Corn to Hogs Worksheet

Thursday, February 02, 2012

This worksheet attempts to illustrate the value of corn being fed to hogs given today's hog market. I am calculating the corn value based upon deducting an average "acceptable" expense in the hog enterprise, deducting a meal expense and applying the balance to corn.

All expense minus corn and meal:	$90.00
Bushels of corn used per pig:	8.0
Lbs of soybean meal used per pig:	125

	Todays Price Hogs:	Todays Price Corn:	Todays Price Meal:	Corn price with today's hog market
Feb'12	$87.65	$6.42	$322.30	$7.71
Mar'12	$89.23	$6.42	$322.30	$8.09
Apr'12	$89.23	$6.48	$324.30	$8.08
May'12	$99.10	$6.48	$324.30	$10.50
Jun'12	$99.10	$6.52	$326.70	$10.48
Jul'12	$99.10	$6.52	$326.70	$10.48
Aug '12	$98.40	$5.95	$325.90	$10.31
Sept '12	$88.60	$5.95	$324.20	$7.92
Oct '12	$88.60	$5.77	$320.00	$7.96
Nov '12	$84.23	$5.77	$319.40	$6.89
Dec '12	$84.23	$5.77	$319.40	$6.89
Jan'13	$84.40	$5.84	$320.90	$6.92
Feb-Jan	**$90.99**	**$6.16**	**$323.03**	**$8.52**

		Price	
Corn Yield:	180	$8.52	$1,533.28

Corn Variable Costs:		**Hog Variable Costs:**		**Hog Variable Costs:**		
Fert:	$100	Isowean	$39	Isowean	$39	26%
Seed:	$100	Yardage	$18	Yardage	$18	12%
Chem:	$25	Vet	$4	Vet	$4	3%
Custom Rate:	$110	Trucking	$2	Trucking	$2	1%
Insurance:	$22	Interest	$2	Interest	$2	1%
Intrest	$14	Insurance	$1	Insurance	$1	1%
Drying :	$17	Misc	$5	Misc	$5	3%
		Other Feed	$19	Other Feed	$19	13%
	---		---	Corn	$40	26%
	$388		$90	meal	$22	14%

					$152	100%
Net per acre	$1,145.28					

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With $8.52 per bushel left to apply to corn from the hogs
I then calculated breakeven on corn production.
The net per acre represents what value can be placed on the land after variable expenses.

"appropriate" return on investment in both the hog and corn enterprise.