Impact of Higher Corn Prices on Swine Finishing Feed Costs

By Michael Langemeier

Corn futures price for the nearby contract was approximately $4.40 per bushel at the start of 2026. For the first week in August, corn futures price averaged $5.18. Moreover, using the *iFarm* price distribution tool in early September, corn prices for the December 2026 futures contract at the 25th percentile, the 50th percentile, and the 75th percentile were $4.97, $5.33, and $5.70, respectively. The $4.97 price ($5.70 price) indicates that there is a 25 percent chance that the corn price will be below $4.97 (above $5.70) per bushel at the expiration of the December contract. Obviously, higher expected corn prices will translate into higher expected feed costs later this year and early next year. This article examines trends in feed costs as well as the impact of corn and soybean meal prices on feed costs for 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 swine finishing enterprise 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 September futures prices for corn and soybean meal were used to project feed indices through 2027. 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 July 2026. Corn prices averaged $4.70 per bushel from 2007 to the current month. Soybean meal price averaged $359 per ton from 2007 to the current month. The July corn and soybean meal prices were slightly below the long-run average. While soybean meal prices are expected to be similar to the long-run average, corn prices are expected to exceed $5 per bushel during the last quarter of 2026 and throughout 2027. The impact of the increase in corn prices is discussed below.

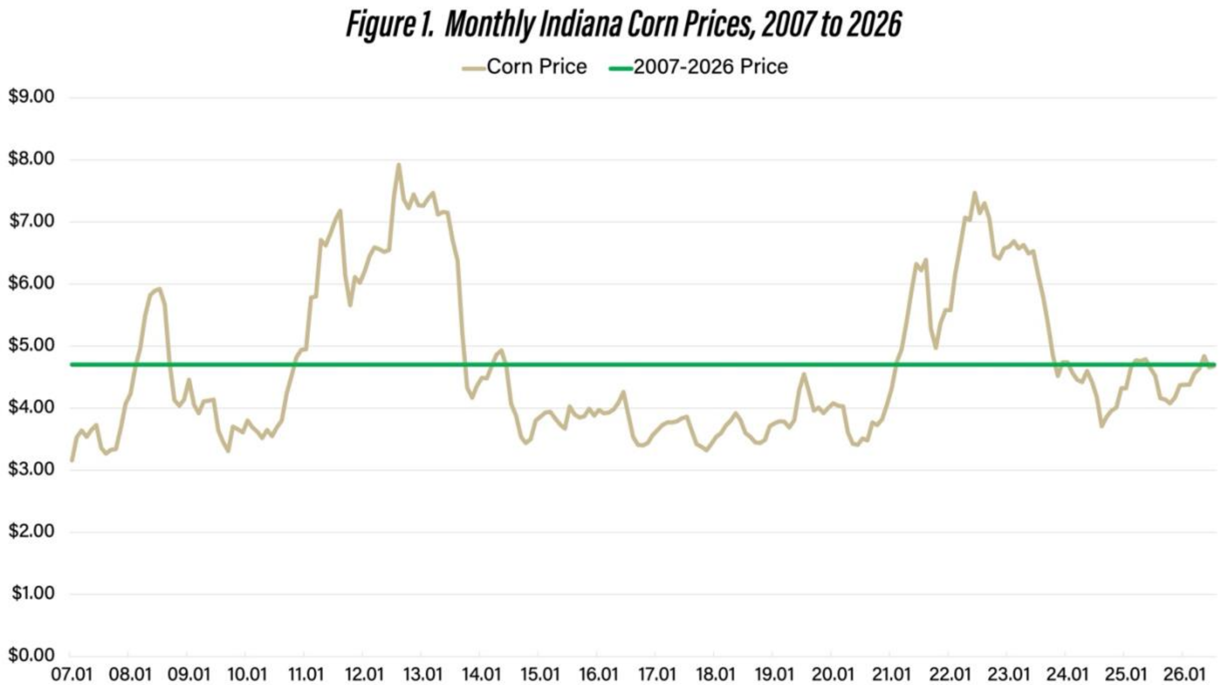

Figure 1. Monthly Indiana Corn Prices, 2007 to 2026

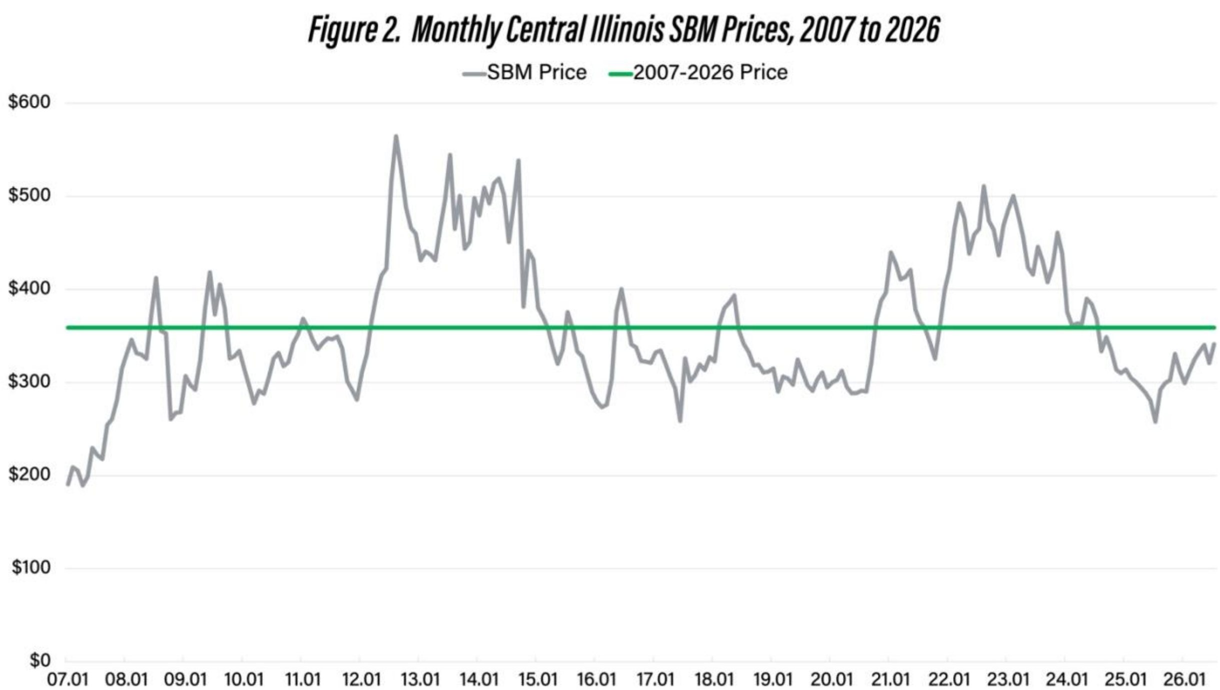

Figure 2. Monthly Central Illinois SBM Prices, 2007 to 2026

SWINE FINISHING ENTERPRISE

Figure 3 illustrates monthly swine finishing feed cost indices for the January 2007 to August 2026 period. The latest full year of indices, 2025, 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 was 105.4. The average index for the first eight months of 2026 was 101.5. The index for the rest of 2026 is expected to range from 107 to 110, which is 5.4% to 8.4% higher than the 2026 feed cost index through August. The feed cost is index is expected to be even higher in 2027, ranging from 112 to 115 in the first half of the year and from 113 to 116 in the second half of the year.

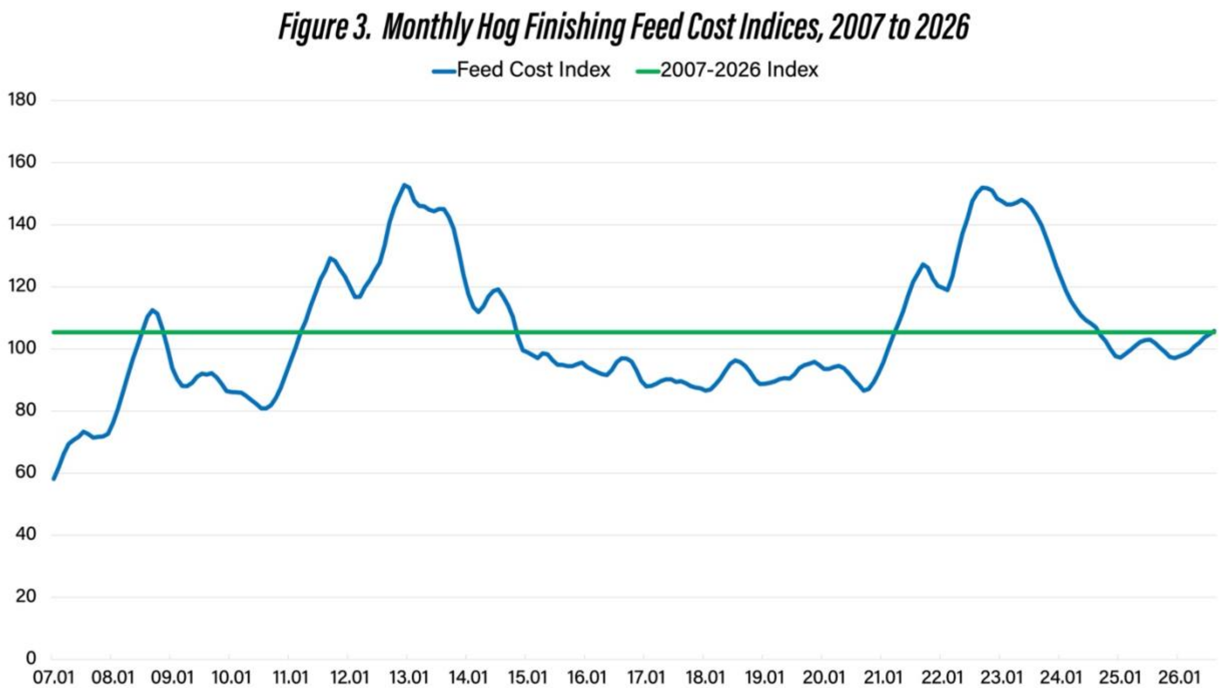

Figure 3. Monthly Hog Finishing Feed Cost Indices, 2007 to 2026

Annual swine finishing feed cost indices are presented in figure 4. The projections for the rest of 2026 and for 2027 used corn and soybean meal futures prices in early September. The projected feed cost index for 2026 is 103.8. Reflecting the recent surge in projected corn prices, the average feed cost index for 2027 is projected to 113.9, which represents a 9.7% increase from 2026.

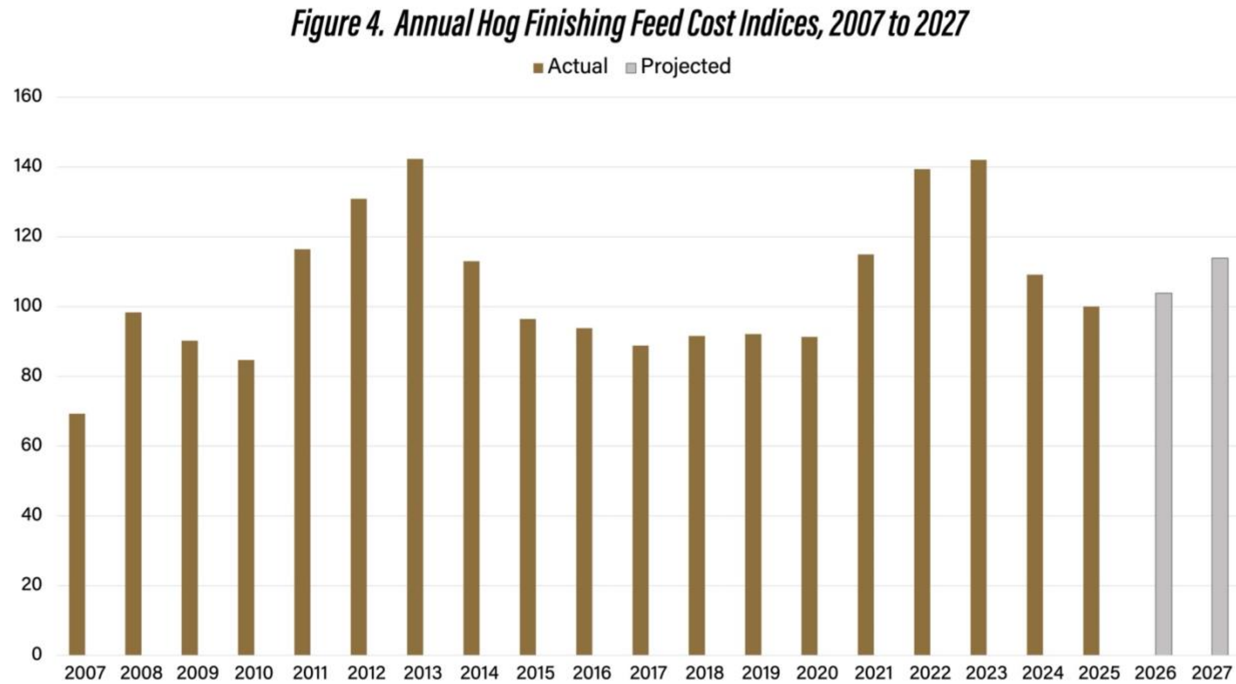

Figure 4. Annual Hog Finishing Feed Cost Indices, 2007 to 2027

Next, we will examine the sensitivity of feed costs to changes in corn prices. Using the *iFarm* price distribution tool, the probability of the corn futures price for July 2027 being below (above) \$4.87 (\$6.25) was 25 percent on September 8. This represents a spread of approximately \$1.50 per bushel. The median expected corn futures price was \$5.50 per bushel. Feed costs are very 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 2025 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. Obviously, a \$0.75 increase or decrease in corn price would have a large impact on feed cost per cwt.

Current feed cost is approximately \$36.50 per cwt. Table 1 presents feed cost per cwt. for a range of likely corn and soybean prices next spring and summer. Corn prices range from \$4.75 to \$5.75 per bushel, and soybean meal prices range from \$325 to \$425 per ton in the table. At the lower range of prices, feed cost per cwt. would be approximately \$35. At the higher range of prices, feed cost per cwt. would be approximately \$43. If soybean meal price is \$375, with a corn price of \$4.75, feed cost per cwt. would be \$37.26. With a corn price of \$5.75 and a soybean price of \$375, feed cost per cwt. \$41.60.

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

		Soybean Meal Price				
		325	350	375	400	425
Corn Price	4.75	35.44	36.35	37.26	38.18	39.09
	5.00	36.52	37.44	38.35	39.26	40.17
	5.25	37.61	38.52	39.43	40.35	41.26
	5.50	38.69	39.60	40.52	41.43	42.34
	5.75	39.78	40.69	41.60	42.52	43.43

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

CONCLUSIONS

This article discussed recent trends in feed costs for swine finishing enterprises and provided projections for the rest of 2026 and 2027. Average feed costs in 2027 are expected to be approximately 10% higher than those experienced in 2026. However, current projections are very sensitive to corn price assumptions. There is a wide range in expected corn prices. At the lower range of corn prices, feed costs would be approximately 5% higher in 2027, while at the higher range of corn prices, feed costs would be approximately 15% higher in 2027.

Corn and soybean prices will be determined by weather as well as other supply and demand factors. 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

2026 *iFarm* Price Distribution Tool, University of Illinois, accessed on September 8, 2026.

USDA-NASS. Quick Stats, accessed on September 8, 2023.