

MANAGEMENT DECISIONS TO DECREASE LOSSES DUE TO HIGH FEED COSTS AND LOW ON-FARM PRICES FOR HOGS

Much has been said concerning the high cost of feed and the projected low prices for hogs during 2008. Some economists are predicting losses of \$30 to \$40 per head marketed this year. This makes it difficult or impossible to show a profit raising hogs in the near future. Here are several management suggestions that could help the producer decrease losses in 2008.

1. Cull the sow herd to eliminate all non-productive or low productive sows. Sows that have structural problems, produced small litters or have been difficult to breed should be eliminated. In some cases this will reduce the sow herd by 50% but not reduce productivity by the same amount. Sow records are needed to do this well.
2. One scenario would be to sell all the sows at weaning and plan to replace them with gilts selected from within the herd to repopulate when economic conditions warrant. Selected gilts could be limited-fed until they are needed then flushed with more adequate diets and bred to start the operation. Replacement gilts should be at least 50% maternal.
3. Reduce death losses in the finishing floor. This is easily said but hard to do in most cases. When a market weight hog dies shortly before harvesting, you suffer a tremendous loss of inputs including feed, labor and capital with no monetary return. Death losses may be reduced by improving the environment in the barns. Improved ventilation, better temperature control, reduced pig density, removing tail biters, and proper vaccinations and health care should help reduce losses. In addition use better animal husbandry practices that include moving the hogs for transport to market in a more relaxed fashion and making sure that stressed hogs are pulled out and cautiously loaded separately. Genetics may need to be evaluated if death losses are high in the finishing or marketing phase.
4. Sell market hogs at a lighter weight. This is almost always a good option when feed costs are high. Just be sure your hogs still fall within the acceptable weight range for your packer. As hogs get older and heavier their feed conversion numbers get worse and their percent lean will get lower so you lose market value per pound plus efficiency of gain. A set of scales to accurately weigh market hogs is a must in a depressed market and especially when feed costs are high. If your packer has a weight window of 230 to 270 pounds per live hog with no reduction in price then sell hogs as close to the lower weight as possible with enough cushion to insure that shrinkage will not bring the weights down below the minimum weight.
5. Eliminate feed wastage as much as possible by inspecting feeders in the finishing floor and make needed adjustments and repairs. Today corn is selling for \$6.00 per bushel and soybean oil meal is \$340 per ton. A market hog weighing 270 pounds with a feed efficiency of 3 to 1 will consume \$91.77 worth of corn and soybean meal alone not counting the other feed ingredients. A market price of \$34 would be needed to just cover the cost of corn and bean meal. If a producer raises corn and can sell it for \$6.00 per bushel and soybeans which are priced at \$13.00 per bushel today much thought needs to be given to whether he can afford to feed it to livestock. *See suggestion 2 above for an idea on how to reduce the herd but still have gilts ready to farrow when feed prices moderate and pork prices increase.*
6. Search out alternative feed ingredients that can substitute for energy and protein sources. Examples are distillers dried grains with solubles (DDGS) and bakery products. This is especially useful in sow gestation rations where more of these products can be successfully used. Each local area will have its own variety of by-products that may be useful in swine rations. Large bakeries usually have a good supply of wheat flour mixes that for various reasons were not

acceptable in their products for human consumption, for example, too much salt or baking powder in the mix. All of these alternative sources should be analyzed for content before using in swine rations. Sometimes these are available at very competitive prices. Take a look at synthetic amino acids to replace some soybean meal in your swine diets. Look at the relative cost compared to soybean meal. In many cases costs make them a very desirable alternative.

7. Be especially careful to check all corn purchases for mycotoxin contamination. Remember that mycotoxin production can occur at all stages of the growth, harvesting, storing, and processing of corn. High temperature and moisture are favorable for mycotoxin production.

8. Check water flow in all facilities on a regular basis. Fresh water is essential for good growth and high efficiency of growth. Death losses can occur quickly when the water supply is cut off or when the flow is reduced. The availability of water and the flow should be checked on a daily basis. Finishing hogs require 3 to 5 gallons of water per day and each waterer needs to produce a minimum of 1 pint of water in 50 seconds. Gestating sows need 3 to 6 gallons of water daily and the waterer needs to produce 1 pint of water in 35 seconds. Nursery pigs need .7 gallon of water daily with a flow of 1 pint in 70 seconds. Adequate number of nipples or bowl water sources needs to be in place so that pigs are not standing in line for use. Water flow should be checked at the hottest part of the day when water use is at its greatest.

9. Do a thorough evaluation of the genetics of your herd. Look at death losses, open sow days, days to market, feed efficiencies, maturity patterns, age at desirable market weights and all of the other factors that make your operation profitable. If change is needed, carefully consider the genetics available to improve your bottom line.

10. Reduce the number of boars needed in your operation by collecting your own boars or simply purchase semen from a reputable company. Purchase of semen from outstanding boars will reduce feed costs, add some labor and greatly increase the quality of genetics available to you for herd improvement.

Glenn Conatser
Swine Specialist
Animal Science Department
University of Tennessee

Note: These suggestions are aimed primarily at small to medium sized producers and each farm situation may dictate which ones will work for a specific producer depending on many factors including leverage and diversification of the total farming operation.