

Prospects for Swine Feed Costs in 2025

By Michael Langemeier

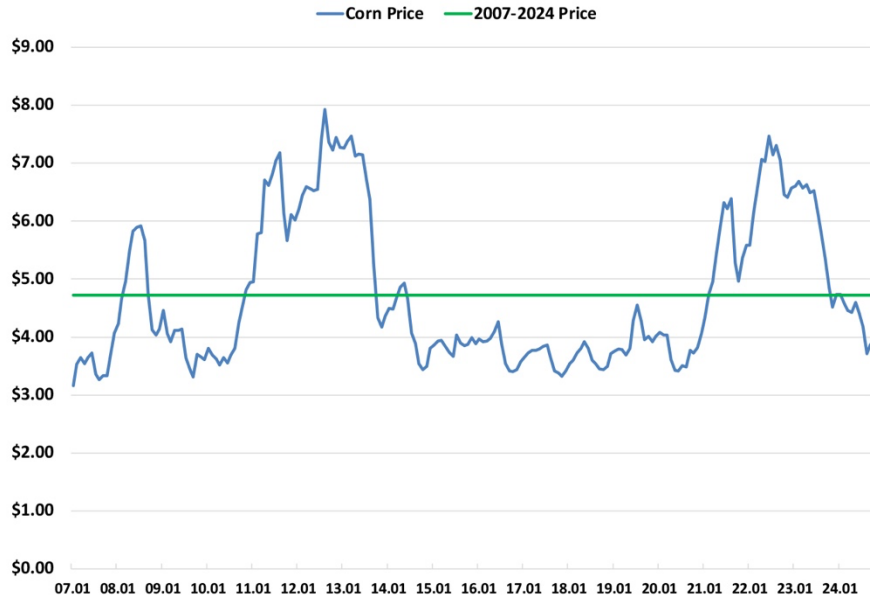
Indiana corn prices during the first half of this year averaged \$4.54 per bushel. Since June, prices have dropped sharply. The most recent WASDE report indicates that corn prices could remain low for the foreseeable future. Using the *farmdoc* price distribution tool in early December, corn prices for the July 2025 futures contract at the 25th percentile, the 50th percentile, and the 75th percentile were \$3.94, \$4.35, and \$4.80, respectively. The \$3.94 price (\$4.80 price) indicates that there is a 25 percent chance that the corn price will be below \$3.94 (above \$4.80) per bushel at the expiration of the July contract. Obviously, low expected corn prices will translate into relatively low feed costs during the first part of next year. This article examines trends in feed costs as well as the impact of corn and soybean meal prices on feed costs for farrow-to-finish and swine finishing operations.

It is important to note that the swine finishing enterprise represented in this article assumes the finishing of an early-weaned pig. The rations for the farrow-to-finish and swine finishing enterprises consist of corn, soybean meal, dry distillers' grain, and supplements. Corn prices represent averages for Indiana as reported by USDA-NASS. Soybean meal and distillers' grain prices are obtained from *Feed Outlook*, published monthly by USDA-ERS. Information from *Agricultural Prices*, a monthly USDA-NASS publication, was used to compute supplement prices. Early December futures prices for corn and soybean meal were used to project feed indices for 2025. Feed cost indices are reported on a closeout month rather than a placement month basis.

CORN AND SOYBEAN MEAL PRICES

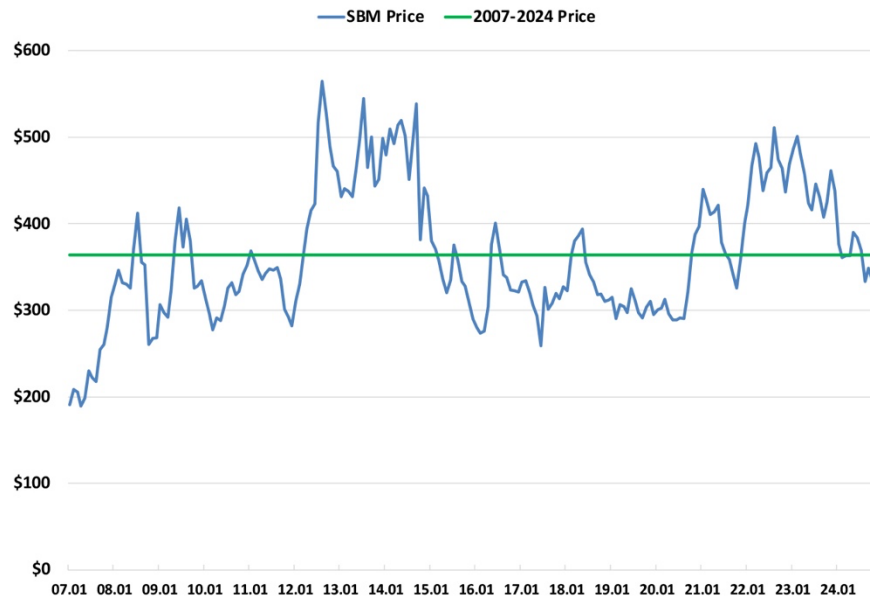
Figures 1 and 2 report monthly corn and soybean meal prices from January 2007 to October 2024. Corn price averaged \$4.73 per bushel from 2007 to the current month. Soybean meal price averaged \$364 per ton from 2007 to the current month. Current corn and soybean meal prices are below the long-run averages. Futures prices suggest that corn and soybean meal prices are likely to remain below their long-run averages well into next year. The impact of these corn and soybean meal projections on feed costs are discussed below.

Figure 1. Monthly Indiana Corn Prices, 2007 to 2024



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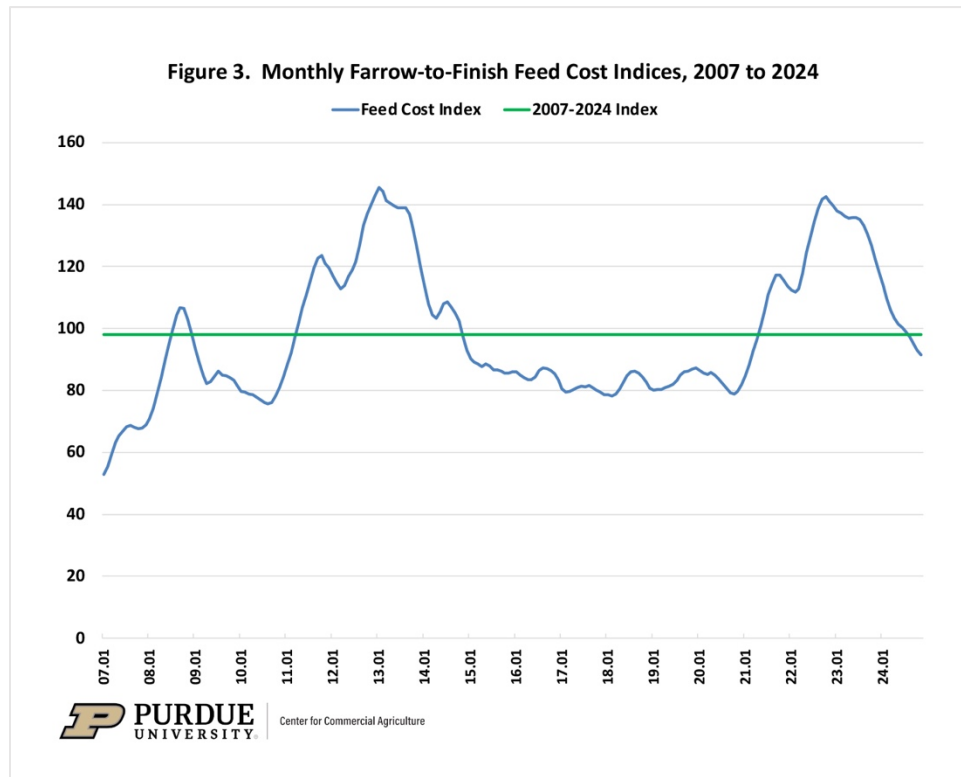
Figure 2. Monthly Central Illinois SBM Prices, 2007 to 2024



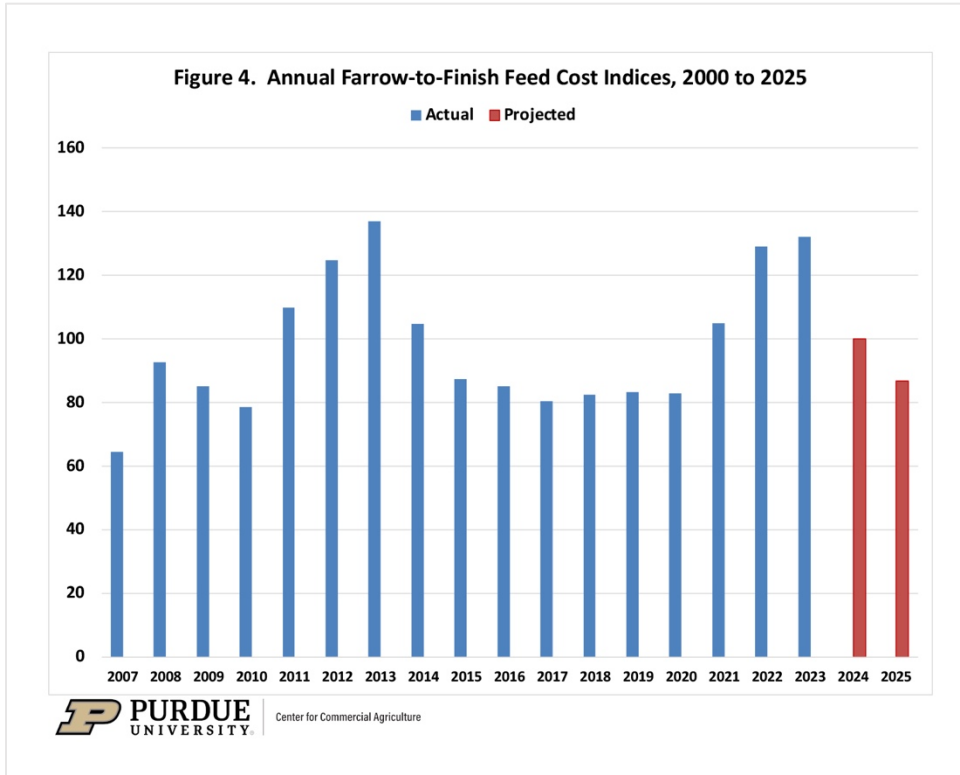
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FARROW-TO-FINISH ENTERPRISE

Figure 3 presents monthly farrow-to-finish feed cost indices from January 2007 to October 2024. The current year, 2024, has an index of 100 so all indices outside of this year are expressed in relative terms. The average feed cost index since 2007 is 98.1. The feed cost indices for the first, second, and third quarters of 2024 were 110.0, 101.7, and 97.0, respectively. The feed cost index is projected to decline from 97.0 in the third quarter to approximately 91 in the fourth quarter. Early projections for 2025, suggest that the monthly feed cost index could range from 85 to 88 next year, an unusually narrow range.

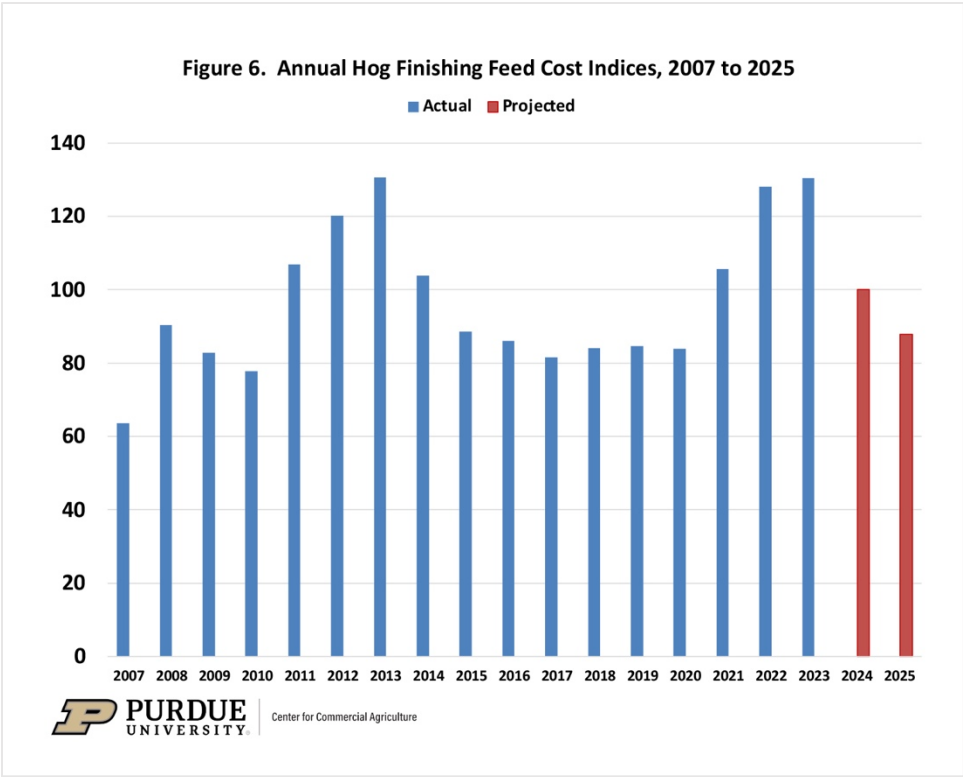
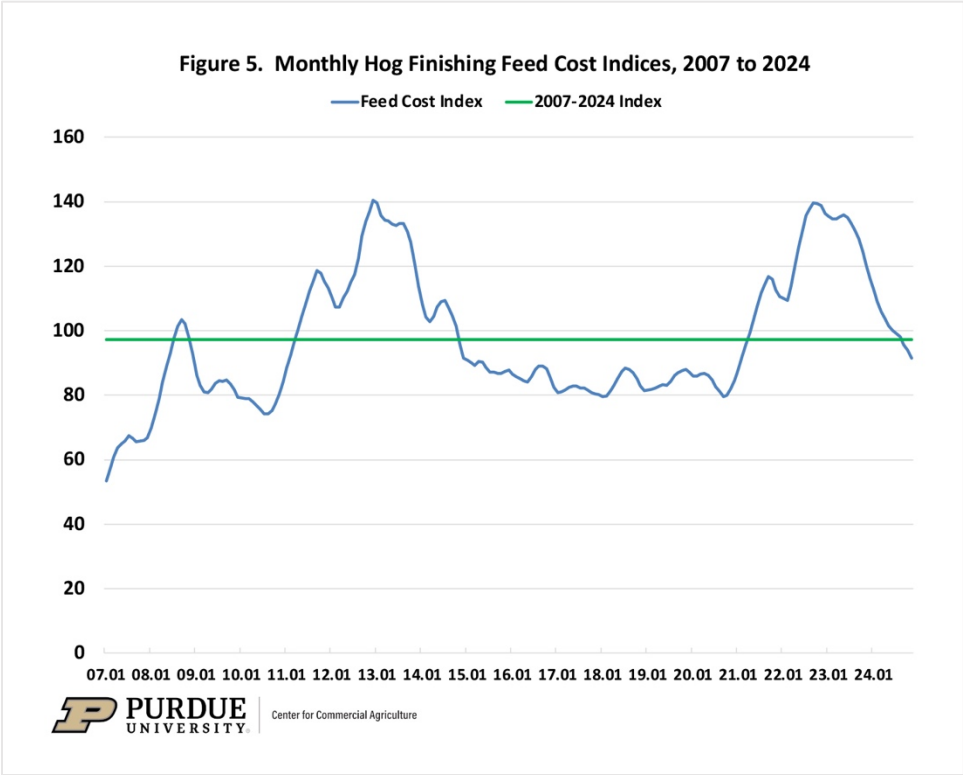


Annual farrow-to-finish feed cost indices are presented in figure 4. The projection for 2025 used corn and soybean meal futures prices in early December. The projected feed cost index for 2025 is 87, which indicates that feed costs in 2025 are expected to be 13 percent lower than they were in 2024.



SWINE FINISHING ENTERPRISE

Figure 5 illustrates monthly swine finishing feed cost indices for the January 2007 to October 2024 period. The current year, 2024, has an index of 100 so all indices outside of this year are expressed in relative terms. The average index for the period beginning in 2007 is 97.2. The average index for 2025 is projected to be 88. Similar to the feed cost index for farrow-to-finish production, the swine finishing feed cost index dropped significantly from the first quarter to the fourth quarter of 2024. Annual swine finishing feed cost indices are presented in figure 6. The projection for 2025 used corn and soybean meal futures prices in early December. The expected index for 2025 is 88, which if realized would be 12 percent below the average feed cost index in 2024.




Feed costs are sensitive to changes in corn and soybean meal prices. Regression analysis was used to examine the relationship between swine finishing feed cost, and corn and soybean meal

prices during the January 2007 to December 2023 time period. Results are as follows: each 0.10 per bushel increase in corn prices increases feed cost per cwt. by \$0.43, and each \$10 per ton increase in soybean meal prices increases feed cost per cwt. by \$0.37.

Current feed cost is approximately \$33.50 per cwt. Table 1 presents feed cost per cwt. for a range of likely corn and soybean prices in the first and second quarters of next year. Corn prices range from \$3.50 to \$4.50 per bushel and soybean meal prices range from \$250 to \$350 in the table. At the lower range of prices, feed cost per cwt. would be approximately \$27. At the higher range of prices, feed cost per cwt. would be approximately \$35.

Table 1. Sensitivity of Swine Finishing Feed Cost to Changes in Corn and Soybean Prices.

		Soybean Meal Price				
		250	275	300	325	350
Corn Price	3.50	27.02	27.95	28.88	29.81	30.74
	3.75	28.11	29.04	29.97	30.90	31.83
	4.00	29.19	30.12	31.05	31.98	32.91
	4.25	30.28	31.21	32.14	33.07	34.00
	4.50	31.36	32.29	33.22	34.15	35.08

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CONCLUSIONS

This article discussed recent trends in feed costs for farrow-to-finish and swine finishing enterprises, and provided projections for 2025. Average feed costs in 2024 were substantially lower than feed costs in 2022 and 2023. Moreover, a further reduction in feed costs is expected for the upcoming year. Current projections use corn prices ranging from \$4.00 to \$4.25 per bushel, and soybean meal prices ranging from \$275 to \$325 per ton. Corn and soybean prices will be impacted by weather conditions around the world as well as other supply and demand factors. Given the volatility of feed ingredient prices, this article also examined the impact of changes in corn and soybean meal prices on swine finishing feed cost. Each \$0.10 per bushel change in corn price, changes feed cost by \$0.43 per cwt. Similarly, each \$10 per ton change in soybean meal price, changes feed cost by \$0.37 per cwt.

REFERENCES

farmdoc Price Distribution Tool, University of Illinois, accessed on December 3, 2024.

USDA-NASS. Quick Stats, accessed on December 3, 2024.