



# PORK BRIEFS

THE LATEST INFORMATION  
ON SWINE NUTRITION



## GOOD RETURNS, GOOD CROPS, GOOD WEATHER

By Ken Palen

The year 2015 will go down in the history books as a very good average farming year. The type of year we all dream about. Good spring planting weather, excellent summer and fall. Decent yields in most areas and reasonable pig prices. Overall, a wonderful year to farm.

Inside this Issue:  
**Good Returns, Good Crops,  
Good Weather**  
By: Ken Palen

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**Table I: 2006 to 2015**

Production Year:	2015*	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>MARKET PRICE:</b>										
Ont. Pork Avg Weighted Price/kg	\$1.67	\$2.10	\$1.67	\$1.54	\$1.61	\$1.46	\$1.21	\$1.26	\$1.26	\$1.32
Based on 95 kg carcass at 110 index	\$174.17	\$219.68	\$174.87	\$161.15	\$168.68	\$152.90	\$126.59	\$131.41	\$131.48	\$137.56
<b>LESS THE FOLLOWING EXPENSES:</b>										
<b>TOTAL FEED COSTS:</b> (including sows & boars)	\$105.88	\$108.50	\$117.40	\$125.42	\$119.63	\$86.17	\$97.16	\$102.84	\$82.72	\$67.49
<b>OPERATING COSTS**:</b>	\$47.30	\$46.90	\$47.05	\$44.91	\$44.50	\$46.12	\$45.64	\$49.69	\$50.98	\$47.78
<b>TOTAL MARGIN/PIG:</b>	<u>\$21.00</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>	<u>-\$21.13</u>	<u>-\$2.22</u>	<u>\$22.29</u>
EQUIVALENT RETURN/ BUSHEL OF CORN FED	\$2.05	\$6.28	\$1.02	-\$0.90	\$0.45	\$2.01	-\$1.58	-\$2.06	-\$0.22	\$2.18
PRICE PER BUSHEL IF SOLD TO ELEVATOR	<u>\$4.66</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>	<u>\$5.01</u>	<u>\$3.85</u>	<u>\$2.81</u>
<b>TOTAL RETURN PER BUSHEL OF CORN:</b>	<b>\$6.71</b>	<b>\$10.66</b>	<b>\$6.66</b>	<b>\$5.68</b>	<b>\$7.04</b>	<b>\$5.81</b>	<b>\$2.65</b>	<b>\$2.95</b>	<b>\$3.63</b>	<b>\$4.99</b>

SOURCE: OMAFRA Monthly Hog Market Facts & Swine Budget

\* Year to date = January to October 2015

\*\* 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 dress weight in order to show a trend over time using similar data.

We got lucky in the pig industry with the drop in the Canadian dollar relative to the US dollar. We have to go back to the years 2004 and 2005 to compare how a lower similar dollar related to pig returns and interesting enough they were very good returns. Inputs cost more but selling price is a lot higher and we sell more than we buy with a pig so the low dollar is helpful.

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**Table II: 1996 to 2005**

<b>Production Year:</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>
<b>MARKET PRICE:</b>										
Ont. Pork Avg Weighted Price/kg	\$1.51	\$1.68	\$1.40	\$1.41	\$1.73	\$1.62	\$1.20	\$1.21	\$1.86	\$1.89
Based on 95 kg carcass at 110 index	\$157.42	\$175.10	\$146.58	\$147.24	\$180.79	\$169.29	\$125.40	\$126.45	\$194.37	\$197.51
<b>LESS THE FOLLOWING EXPENSES:</b>										
<b>TOTAL FEED COSTS:</b> (including sows & boars)	\$67.51	\$81.25	\$80.53	\$80.10	\$77.12	\$72.00	\$68.48	\$74.80	\$88.49	\$102.29
<b>OPERATING COSTS**:</b>	<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>	<u>\$45.14</u>	<u>\$49.66</u>	<u>\$45.78</u>
<b>TOTAL MARGIN/PIG:</b>	<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>	<u>\$6.51</u>	<u>\$56.22</u>	<u>\$49.43</u>
EQUIVALENT RETURN/ BUSHEL OF CORN FED	\$4.02	\$4.91	\$1.89	\$1.82	\$5.45	\$4.59	\$0.78	\$0.64	\$5.49	\$4.83
PRICE PER BUSHEL IF SOLD TO ELEVATOR	<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>	<u>\$3.30</u>	<u>\$3.86</u>	<u>\$5.41</u>
<b>TOTAL RETURN PER BUSHEL OF CORN:</b>	<b>\$6.63</b>	<b>\$8.37</b>	<b>\$5.50</b>	<b>\$5.49</b>	<b>\$8.83</b>	<b>\$7.55</b>	<b>\$3.69</b>	<b>\$3.94</b>	<b>\$9.35</b>	<b>\$10.24</b>

SOURCE: OMAFRA Monthly Hog Market Facts & Swine Budget

\* Year to date = January to October 2015 \*\* 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 1995**

<b>Production Year:</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	\$1.48	\$1.47	\$1.52	\$1.31	\$1.46
Based on 95 kg carcass at 110 index	\$154.66	\$153.62	\$158.84	\$136.90	\$152.57
<b>LESS THE FOLLOWING EXPENSES:</b>					
<b>TOTAL FEED COSTS:</b> (including sows & boars)	\$72.65	\$78.12	\$65.87	\$67.26	\$71.37
<b>OPERATING COSTS**:</b>	<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>\$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	\$3.29	\$2.78	\$4.42	\$2.16	\$3.38
PRICE PER BUSHEL IF SOLD TO ELEVATOR	<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>\$6.55</b>	<b>\$6.33</b>	<b>\$6.97</b>	<b>\$4.91</b>	<b>\$6.58</b>

SOURCE: OMAFRA Monthly Hog Market Facts & Swine Budget

\* Year to date = January to October 2015

\*\* 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.

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**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*	\$1.67	\$4.66	\$183.48	\$536	\$0.79203	2.79%

\*Year to date = January to October 2015

\*\* 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))



This year's corn crop is of excellent quality. Heavy bushel weights and clean as a whistle. Most mycotoxin levels are below measurable levels. It should be a good health and growth year. Try not to crowd these pigs up with the excellent performance expected. Typically good corn, low toxin years carry over with good sow performance for over a year. With extra piglets expected let's make sure your sows are fed enough groceries to support the bigger litters.

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

<b>Corn Bushels/Acre</b>	<b># Hogs fed/Acre</b>	<b># Sows Farrow to Finish/Acre (Based on 20 P/S/Y)</b>
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

Chart above shows how many hogs on a farrow to finish operation including Boars, Sows, Weaners, and Market Hogs can be raised per acre of corn. Estimated to consumption of 10 bushels of corn per pig at today's heavier shipping weights. The chart also shows how many sows farrow to finish per acre of corn could be raised without purchasing outside sources of corn.

Turning up the ventilation, cleaning the fans, checking the cleanliness of rooms will all be part of capitalizing on the potential corn quality benefit. Keep the vaccines going even if the price of pigs is down. We have been there and done that and it does not pay to cut vaccines out, it comes back to bite you in the butt.



I am looking ahead to a fun year in the pig business. Hopefully we get a good average price year with the lower dollar. Our friends to the south will sure be getting a lot less per pig with the difference in the dollar. A good year maybe to spend some time reading all the extra paper we got and rules our government and farm organizations are creating. Time maybe to try and keep some common sense in our industry and world. Let's try to remind them about the basics in life of making a living honorably, having time to spend with our livestock creating a great life for them, and most importantly raising, protecting, and enjoying

our families while respecting our neighbors and friends. Let's remember and try to help others remember that pigs are not people and people are more important than animals and the world is not perfect and more rules will not change that. Common sense and values will.

I am writing this article just after the Paris massacre. A big dose of reality for sure about what is important in life. May our hearts and prayers go out to those families that were impacted by this senseless act.

Have a great holiday season and let's stay keen in 2016.

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