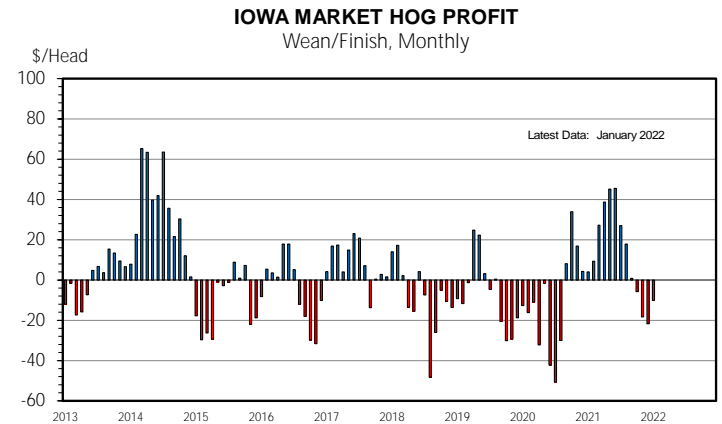


Iowa State University's (ISU) [estimated returns](#) for a farrow to finish hog operation have posted negative profit for the last three months. January, the most recent month available, was a loss of \$2.88 per head, but a \$3.49 per head improvement from a year ago which was a loss of \$6.37. January's total feed costs were \$105.73 per head which was 21% or \$18.29 per head above the prior year. Corn feed costs rose substantially by 44% to \$54.96 per head while soybeans and distiller grains both fell less than 1% from the prior year to \$16.95 and \$12.48 per head, respectively. A 19% rise in the carcass selling price of \$77.78 per cwt in January was more than offset by the elevated feed costs which have eroded profitability for the last several months. The estimated returns calculated a breakeven carcass selling price of \$84.58 per cwt in January.

Estimated returns for a wean to finish operation in January were a loss of \$10.09 per head which was also the fourth consecutive month of negative returns. Compared to last year, returns were \$14.11 per head lower which was driven by a 20% increase in feed costs. A 41% rise in corn feed costs to \$48.70 per head was the leading factor to higher total feed costs. Like farrow to finish operations, the 19% growth in the carcass selling price was not enough to offset the higher feed costs. For both farrow to finish and weaned to finish operations, corn feed costs will likely continue to stay high as the Omaha corn price have been above \$6 per bushel since the start of the year and topped \$7 this week which will limit profitability in the near term.

One variable cost for wean to finish operations that has partially limited profitability has been the purchase price for 12-pound weaned

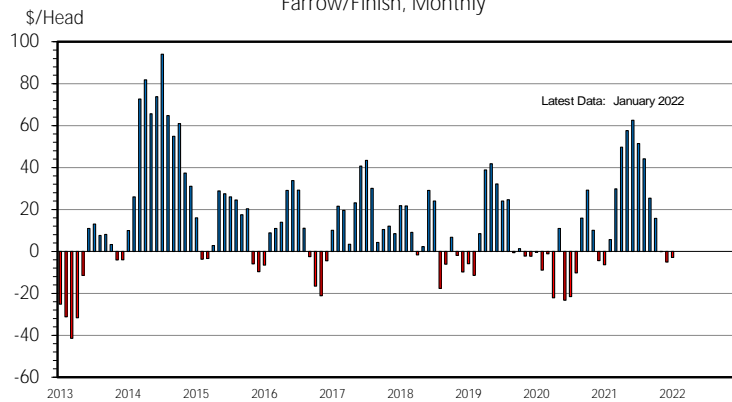


Data Source: Iowa State University
Livestock Marketing Information Center

02/24/22

pigs. In January the purchase price was \$41.75 per head which is much higher when compared to the prior year's price of \$16.00 per head, the lowest reported in the ISU budget. According to the budget, weaned feeder pigs would have been purchased in July 2021 and subsequently sold in January 2022. Hogs marketed in February would have been purchased in August 2021. At that time, 10-12 pound feeder pig prices were in the mid-\$40 per head range and steadily climbed finishing the year in the upper-\$50 per head area. Rising feeder pig prices have likely limited profitability for wean to finish operations.

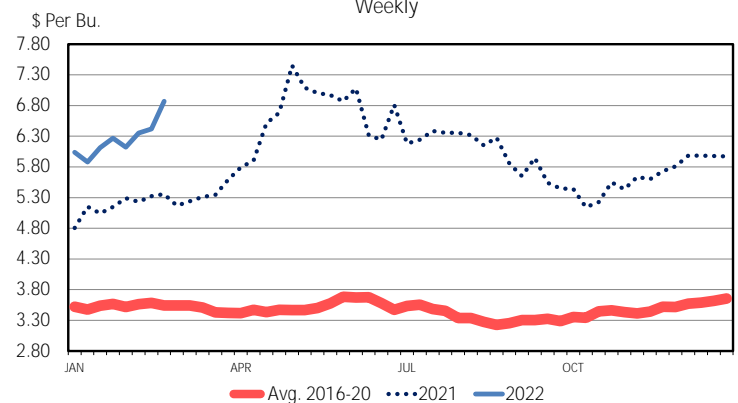
IOWA MARKET HOG PROFIT
Farrow/Finish, Monthly



Data Source: Iowa State University
Livestock Marketing Information Center

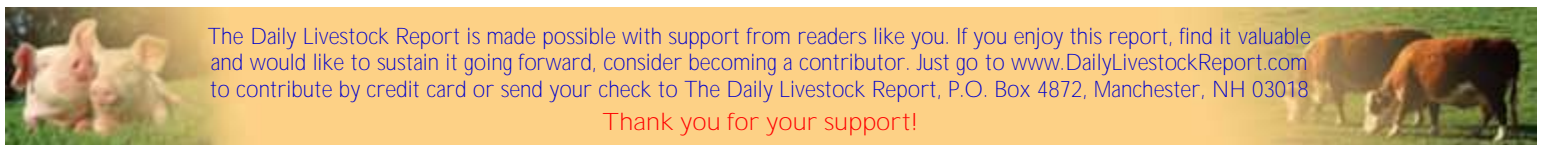
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OMAHA CORN PRICES
Weekly



Data Source: USDA-AMS
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