Pork Production in Iowa Offers Positive Economic Impact

AMES, Iowa -- Iowa’s rural economy has changed over the past quarter century and growth in the economy is vital for the state’s continued financial well being, according to Colin Johnson with the Iowa Pork Industry Center (IPIC) at Iowa State University (ISU.)

“There is a real need to grow rural economies in Iowa,” Johnson said. “And this growth needs to be environmentally, socially, and economically sustainable, as well as diverse.”

Part of a vibrant rural economy is making sure youth know there’s a place for them. Johnson says one key to keeping youth in rural areas is to make sure there are jobs and a high quality of life.

“The foreseeable future of rural Iowa’s land will primarily be agronomic in nature, based on the growth of crops such as corn, soybeans, and other emerging crops,” he said. “And as such, there’s great potential in rural Iowa for an integrated crop/livestock industry that can be sustainable as well as profitable.”

One example is a 2,400-head pig grow-finish farm. It’s of adequate size to be lucrative, and its nutrient production is a fairly even match for the needs of nearly one section of Iowa farmland.

“If you break down all the different aspects of the grow-finish farm from construction to manure management to job placement in the community you can grasp the economic improvements,” Johnson said. “This size of swine farm generates an average of $117,000-$127,800 in gross revenues annually depending on how the farmer rents the building and/or manages the pigs.”

The income from this farm accounts for a wage of approximately 0.50-0.75 FTE, enabling a beginning farmer to enter local agriculture, he said. An estimated $270,000 in local economic activity is generated due to the multiplier effect of the annual expenditures of the swine farm, and this size farm generates approximately $2,000 in annual property taxes to support local schools and activities.

“Pig sales will generate approximately $700,000 for the regional economy,” Johnson said. “Local and area business can benefit indirectly through avenues such as custom manure handling, insurance, banking, veterinary services, supplies and equipment repairs. And, local crop producers will have a market for their corn and soybeans.”

There are considerations for those interested in establishing a grow-finish operation ranging from economic to environmental in nature, Johnson said. For example, choosing the site for the farm should be done using objective measurements of environmental exposure and the community, and weighed along with other factors like the profit potential to create rural jobs.

“Manure production should match nutrient needs of the land. In this case, that’s approximately 480-520 acres in a corn/soybean rotation,” he said. “Prospective farmers also should consider the farm’s impact on the rural infrastructure, like transportation over public roads and local supplies, utilities and taxes.”

Johnson urges potential grow-finish farmers to contact him or their ISU Extension swine field specialist for help in thinking through the farm creation or expansion process.