

## Batch Farrowing Place Cost investigation on pig farms – input changes

A major advantage of running the farm around the batch farrowing place is the ability to compare the cost of production systems. The basic model of 20 batch farrowing places will apply to all of the examinations. Readers are encouraged to examine their own farm capabilities.

### Before making any change to the basic inputs to the cost base of the farm – what are their impact?

#### Batch Farrowing Place - cost of changes in production

The yellow boxes can be customised. The other boxes are calculated within the spreadsheet

|                             |                    | default  | 0                    | % actual varia |               |               |    |
|-----------------------------|--------------------|--|----------------------|----------------|---------------|---------------|----|
|                             |                    | Comment Variance <b>2</b> %                              |                      |                |               |               |    |
|                             |                    | Cost analysis source: BPEX 2009                          |                      |                |               |               |    |
|                             |                    | Annual Costs per pig - over 85 kg                        |                      |                |               |               |    |
|                             |                    | Our example farm   |                      |                |               |               |    |
|                             |                    | Average weight sold (kg/lw) <b>99.3</b> kg <b>100</b> kg |                      |                |               |               |    |
|                             |                    | £  | %                    | Target         | Actual        | Comment rel   |    |
| Batch                       | <b>1</b> week      | Feed   | 55.72                | 58.45          | 554394        | 554394        | OK |
| Numbers bred                | 24 Females         | Labour (inc family)                                      | 11.93                | 12.51          | 118699        | 118699        | OK |
| Farrowing rate              | <b>84</b> %        | Other variable costs                                     | 9.94                 | 10.43          | 98899         | 98899         | OK |
| <b>Farrowing places</b>     | <b>20</b> sows     | Other fixed costs  | 3.94                 | 4.13           | 39202         | 39202         | OK |
| Weaned per farrowing place  | <b>10</b> piglets  | Electricity and gas                                      | 2.17                 | 2.28           | 21591         | 21591         | OK |
| Weaning age                 | <b>4</b> weeks     | Transport and marketing                                  | 2.12                 | 2.22           | 21093         | 21093         | OK |
| Post-weaning finishing rate | <b>95</b> %        | Veterinary and medicine                                  | 2.11                 | 2.21           | 20994         | 20994         | OK |
| Pigs sold per year          | 9880 pigs          | Building repairs and maintenance                         | 2.06                 | 2.16           | 20496         | 20496         | OK |
| Live weight                 | <b>100</b> kg      | Equipment repairs and maintenance                        | 1.99                 | 2.09           | 19800         | 19800         | OK |
| P2                          | <b>11</b> mm       | Building depreciation                                    | 1.07                 | 1.12           | 10646         | 10646         | OK |
| Killing out %               | <b>78</b> %        | Breeding stock replacement                               | 0.96                 | 1.01           | 9552          | 9552          | OK |
| Dead weight                 | 78 kg              | Straw and bedding  | 0.51                 | 0.53           | 5074          | 5074          | OK |
| Dead weight                 | 765996 kg per year | Water  | 0.47                 | 0.49           | 4676          | 4676          | OK |
| Cost per kg deadweight      | <b>1.24</b> £      | Equipment depreciation                                   | 0.34                 | 0.36           | 3383          | 3383          | OK |
| Total costs                 | 948500 £           | <b>Total costs</b>                                       | <b>95.33</b> per pig |                | <b>948500</b> | <b>948500</b> | OK |
| Income per kg deadweight    | <b>1.30</b> £      | <b>Cost per kg dead weight</b>                           |                      |                | <b>1.24</b>   | <b>1.24</b>   | OK |
| Total income                | 995795 £ per year  | <b>Non feed costs total per kg dead weight</b>           |                      |                | <b>0.51</b>   | <b>0.51</b>   | OK |
| Profit                      | 47295 £ per year   | <b>Income per kg dead weight</b>                         |                      |                | <b>1.30</b>   | <b>1.30</b>   | OK |
|                             |                    | <b>Profit per kg dead weight</b>                         |                      |                | <b>0.06</b>   | <b>0.06</b>   | OK |
|                             |                    | <b>Profit per year</b>                                   |                      |                | <b>47295</b>  | <b>47295</b>  | OK |

#### Cost implication of change of cost inputs

Place a 1 in the category you wish to change

|                                   | Current | Proposed change | £     |
|-----------------------------------|---------|-----------------|-------|
| Feed                              | 0       | 0.00            | 0.00  |
| Labour (inc family)               | 1       | 1.00            | 13.01 |
| Other variable costs              | 0       | 0.00            | 0.00  |
| Other fixed costs                 | 0       | 0.00            | 0.00  |
| Electricity and gas               | 0       | 0.00            | 0.00  |
| Transport and marketing           | 0       | 0.00            | 0.00  |
| Veterinary and medicine           | 1       | 1.00            | 3.12  |
| Building repairs and maintenance  | 0       | 0.00            | 0.00  |
| Equipment repairs and maintenance | 0       | 0.00            | 0.00  |
| Building depreciation             | 0       | 0.00            | 0.00  |
| Breeding stock replacement        | 0       | 0.00            | 0.00  |
| Straw and bedding                 | 0       | 0.00            | 0.00  |
| Water                             | 0       | 0.00            | 0.00  |
| Equipment depreciation            | 0       | 0.00            | 0.00  |
| Total costs £                     |         | 96.00           |       |
| New costs per pig liveweight £    |         | 98.00           |       |
| Cost per kg dead weight £         |         | 1.26            |       |
| Income per kg dead weight £       |         | 1.30            |       |
| New profit £                      |         | 27535           |       |
| Change in profit £                |         | -19760          |       |

More details of production changes in these areas are discussed in other papers

**All changes made on the farm should result in profit**

It is understood that some changes are “enforced” such as a change in feed prices. However, models should be tried to demonstrate that, on paper at least, the changes are going to result in an income. Specific changes may need a more detailed model of the farm area to be utilised. These will be developed in later papers. Even when changes are enforced, production may need to be enhanced to pay for these charges, the review of possible production changes are discussed in part 2.