

Revised Estimated Returns Farrow to Finish

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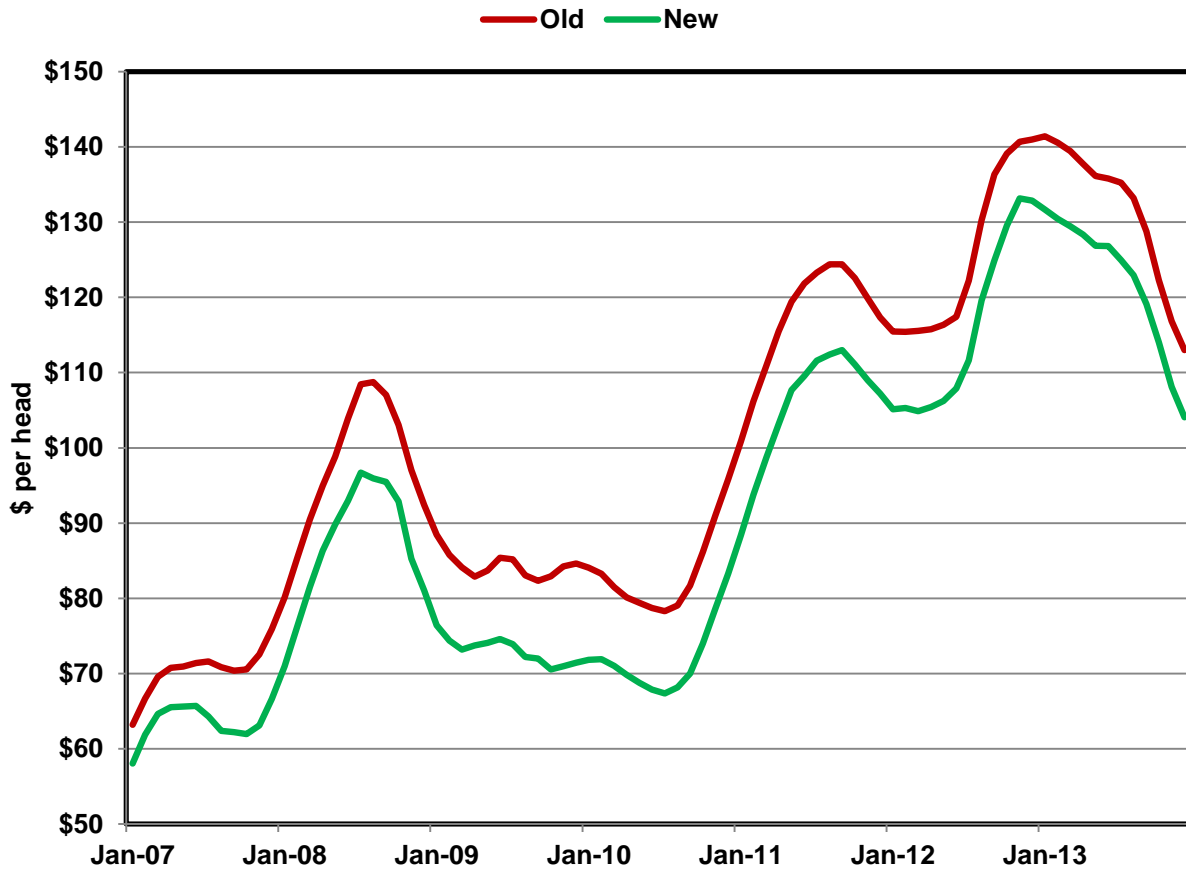
The Economics Department at Iowa State University has prepared monthly Estimated Returns livestock production in Iowa since the 1960s. Each month the costs and returns are calculated based on a set of production assumptions and prices for inputs and outputs that change over time. These returns are not meant to represent any one operation, but rather serve as a barometer of profitability for livestock producers.

Periodically, the procedures are evaluated and revised to more accurately reflect the enterprises we try to represent. The last update was in 2007. We have again updated the procedures beginning with January 2014. The main purpose of this update was to update the productivity, cost, and price procedures using available information. An explanation of how monthly returns are estimated is provided in the Procedures for Estimating Returns.

Given the procedures, standard measures including feed costs, non-feed costs (variable costs, operating interest, and fixed costs), total costs, sales value (gross return), net return, and breakeven values are calculated. These are the main “bottom-line” measures of core interest to most analysts. In addition, with the new procedures a manure credit is included to provide an estimate for the sale of manure (or value captured if used on producer owned land).

The following report provides a comparison of how the updated returns series would have looked over the 2007-2013 period under the new procedures.

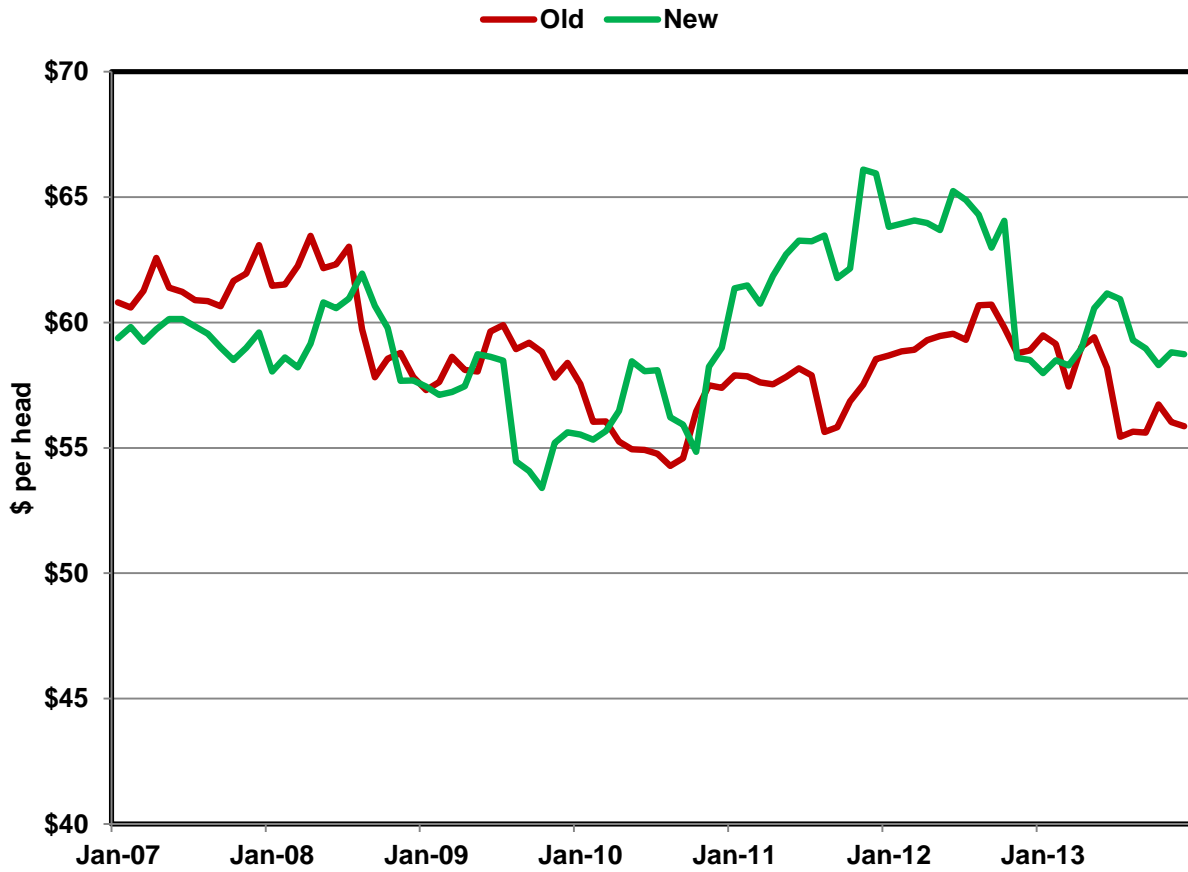
Farrow to Finish Feed Costs in \$ per Head, Old Procedures versus New Procedures



Difference in Farrow to Finish Feed Costs in \$ per Head, New Procedures – Old Procedures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	-5.17	-4.82	-4.93	-5.22	-5.29	-5.72	-7.32	-8.47	-8.17	-8.57	-9.41	-9.30
2008	-9.15	-9.11	-8.97	-8.62	-9.01	-10.93	-11.75	-12.82	-11.58	-10.14	-11.80	-11.35
2009	-12.01	-11.37	-10.94	-9.11	-9.62	-10.80	-11.26	-10.83	-10.31	-12.36	-13.26	-13.17
2010	-12.24	-11.37	-10.46	-10.32	-10.64	-10.84	-10.91	-10.90	-11.69	-12.16	-12.38	-12.53
2011	-12.47	-12.42	-12.23	-12.33	-11.73	-12.29	-11.70	-12.02	-11.41	-11.52	-10.90	-10.11
2012	-10.32	-10.11	-10.69	-10.34	-10.09	-9.56	-10.59	-10.68	-11.42	-9.59	-7.53	-8.15
2013	-9.72	-10.12	-9.98	-9.38	-9.26	-8.99	-10.29	-10.27	-9.66	-8.25	-8.73	-8.93

Farrow to Finish Non-Feed Costs in \$ per Head, Old Procedures versus New Procedures



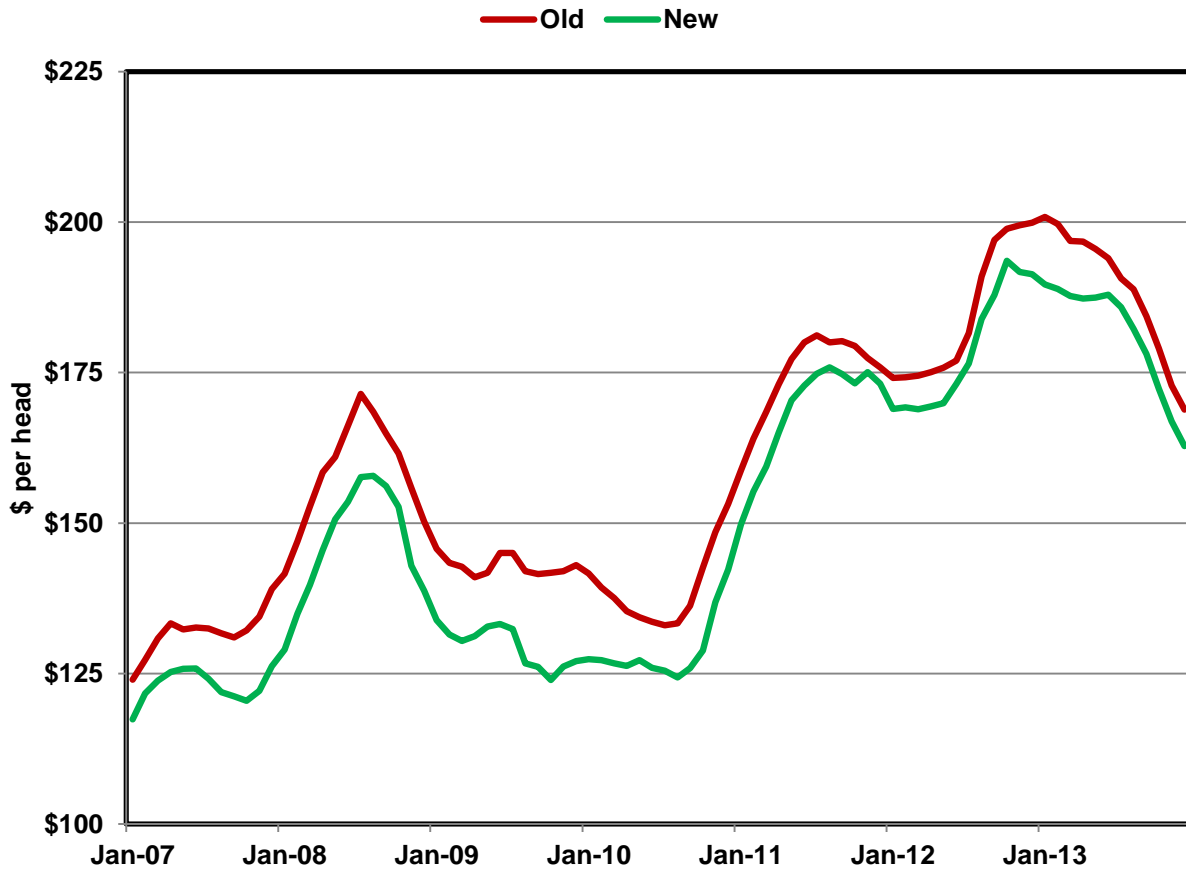
Note: Non-feed costs include breeding/genetic charge, labor, transportation, marketing, utilities, fuel and oil, veterinary and supplies, miscellaneous costs, death loss, operating interest, and fixed costs.

Difference in Farrow to Finish Non-Feed Costs in \$ per Head, New Procedures – Old Procedures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	-1.43	-0.79	-2.04	-2.84	-1.25	-1.09	-1.05	-1.30	-1.64	-3.15	-2.96	-3.49
2008	-3.41	-2.92	-4.05	-4.30	-1.37	-1.74	-2.07	2.22	2.85	1.23	-1.12	-0.14
2009	0.14	-0.51	-1.39	-0.65	0.69	-1.00	-1.42	-4.48	-5.12	-5.43	-2.61	-2.78
2010	-2.02	-0.71	-0.38	1.22	3.51	3.15	3.33	1.94	1.34	-1.61	0.75	1.59
2011	3.47	3.63	3.14	4.33	4.90	5.09	5.34	7.84	5.93	5.30	8.57	7.40
2012	5.14	5.10	5.15	4.67	4.22	5.69	5.57	3.61	2.28	4.26	-0.19	-0.39
2013	-1.50	-0.66	0.83	-0.06	1.15	2.97	5.48	3.65	3.36	1.57	2.77	2.87

Note: Non-feed costs include breeding/genetic charge, labor, transportation, marketing, utilities, fuel and oil, veterinary and supplies, miscellaneous costs, death loss, operating interest, and fixed costs.

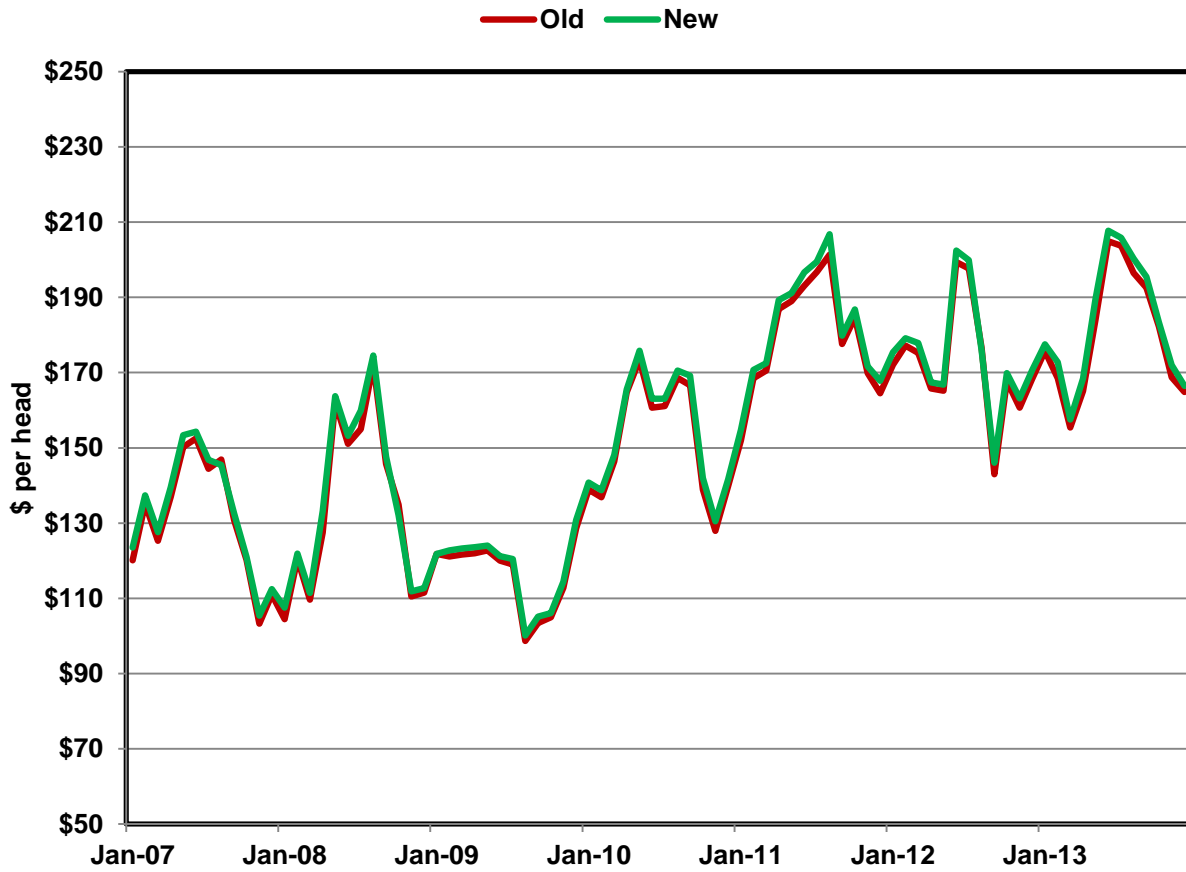
Farrow to Finish Total Costs in \$ per Head, Old Procedures versus New Procedures



Difference in Farrow to Finish Total Costs in \$ per Head, New Procedures – Old Procedures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	-6.60	-5.61	-6.97	-8.06	-6.54	-6.80	-8.37	-9.77	-9.81	-11.72	-12.37	-12.79
2008	-12.57	-12.03	-13.02	-12.92	-10.38	-12.67	-13.82	-10.60	-8.73	-8.91	-12.92	-11.49
2009	-11.87	-11.88	-12.34	-9.76	-8.93	-11.80	-12.68	-15.31	-15.43	-17.78	-15.87	-15.95
2010	-14.25	-12.08	-10.84	-9.10	-7.13	-7.69	-7.58	-8.96	-10.35	-13.77	-11.63	-10.94
2011	-9.00	-8.79	-9.09	-8.00	-6.84	-7.20	-6.36	-4.18	-5.48	-6.21	-2.33	-2.71
2012	-5.18	-5.01	-5.54	-5.67	-5.87	-3.87	-5.02	-7.07	-9.14	-5.33	-7.72	-8.54
2013	-11.22	-10.77	-9.15	-9.44	-8.11	-6.02	-4.81	-6.62	-6.30	-6.68	-5.96	-6.05

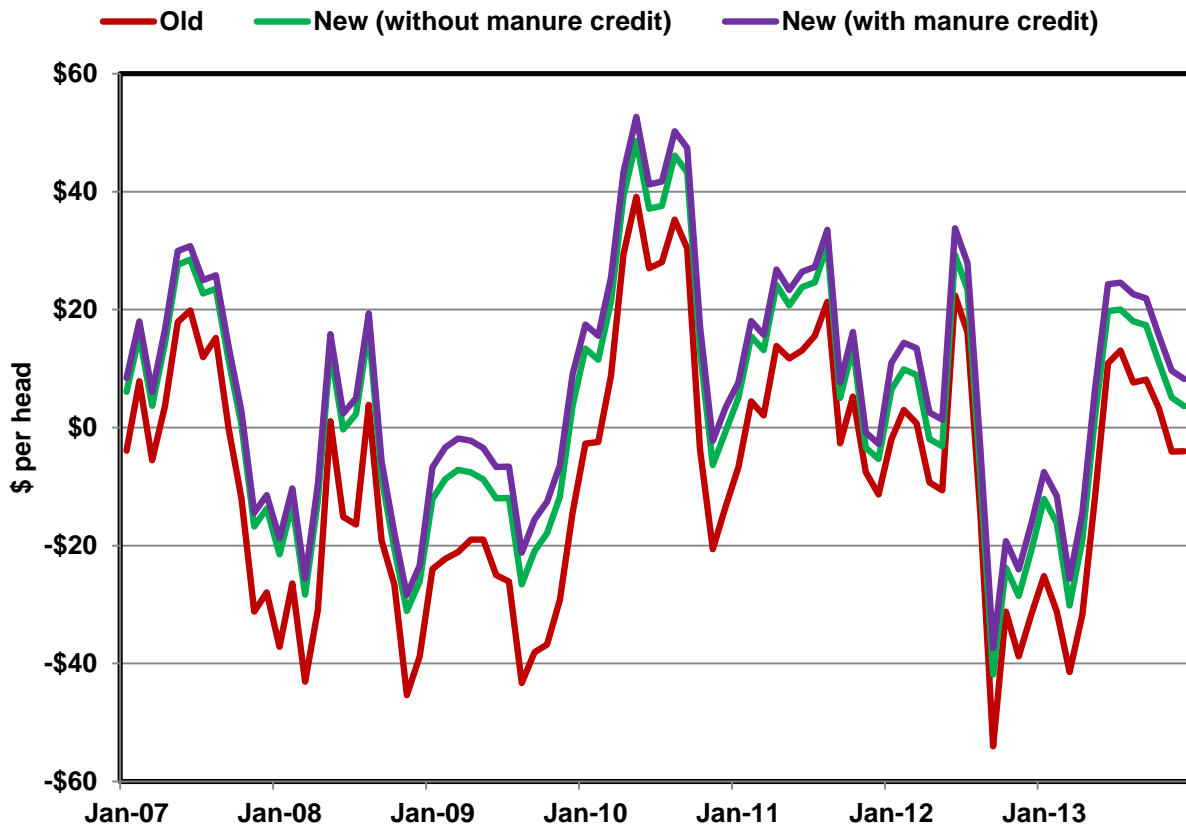
Farrow to Finish Sales Value in \$ per Head, Old Procedures versus New Procedures



Difference in Farrow to Finish Sales Value in \$ per Head, New Procedures – Old Procedures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	3.37	2.20	2.28	2.60	3.20	1.80	2.40	-1.43	1.76	0.71	2.07	1.42
2008	3.07	1.37	1.74	5.70	1.64	2.15	4.91	2.20	1.95	-2.86	1.38	1.20
2009	0.01	1.63	1.60	1.62	1.27	1.18	1.45	1.39	1.70	1.09	1.60	2.16
2010	1.87	1.85	1.74	0.78	2.34	2.42	1.97	1.92	2.55	3.00	2.60	1.79
2011	2.77	2.20	1.96	2.38	2.16	3.55	2.68	5.39	2.21	2.14	1.77	3.30
2012	3.28	1.92	2.66	1.65	1.64	3.04	2.27	-0.64	3.00	2.07	2.51	2.31
2013	1.82	4.26	2.13	3.28	5.55	2.79	2.12	3.78	2.90	1.13	3.23	1.63

Farrow to Finish Profit/Loss in \$ per Head, Old Procedures versus New Procedures



Difference in Farrow to Finish Profit/Loss in \$ per Head

New Procedures (without manure credit) – Old Procedures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	9.97	7.81	9.25	10.66	9.74	8.60	10.77	8.34	11.57	12.43	14.43	14.21
2008	15.64	13.40	14.76	18.62	12.02	14.82	18.73	12.80	10.68	6.05	14.30	12.69
2009	11.88	13.51	13.94	11.38	10.20	12.99	14.13	16.70	17.13	18.88	17.47	18.11
2010	16.13	13.93	12.58	9.88	9.47	10.11	9.55	10.88	12.90	16.77	14.23	12.73
2011	11.77	10.99	11.05	10.38	8.99	10.75	9.04	9.58	7.69	8.36	4.10	6.01
2012	8.46	6.93	8.20	7.32	7.51	6.91	7.28	6.43	12.15	7.40	10.23	10.85
2013	13.04	15.03	11.28	12.72	13.66	8.81	6.93	10.39	9.20	7.81	9.18	7.68

New Procedures (with manure credit) – Old Procedures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	12.27	10.12	11.55	12.97	12.05	10.90	13.08	10.64	13.88	14.73	16.74	16.52
2008	18.35	16.11	17.47	21.33	14.73	17.53	21.44	15.51	13.40	8.76	17.01	15.41
2009	17.23	18.86	19.29	16.72	15.54	18.34	19.48	22.04	22.48	24.22	22.82	23.46
2010	20.22	18.02	16.67	13.97	13.56	14.20	13.64	14.97	16.99	20.86	18.32	16.82
2011	14.36	13.59	13.65	12.98	11.59	13.35	11.64	12.17	10.28	10.95	6.70	8.60
2012	12.97	11.44	12.70	11.83	12.02	11.42	11.79	10.93	16.65	11.91	14.74	15.35
2013	17.61	19.59	15.84	17.28	18.22	13.37	11.49	14.96	13.76	12.38	13.75	12.25