

Swedish, 13

Profit Farmer

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Home stretch for '96 farm legislation

We expect a limited-debate rule as House Ag Committee Chairman Pat Roberts (R-Kan.) moves H.R.2854 onto the House floor. That clears a shot at dairy, sugar and peanut programs, but would block wholesale revisions.

Meanwhile, USDA points out that the Senate's farm bill would pay farmers \$36 bil. over seven years versus \$14 bil. under an extension of the 1990 program. For calendar 1996, the Senate plan would give farmers up to \$8.9 bil. in payments versus \$2 bil. under extension of current law.

The Ag Regulatory Relief and Trade Act will also be introduced in the House in the next few days.

Farmers Union: Veto "Freedom to Farm" bill

The Kansas Farmers Union organized a rally Friday evening in Wichita, saying members from at least 15 states would demonstrate outside a Family Farmers' Forum where Ag Secretary Glickman was scheduled to speak. The group aimed to support Glickman's opposition to parts of the Senate's farm bill. Farmers Union favors a "simple, flexible" plan based on marketing loans which are targeted toward moderate-sized family farms.

Frozen beef stocks down 12% from year ago

Strong exports and stable domestic demand are munching through this year's larger beef supplies. Thursday's Cold Storage Report showed 368.5 mil. lbs. of frozen beef on hand on Jan. 31, 12.3% below a year earlier.

Total cold-storage pork eased 1.5% (in line with traders' expectations). Ham stocks were up almost 49% — which could restrain packer bidding into the Easter ham season and, thus, dampen the seasonal hog price upswing.

Cattle On Feed Report draws major attention

Check our electronic services (Hotline, Globalink and World Wide Web site) for reactions to Friday's Cattle On Feed Report. Traders expected January Placements down more than 7% from year-ago. On-feed expectations: Up 5.44%.

\$4 corn, \$46 hogs? So what... here we come

Momentum of big entrants into factory hog farms has muted a bit, but big players are still coming on. Examples:

- **Colorado:** In a three-day hearing, Midwest Hog Farms, Inc., urged the Colorado Groundwater Commission's okay to use 1,400 acre-feet of groundwater for a new 20,000-sow hog unit in eastern Colorado, near the Kansas line. Local opponents, mostly farmers, say the \$80-mil. operation would consume too much water. This would be the sixth big hog operation in Colorado's plains in five years.
- **Texas:** Texas Farms broke ground a few days ago on a \$110-mil., 27,000-sow hog factory south of Perryton. It'll

supply over 500,000 hogs to the new Guymon, Okla., packing plant owned by Seaboard Farms Inc., which plans to eventually handle 4 million hogs per year.

Iowans: Don't join hog factories — beat 'em

You'd think that news of mega-hog expansion like the item above would deject family-sized hog producers. But Tuesday, we spent a day with one of the most enthused, eager crowds of Iowa farmer-feeders we've ever seen. Their bottom line on building high-tech hog systems: They intend to raise hogs not just cheaper, but also with higher quality and more environmental sensitivity than the big pork mills can. Our report on *News page 3* gives you a glimpse of the long-term commitment of these producers. Several told us their total-cost breakeven on high-quality market hogs is 35¢ to 37¢ per pound. We doubt that many big Plains or Southeastern hog operations can match that if they're paying 40¢ per bu. over Chicago futures on shipped-in corn.

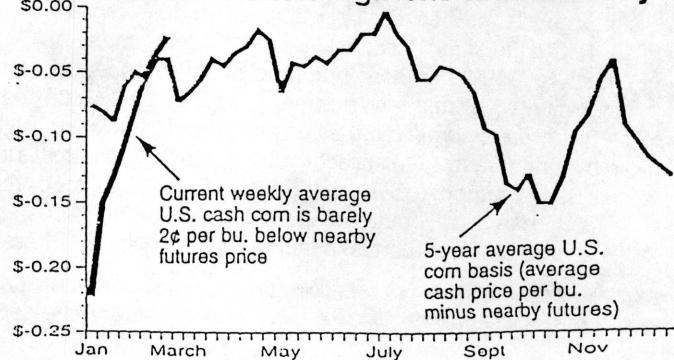
Farmers question "Roundup Ready" contract

A few farmers are raising their eyebrows at a clause in contracts to raise genetically-altered soybeans. At least one seed firm includes a clause giving it the right to inspect farmers' fields for up to three years following the contract year. Reason: Assurance that farmers don't save and replant the seed. Farmers typically agree that a seed firm's development costs must be protected and are willing to promise to sell their soybeans into regular markets for meal and oil. But field inspections? That may sound intrusive to Midwest growers, but wheat producers have seen such contracts before... it's a protection for seed producers.

Russia backing down on poultry ban?

At presstime, the Russian veterinary official who imposed a ban began hinting it's "temporary" — apparently backing down in the face of pressure from U.S. representatives and senators, as well as President Clinton and V.P. Gore.

U.S. corn basis tightens dramatically



Hog producers look back to the "high-tech" future



"I'll still be making lots of money 10 years from now when the mega-hog factory next to me has gone broke," said a family-sized hog producer at the "Swine System Options" seminar Wednesday at Iowa State University in Ames.

About 200 producers dove eagerly into discussions of deep bedding, cheap "hoop" buildings, farrowing in huts on pasture — all items that a 1950s hogman would understand. But refinements and astute management of these old ideas are proving that family-scale operations can:

1. *Raise top-quality, lean hogs at lower costs year-round than a hog factory locked into crates, grates, antibiotics and lagoons.* These hogmen blow away the belief that "outside" hogs must have a lower lean percentage.

2. *Equal the mega hog units on labor per sow,* given roughly equal scale of production. Seaboard Farms, which is building a big hog operation near Guymon, Okla., is pasture farrowing 2,000 sows with a staff of four workers — and planning to add 4,000 more sows to its pasture farrowing setup.

3. *Beat the factories on pigs weaned per sow.* Swedish and American farms are weaning 22 to 26 pigs per sow annually with deep-bedding systems. Part of the reason: Sows gestating in deep bedding have large litters, often weaning 10 pigs or more per litter.

4. *Cut finishing building investment to \$100 per hog, one-time capacity,* with "hoop" structures.

5. *Recover more fertility value by recycling wastes absorbed and partially composted in bedding rather than as a liquid.* The catch: You need a ton or more of bedding



per sow or per market hog. But big round bales remove much of the labor from this chore, and farmer-feeders have lots of cornstalks nearby. Archie Kuntz of Brooklyn, Iowa, figures each finishing hog generates about \$2 in NPK value, plus improvement in soil tilth from recycled carbon in bedding from straw or cornstalks.

6. *Reduce, or even eliminate, antibiotics in feed.* A Swedish delegation of hog producers said, "We are better off without them." Subtherapeutic use of antibiotics is banned in Sweden, as are farrowing crates and fully slatted floors.

7. *Greatly reduce offensive hog odor often associated with total confinement and lagoons.* In deep-bedding houses, the bedding warms as it partially composts: Hogs churn it enough to keep the process mostly aerobic and, thus, not very smelly. So much moisture evaporates that producers either double ventilation fan capacity or keep ends of hoop structures mostly open for natural venting.

The essential ingredient making such low-cost, high-tech systems work: *Management.* "You've got to be a dedicated herdsman," says David Topel, dean of the College of Agriculture at Iowa State.

The pendulum is swinging back

to lower-cost swine systems offering higher productivity and greater animal well-being, says Penn State animal scientist Stan Curtis. At left, deep-bedded hoop buildings keep finishing hogs toasty when it's -20 °F on the Kuntz Brothers Farms, Inc., at Brooklyn, Iowa. Below, gestating sows on a Swedish farm are fed in free stalls; live a life of ease on deep straw bedding with virtually none of the hoof, leg and skin problems associated with slats and concrete. Result: Larger litters. Groups of seven to 12 sows are kept together through farrowing and weaning.

"Hog factories and Wall Street money are looking less and less like a long-term marriage." — A major investment banker active in agribusiness. He adds that urban investors are impatient, while the hog business calls for long-term commitment.

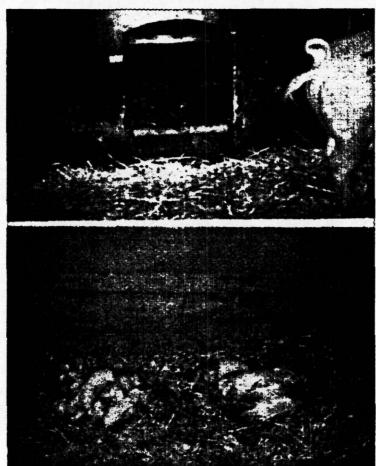
"The sows are in charge. You need a shepherd's mentality to make it work." — Mark Honeyman, Iowa State University animal scientist, on pasture or deep-bedding systems geared to a sow's natural instincts of nest-building, foraging for food and gradual weaning.

Hoof-style hog buildings are insurable... "I insured mine for \$12,000 each in case someone blows them up," quips Vic Madsen of Audubon, Iowa.

The price of good alfalfa hay has shot up, too. Several months ago, a Pro Farmer Member predicted it would follow corn up. He just sold eight 23-ton semi loads of alfalfa for \$142 per ton at the farm scale.

"I have winter wheat that's dying here in central Texas," says Ken Mark. "We don't have any moisture in the top 6 to 10 inches."

"It wasn't raining when Noah built the ark." — Howard Ruff, on the high-flying stock market.



"Ventilation must be quiet, so sows and pigs can communicate," says Ake Bergval, Swedish family farmer and hog producer. His sows farrow in bedded cubicles like those above and can leave on their own for feed and water. As sows re-enter the cubicle, they grunt and slowly root their way in, pushing pigs aside to avoid lying down on them. At weaning around eight weeks, cubicles are lifted out and sows are removed for re-breeding. Piglets socialize, but don't fight. In Sweden, removing tails is forbidden under a law passed in 1988 directing herdsman to use systems allowing domestic animals to express their natural habits. Tail-clipping is also unnecessary because the system imposes little stress and tail-biting. Each farrowing cubicle has a door ledge, with a roller to protect the sow's udder, to prevent pigs from getting into the main sow loafing area until they're ready for weaning.