

## INVESTMENT COSTS FOR NURSERY AND FINISH FACILITIES

Estimates of building and equipment costs shown in Table 9 are for 1,000 head units. Building and equipment investment values per pig space are benchmarks. Actual investment figures can vary plus or minus \$30 from benchmarks shown based on type of manure storage facilities and ventilation systems used. Depreciation, interest, repair, taxes, and insurance costs are calculated on a per pig space basis for a year. These costs are based on percentages of new investment values as indicated in the footnotes to Table 9. Costs are then stated on a per pig basis. These values appear in Table 1 and are calculated by dividing pig space costs by turns per year. Turns per year represent the number of groups of hogs run through the facility each year.

**Table 9. Estimates of Building and Equipment Costs for Different Hog Finishing Buildings.**

	Nursery 10 to 55 lbs.	Finish 55 to 255 lbs.	Wean-to-finish 10 to 255 lbs.
Building investment per pig space	\$100	\$140	\$140
Equipment investment per pig space	<u>\$20</u>	<u>\$20</u>	<u>\$40</u>
Total investment per pig space	\$120	\$160	\$180
Turns per year	6.0	2.8	2.0
Costs per pig space per year	----- \$ per space -----		
Depreciation (1)	\$8.67	\$11.33	\$13.33
Interest (2)	4.80	6.40	7.20
Repairs (3)	1.40	1.80	2.20
Taxes (4)	1.50	2.10	2.10
Insurance (5)	<u>0.30</u>	<u>0.40</u>	<u>0.45</u>
Total costs	\$16.67	\$22.03	\$25.28
Costs per pig	----- \$ per pig -----		
Depreciation (6)	\$1.45	\$4.05	\$6.67
Interest (6)	0.80	2.29	3.60
Repairs (6)	0.23	0.64	1.10
Taxes (6)	0.25	0.75	1.05
Insurance (6)	<u>0.05</u>	<u>0.14</u>	<u>0.23</u>
Total costs	\$2.78	\$7.87	\$12.65

- (1) Equals new investment cost divided by years of life (15 for buildings, 10 for equipment).
- (2) Equals one-half the total investment time an 8 percent interest rate.
- (3) Equals building investment times 1 percent plus equipment investment times 2 percent.
- (4) Equals building investment times 1.5 percent.
- (5) Equals total investment times .25 percent.
- (6) Equals costs per space per year divided by turns per year.