

# Niche Pork Production Part 2

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pig, locker, sell, pork, marketing, talking, feed, kinds, iowa, operation, work, customer, cost, pounds, equipment, bill, call, iowa state university, production, niche

## SPEAKERS

Christa Hartsook, Dave Stender

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### C Christa Hartsook 00:01

And we're back with part two of our podcast with Dave Stender, Iowa State University Extension and Outreach swine specialist. And we're talking about niche pork production in Iowa. I'm Christa Hartsook, small farms program coordinator, and we hope you enjoy part two. Dave talk to me a little bit about record keeping, you know, is there more management or more record keeping in a system like this?

### D Dave Stender 00:24

a small herd should try to keep track it'd be it's easy to, to know what your production is. Because, you know, I mean, having you look it up out there, and how many pigs you have, you should try to keep track about how long it takes you to get to market and then and then your costs. It's super easy for a small operation to get costs way out of whack. You have 10 pigs and you buy a \$15,000 skid loader that was \$1,500 of pig. Yeah, and, and so it just it just really easy if you need a manure spreader, or can you borrow a manure spreader, you got to think about the major things that you're going to need equipment wise, and the financial management actually not so much record keeping, but trying to keep proportions, right. And so you get the right amount of pigs for the I mean, if you need to have a skid loader, you're gonna need to have a fair number of pigs to pay for it or pickup or manure spreader or if you're going to grind your own feed, if you get it, you know that those kinds of things, you need to do the math on, on how many pigs you're going to produce in and I'd like to keep that under 70 about \$75 A pig for for those kinds of things are less, depending on what you can get for the final market. But you got to be careful in your record keeping we do I would say it has a thing called enterprise, enterprise record. At the end of the year, you take your tax records and total those up and then you do like like what we call an accrual accounting or an inventory record. And so we would take the end of the year value of the pigs and the pounds and all the sales during the year and subtract off the beginning year, inventory and pounds and anything purchased. If you're purchasing feeder pigs, you'd subtract all off that would give you a net, a net pounds produced and the net value produced for the year. And that's that's really core and we got a little simple record keeping system where we can then take your feed bill take your vet bill take your bedding bill take your supplies bill and divide it by the the total pounds produced and then

you get yourself an idea of how much you need to sell the pig for in order to make a profit. And so yeah, records the records are important. You need just enough records to make good decisions.

**C** Christa Hartsook 03:11

Okay, that makes sense. Dave, let's talk a little bit then about marketing that animal you know, for looking at that small niche production on small acreage or small farm where we're looking for direct to consumer opportunities. Obviously we're probably harvesting that animal in a small local locker does the locker help with marketing or do we need to have that kind of set up and established before we even get to that point

**D** Dave Stender 03:38

You know ideally if you could find a locker that would partner with you on marketing that would be that would be good. Now the number of lockers in Iowa has gone down used to be one in every town and now it's probably one per county you know we're down to or so depending on the area you're in be be advised that there's different kinds of lockers there's there's the Iowa inspected lockers, which you can sell meet then to a grocery store in Iowa you can't go out of state with those but you can sell to two grocery store in Iowa and there's there's a scattered number of those across the state but there's still a lot of what they call custom lockers. And so what you would have to do in that case, is sell your customer the live pork and it may sound weird, but you can sell half of a pig. And so I don't know how it's even possible but it is in this in this marketing situation so you can sell so the you would sell the pig to to a customer and then you can deliver the pig and the local locker then would get the processing costs from the customer from your customer. And so that's that's kind of you want to you want to talk to your locker before you before you get into this to see how many openings they have, sometimes you have to wait, you know, three, four weeks to get an opening to get into a locker depending on the time of year deer season, you know, around Christmas time lockers get really busy and scheduling is it could be important, but but yeah, it's it's doable. I've worked with groups in the past and and what we've, what we've toyed around with is, is in the summertime, you want to you want to put that half of pig into a grilling box is really what is the easiest way to do it. And or a traditional cut, but you want to be able to tell your, your potential customer that they can cut this pig up however they like. So if they don't like ribs, they don't have to have ribs if they don't like bacon, they don't have to have bacon, I can't believe I that's just almost unbelievable to me that somebody wouldn't want bacon but but then you have those options, or you can grind it into sausage or make brats and the lockers will work with work with you on, on on that. And so that's important. What I've personally found, I've sold a few 4-H pigs with through the kids over the years and, and a helpful publication from Iowa State University Extension is the is the beef and pork buying guide. And it's, it's a booklet that you can download color pictures and printed off for your customer or send them to the Iowa State site so they can print it off or look at it. So they can see the different kinds of cuts the different kinds of options that are available for for selling their pork, and then you don't have to explain that it takes you know, one, one and a half cubic feet of freezer space, it goes into all that for half a pig and to two cubic feet of freezer space. And so you put a half a pig above a refrigerator in a freezer, if it's it's not too full. And you know that those kinds of questions they have. And it gives a little bit of definition of what a niche pig is, or niche calf is it's both beef and, and pork but but usually when when you're first starting with the first customer, it just

takes so much time to explain all this to a customer and that booklet, at least makes it a little easier to to get people to, to buy the the problem you run into is it's a lot of money and a lot of meat at the same time. And our our societies used to going down to the grocery store getting one piece at a time rather than the whole half of pig or whole pig. So you've got you've got three things that you're dealing with here, you got to you're wanting a premium price. And so it's a lot of money up front for that consumer, and people don't have freezer space. And then the timing of it and keeping that meat fresh and the kind of cuts they want. And so those are the three, three things that you got to think about on the marketing and the direct marketing side, you can't sell part of a pig, there's just no way you're gonna make that work, you got to sell the whole pig and so so you got to be flexible, that's what I'm talking about as far as maybe a grilling pack in the summer and maybe it's a gift gift box for the winter. It's kind of those kinds of things. If I was a small small operation, I might try to find a restaurant that said that does breakfast because you know breakfast takes a lot of you know, you think about sausage and bacon and those sort of things and so, so a restaurant that would that would be able to utilize the whole carcass some way. And if you you had a story and it was a different little different tasting pork you know, that may be one way the other would be sometimes companies give give gifts to their employees around Christmas time. I mean you get the problem of trying to get it all done in a local locker I mean ahead of time but but lining something like that up might be might be a thought as far as as far as marketing and so there's been the easiest way is just to friends and neighbors who say you want to half a pig and and it's gonna cost you \$500 or whatever you need or are based on your records to make that work?

C

Christa Hartsook 10:04

Sure. So I guess that kind of sum all question then David, are there still, you know, economic returns available to the producer in a system like this?

D

Dave Stender 10:17

Well, it's in the numbers is going to cost you about 13 bushels of corn. And it's going to take the protein that the pig needs is going to take somewhere around 150 pounds of soybean meal. And then you're going to need vitamins and minerals for the for the balanced nutrition, and you're gonna have to work with a feed company there. And it's going to take about 20 pounds of vitamins and minerals. And so if you total those things up, right now, today, in Iowa, I can feed a pig for about a little less than \$100. Okay. And that's not including a lot of extras or feed markup. And if you go to a farm supply store, and you buy the feed one bag at a time, that feed bill could skyrocket to \$200 or \$250. Or if you're buying organic feed, that feed bill could be \$300 on a small operation, and so and so anywhere from \$100 to \$300 would be the what I'd say. I mean, if you're if you're if you got more pigs, and you can grind your own feed, then you may be talking about \$75 or \$80. Potentially, if you work with extension person to, to, to get like a call what I call a no nonsense diet for a lowest cost of production, and so so we were, let's just let's just say we're talking about \$100 bill for, for the feed, and then like, like I said, do you have a skid loader, those kinds of things, the cost of the acreage might add, you know, that might add \$50 to per pig, it might add \$150 per pig, that the equipment costs and then you've had to operate, you have to run water. So that rural waters three or four, you know, you have to do a budget on on electricity and water and manure and removal and dead removal and, and all the extra supplies and repairs that you might need. And so, so you know, and that's gonna

vary widely on each operation. But, but you know, you throw in another \$25 a head for that. And roughly, it takes about an hour per 100 pounds of pork, and so you're gonna, you're gonna, if you've got a pig, it's gonna take you about two and a half hours, especially in a small operation, the bigger operations are a lot more labor efficient than that, but let's figure two and a half hours. And if you're, you know, if you're talking about \$20 an hour, I didn't know you're talking about it, at least 50 bucks, you got to get for just the bare minimum to do chores. And I know you start adding, what you do is you start adding those things together. So you got \$100 for feed, and you get \$75 for equipment and, and another \$25 for operating costs your up to \$200. And then you need, you know, just to do some just to do chores, you need at least \$50. So, you know, at \$250, I'd call that a breakeven make much money on a sale, because it's going to take you an hour per sale, in addition to two and a half hours to kind of talk people through it and get the get the check and get the thing delivered to look a locker and it's gonna take a half, you know, three or four hours for a load of pigs. I mean, I can take a load of pigs in at the same time. And so, so those are the kinds of considerations that you're going to make. So, if you're, if you're selling the pig for \$400 I mean, that's \$200 aside and selling and pig for \$400 and you've got 250 in it and then you got \$150 profit, you got 10 Pigs, you have \$1,500 Well, that that's about what one week of living expense for the year. So you got to think about that, too. I mean, I mean, and so those are the kind of numbers that you got to work through if you're wanting to raise some pigs on, on an acreage. Some of it's just the experience of learning how to raise pigs and having your kids do something so, sure. So there's other reasons rather than financial way you go for it, but, but, you know, if you're using just regular genetics, and you know, and you're trying to, if you're trying to buy a boar and a sow you get, you get a whole nother level of, of expense and, and management that you need to, because it's not easy to get that done on a small acreage, probably, if I was going to, if I had a small acreage, I would, I would find a sow unit. And there's some sow units that have seconds. Pigs weren't quite big enough to make the grip, number one pig and but if you take them home, and you care for him, they'll be fine. They'll grow a little, which is probably good for meat quality anyway. And, and, and so you may be able to get pigs source from from your neighbor that that has a sow unit and say, I'd like to buy here, by your what I call seconds, the smaller pigs, the pigs that you don't want to put through your, your the bigger production systems, and those are discounted pigs. If it's normally a \$40 \$40, pig for \$30.30, you know, 12 pound pig or \$40, maybe you can get that pig for \$25 or \$15, or something like that. Because they just they don't grow quite as well. So that, you know, there's all kinds of options, you got to you got to look at both the cost and the income side. And both together, you take the income minus cost, of course to get to your margin. And I would, I would say when you're trying to sell one at a time, you don't have \$150 to play with per pig. It it's really hard to make to make it work. You need to pick up you need to trailer you need a skid loader you need to, you know pretty soon you want all these things to make it easier for you to do and, and so if you have those things or neighbor to you know, borrow it or you can get some used equipment, you need feeders, you need waters, need fencing, you know, those kinds of things. And they dollar up on getting even a small operation off the ground.

 Christa Hartsook 17:38

Sure. Absolutely. All good things to think about. Dave, I think we'll have to have you back so that you can talk to us more about maybe some of those contract opportunities that might be out there on a little bit larger scale. But we sure appreciate you being on the show today.

 D... 17:51



Dave Stender 17:54

Yes, no problem.



Christa Hartsook 17:55

All right. Thanks a lot.