	33	30	_____
10. Profit Per \$ of Gross Income**	\$	_____	.31	.24	_____
11. Gross Income Per \$ Invested	\$	_____	.95	.79	_____
12. Profit Per \$ Invested**	\$	_____	.30	.21	_____
<u>FINISHING SWINE ENTERPRISE</u>					
13. Sows and Gilts Per Man*	Hd.	_____	273	217	_____
14. Pork Produced Per Man*	Lbs.	_____	174,061	126,365	_____
15. Pigs Weaned Per Litter	Hd.	_____	7.4	7.4	_____
16. Returns Per \$ Feed Fed	\$	_____	2.72	2.33	_____
17. Value of Pork Prod. Per Cwt.	\$	_____	81	80	_____
18. Total Cost of Pork Prod. Per Cwt.	\$	_____	54	65	_____
19. Return Above All Costs Per Cwt.	\$	_____	27	15	_____
20. Return Above Cash Costs Per Cwt.	\$	_____	50	40	_____
21. Profit Per \$ of Gross Income**	\$	_____	.41	.28	_____
22. Gross Income Per \$ Invested	\$	_____	1.0	.75	_____
23. Profit Per \$ Invested	\$	_____	.41	.21	_____

\* One man is equal to 3,000 hours of labor per year.

\*\* Profit is what is left for management and capital invested after cash expenses, depreciation, and charges for labor and homegrown feed are subtracted from value of production.