



# PORK BRIEFS

THE LATEST INFORMATION  
ON SWINE NUTRITION



## A Get By Year

By Ken Palen

Inside this Issue:  
**A Get By Year**  
By: Ken Palen

Volume 11, Issue 8  
November 2018

Well! Based on the Ontario Pork average weighted price per kilogram of dressed pork at 110 index, it has been a get by financially year. But, if selling through other markets based on the meat price or premium bonus prices, it may have been a pretty good year. This is the new Ontario farm gate price system we operate by. For the purpose of industry comparison, this article and its contents use similar data over many years. The total return per bushel of corn is lower this year than it has been in the past 8 years, breaking the long standing run Ontario pork prices have had. Table I, II, and III show data from 1991 to 2018, year to date January to October 2018.

**Table I: 2009 to 2018**

Production Year:	2018*	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>MARKET PRICE:</b>										
Ont. Pork Avg Weighted Price/kg	\$1.55	\$1.68	\$1.55	\$1.62	\$2.10	\$1.67	\$1.54	\$1.61	\$1.46	\$1.21
Based on 95 kg carcass at 110 index	\$161.79	\$175.28	\$162.14	\$169.46	\$219.68	\$174.87	\$161.15	\$168.68	\$152.90	\$126.59
<b>LESS THE FOLLOWING EXPENSES:</b>										
<b>TOTAL FEED COSTS:</b>										
(including sows & boars)	\$106.89	\$101.95	\$104.55	\$105.49	\$108.50	\$117.40	\$125.42	\$119.63	\$86.17	\$97.16
<b>OPERATING COSTS**:</b>	<u>\$55.59</u>	<u>\$54.34</u>	<u>\$51.37</u>	<u>\$47.53</u>	<u>\$46.90</u>	<u>\$47.05</u>	<u>\$44.91</u>	<u>\$44.50</u>	<u>\$46.12</u>	<u>\$45.64</u>
<b>TOTAL MARGIN/PIG:</b>	<u>-\$0.69</u>	<u>\$19.00</u>	<u>\$6.22</u>	<u>\$16.45</u>	<u>\$64.28</u>	<u>\$10.42</u>	<u>-\$9.18</u>	<u>\$4.56</u>	<u>\$20.60</u>	<u>-\$16.21</u>
EQUIVALENT RETURN/ BUSHEL OF CORN FED	-\$0.07	\$1.85	\$0.60	\$1.60	\$6.25	\$1.01	-\$0.89	\$0.44	\$2.00	-\$1.58
PRICE PER BUSHEL IF SOLD TO ELEVATOR	<u>\$4.71</u>	<u>\$4.57</u>	<u>\$4.62</u>	<u>\$4.67</u>	<u>\$4.38</u>	<u>\$5.64</u>	<u>\$6.57</u>	<u>\$6.60</u>	<u>\$3.80</u>	<u>\$4.23</u>
<b>TOTAL RETURN PER BUSHEL OF CORN:</b>	<b>\$4.65</b>	<b>\$6.42</b>	<b>\$5.22</b>	<b>\$6.26</b>	<b>\$10.63</b>	<b>\$6.65</b>	<b>\$5.68</b>	<b>\$7.04</b>	<b>\$5.80</b>	<b>\$2.65</b>

SOURCE: OMAFRA Monthly Hog Market Facts & Swine Budget

\* Year to date = January to October 2018

\*\* Labour costs not included in operating costs

This chart is based on 10.29 bushels of corn/pig because the shipping weight has been changed from 95 kg dressed weight in order to show a trend over time using similar data.

cont.>>

69819 London Road, RR #1, Centralia, Ontario, Canada, N0M 1K0

Tel: (519) 228-6444 or 1-800-265-2904 • Fax (519) 228-6560 • Email kpalen@kenpal.on.ca • www.kenpal.on.ca

**Table II: 1999 to 2008**

<b>Production Year:</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>MARKET PRICE:</b>										
Ont. Pork Avg Weighted Price/kg	\$1.26	\$1.26	\$1.32	\$1.51	\$1.68	\$1.40	\$1.41	\$1.73	\$1.62	\$1.20
Based on 95 kg carcass at 110 index	\$131.41	\$131.48	\$137.56	\$157.42	\$175.10	\$146.58	\$147.24	\$180.79	\$169.29	\$125.40
<b>LESS THE FOLLOWING EXPENSES:</b>										
<b>TOTAL FEED COSTS:</b> (including sows & boars)	\$102.84	\$82.72	\$67.49	\$67.51	\$81.25	\$80.53	\$80.10	\$77.12	\$72.00	\$68.48
<b>OPERATING COSTS**:</b>	<u>\$49.69</u>	<u>\$50.98</u>	<u>\$47.78</u>	<u>\$48.78</u>	<u>\$43.62</u>	<u>\$46.71</u>	<u>\$48.46</u>	<u>\$47.81</u>	<u>\$50.25</u>	<u>\$48.93</u>
<b>TOTAL MARGIN/PIG:</b>	<u>-\$21.13</u>	<u>-\$2.22</u>	<u>\$22.29</u>	<u>\$41.14</u>	<u>\$50.24</u>	<u>\$19.34</u>	<u>\$18.69</u>	<u>\$55.85</u>	<u>\$47.04</u>	<u>\$7.99</u>
EQUIVALENT RETURN/ BUSHEL OF CORN FED	-\$2.05	-\$0.22	\$2.17	\$4.00	\$4.88	\$1.88	\$1.82	\$5.43	\$4.57	\$0.78
PRICE PER BUSHEL IF SOLD TO ELEVATOR	<u>\$5.01</u>	<u>\$3.85</u>	<u>\$2.81</u>	<u>\$2.61</u>	<u>\$3.46</u>	<u>\$3.61</u>	<u>\$3.66</u>	<u>\$3.38</u>	<u>\$2.95</u>	<u>\$2.91</u>
<b>TOTAL RETURN PER BUSHEL OF CORN:</b>	<b>\$2.96</b>	<b>\$3.63</b>	<b>\$4.98</b>	<b>\$6.61</b>	<b>\$8.34</b>	<b>\$5.49</b>	<b>\$5.48</b>	<b>\$8.80</b>	<b>\$7.52</b>	<b>\$3.69</b>

SOURCE: OMAFRA Monthly Hog Market Facts & Swine Budget

\* Year to date = January to October 2018 \*\* Labour costs not included in operating costs

This chart is based on 10.29 bushels of corn/pig because the shipping weight has been changed from 95 kg dressed weight in order to show a trend over time using similar data.

**Table III: 1991 to 1998**

<b>Production Year:</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>	<b>1994</b>	<b>1993</b>	<b>1992</b>	<b>1991</b>
<b>MARKET PRICE:</b>								
Ont. Pork Avg Weighted Price/kg	\$1.21	\$1.86	\$1.89	\$1.48	\$1.47	\$1.52	\$1.31	\$1.46
Based on 95 kg carcass at 110 index	\$126.45	\$194.37	\$197.51	\$154.66	\$153.62	\$158.84	\$136.90	\$152.57
<b>LESS THE FOLLOWING EXPENSES:</b>								
<b>TOTAL FEED COSTS:</b> (including sows & boars)	\$74.80	\$88.49	\$102.29	\$72.65	\$78.12	\$65.87	\$67.26	\$71.37
<b>OPERATING COSTS**:</b>	<u>45.14</u>	<u>\$49.66</u>	<u>\$45.78</u>	<u>\$48.28</u>	<u>\$46.99</u>	<u>\$47.76</u>	<u>\$47.56</u>	<u>\$46.58</u>
<b>TOTAL MARGIN/PIG:</b>	<u>6.51</u>	<u>\$56.22</u>	<u>\$49.43</u>	<u>\$33.73</u>	<u>\$28.51</u>	<u>\$45.21</u>	<u>\$22.08</u>	<u>\$34.62</u>
EQUIVALENT RETURN/ BUSHEL OF CORN FED	\$0.63	\$5.46	\$4.80	\$3.28	\$2.77	\$4.39	\$2.15	\$3.36
PRICE PER BUSHEL IF SOLD TO ELEVATOR	<u>\$3.30</u>	<u>\$3.86</u>	<u>\$5.41</u>	<u>\$3.25</u>	<u>\$3.55</u>	<u>\$2.55</u>	<u>\$2.75</u>	<u>\$3.20</u>
<b>TOTAL RETURN PER BUSHEL OF CORN:</b>	<b>\$3.93</b>	<b>\$9.32</b>	<b>\$10.21</b>	<b>\$6.53</b>	<b>\$6.32</b>	<b>\$6.95</b>	<b>\$4.90</b>	<b>\$6.56</b>

SOURCE: OMAFRA Monthly Hog Market Facts & Swine Budget

\* Year to date = January to October 2018

\*\* Labour costs not included in operating costs

This chart is based on 10.29 bushels of corn/pig because the shipping weight has been changed from 95 kg dressed weight in order to show a trend over time using similar data.

Labour Costs are not included in the operating costs that are sourced from OMAFRA. The chart is now based on 10.29 bushel of corn per pig farrow to finish including sow, boar, piglet and finishing feed. Weights are adjusted to a 95 kg dressed weight to reflect heavier pig market demands.

cont.>>

**Table IV**

YEAR	Ontario Pork Price (\$/kg) **	Corn Cost		48% SBM (\$/tonne)**	Exchange Rate \$1 CAN = US \$***	Prime Interest Rate %
		(\$/bushel)**	(\$/tonne)**			
1991	\$1.46	\$3.20	\$126.00	\$264	\$0.87281	
1992	\$1.31	\$2.75	\$108.25	\$273	\$0.82732	
1993	\$1.52	\$2.55	\$100.50	\$284	\$0.77515	
1994	\$1.47	\$3.55	\$139.60	\$319	\$0.73226	
1995	\$1.48	\$3.25	\$128.00	\$277	\$0.72863	
1996	\$1.89	\$5.41	\$213.00	\$405	\$0.73342	
1997	\$1.86	\$3.86	\$152.00	\$442	\$0.72222	4.96%
1998	\$1.21	\$3.30	\$130.00	\$305	\$0.67410	6.60%
1999	\$1.20	\$2.91	\$114.71	\$265	\$0.67307	6.44%
2000	\$1.62	\$2.95	\$116.18	\$319	\$0.67335	7.27%
2001	\$1.73	\$3.38	\$132.91	\$332	\$0.64568	5.81%
2002	\$1.41	\$3.66	\$144.16	\$333	\$0.63722	4.21%
2003	\$1.40	\$3.61	\$142.31	\$348	\$0.71375	4.69%
2004	\$1.68	\$3.46	\$136.21	\$388	\$0.76863	4.00%
2005	\$1.51	\$2.61	\$102.85	\$302	\$0.82533	4.42%
2006	\$1.32	\$2.81	\$110.61	\$266	\$0.88194	5.81%
2007	\$1.26	\$3.85	\$151.49	\$323	\$0.93478	6.10%
2008	\$1.26	\$5.01	\$197.42	\$438	\$0.94418	4.73%
2009	\$1.21	\$4.23	\$166.47	\$496	\$0.87843	2.40%
2010	\$1.46	\$3.80	\$149.66	\$384	\$0.96656	2.53%
2011	\$1.61	\$6.60	\$259.71	\$412	\$1.01191	3.00%
2012	\$1.54	\$6.57	\$258.82	\$523	\$1.00087	3.00%
2013	\$1.67	\$5.64	\$222.05	\$565	\$0.97165	3.00%
2014	\$2.10	\$4.38	\$172.45	\$642	\$0.90743	3.00%
2015	\$1.62	\$4.67	\$183.66	\$528	\$0.78375	2.78%
2016	\$1.55	\$4.62	\$181.87	\$520	\$0.75330	2.70%
2017	\$1.68	\$4.57	\$179.99	\$489	\$0.77081	2.91%
2018*	\$1.55	\$4.71	\$185.51	\$551	\$0.76921	3.58%

\*Year to date = January to October 2018

\*\* O.M.A.F.'s 100% Formula Price, SBM, Corn price from OMAFRA Monthly Hog Market Facts & Swine Budget from 2004 and earlier, used the Ontario Pork average pool price.

\*\*\*Exchange and Interest rates from the Bank of Canada ([www.bankofcanada.ca](http://www.bankofcanada.ca))

The chart shows the average commodity prices yearly from 1991 to year to date 2018 (end of October) using OMAFRA 100% formula price for a base comparison, other sources are listed below.

**Table V: Number of 90-95 kg Dressed Hogs Per Acre Of Corn**

Corn Bushels/Acre	# Hogs fed/Acre	# Sows Farrow to Finish/Acre (Based on 20 P/S/Y)
240	24	1.200
230	23	1.150
220	22	1.100
210	21	1.050
200	20	1.000
190	19	0.950
180	18	0.900
170	17	0.850
160	16	0.800
150	15	0.750
140	14	0.700
120	12	0.600

For easy calculations I left this chart at 10 bushel of corn per pig produced even though on the cost side we used 10.29 bushel per pig to reflect heavier weights to 95kg dressed. The chart shows how many hogs on a farrow to finish operation including sows, boars, nursery pigs, and market hogs can be raised per acre of corn. Also, how many sows farrow to finish per acre of corn could be raised without purchasing outside sources of corn.

### Summary

What a challenging year, harvesting crops and dealing with toxins in the corn. I have never seen it this bad in my many years in the feed business. There are spots in Ontario where the corn crop is pretty clean. North of #86 and #89 highways are seeing low toxins, Niagara Peninsula from Simcoe east, also seem pretty good. Eastern Ontario, in the Lindsay and Peterborough area, are good and some spots down in the Chatham, Thamesville, Dresden area have found clean corn as well. Every area has had some clean corn, but the ability to separate low vomitoxin corn from high vomitoxin corn is limited at big elevators. The soft red wheat crop is clean, therefore wheat is working good for dilution as required. There probably is still some old crop corn available which was pretty clean last year, but is now limited due to the need for storage of the new crop.

High toxin corn fed to pigs can be a problem. Dilution is the solution in most cases. Feed binders seem to help, but my experience is don't overspend on these and try to feed high levels, better to dilute. Cleaning corn fines out by screening or roasting will help somewhat as well, but it can take time and be costly. Always remember during these stressful times that the sun will come up tomorrow, and family is most important. Be careful out there. Thank you! Thank you.

***We would like to wish you,  
Our Valued Customer  
a Joyous Holiday Season  
and a Prosperous New Year***  
**Kenpal's office will be closed on:**

Tuesday December 25, 2018

Wednesday December 26, 2018

Tuesday January 1, 2019

***Thank you for your continued business,  
it is greatly appreciated!***

69819 London Road, RR #1, Centralia, Ontario, Canada, N0M 1K0

Tel: (519) 228-6444 or 1-800-265-2904 • Fax (519) 228-6560 • Email [kpalen@kenpal.on.ca](mailto:kpalen@kenpal.on.ca) • [www.kenpal.on.ca](http://www.kenpal.on.ca)