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## Record Keeping

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Records are crucial for success. How can you evaluate the purchases of tools or find your optimal levels of labor, scale, and efficiency without records? Records are absolutely necessary to help you make more informed decisions that will directly impact your competitive position and profitability.

Not only will some basic records help you make more informed decisions, but a group benchmark will help confirm certain things are important while other things are not. Young people will not enter niche pork production unless they know that making a fair profit is possible. Also, a list of critical management areas to master is needed in order to be successful. You can only effectively manage what you are able to measure.

### *Important questions that records can help you analyze:*

- ◆ Which tools are valuable?
- ◆ Will additional inputs increase your profit? Which inputs?
- ◆ What herd size is optimal?
- ◆ Is the way you raise pigs the most cost effective method?
- ◆ Are there small changes you could make to improve your return?
- ◆ Are you spending too much time on things that do not change your financial position and too little time on things that will?
- ◆ Is the operation financially sustainable?

Keeping records just for the sake of keeping them is only useful for taxes, but taking your tax records and relating them back to your performance is useful in making more informed decisions.

In a small lower overhead operation, whole herd cost records related to gain are needed for benchmarking certain areas critical to financial sustainability. This type of record keeping links cost to performance and requires only a minimum amount of data that is easily obtained by most operations.

First, the number of pounds pork produced by the operation is essential. Pounds produced for the operation can be calculated by the following formula:

$$\begin{aligned} \text{Pounds Produced} = & \\ & (\text{Ending Inventory Wt} + \text{Sale Wt}) \\ - & (\text{Opening Inventory Wt} + \text{Purchase Wt}) \end{aligned}$$

Once the number of pounds produced is calculated, cost then can be related to performance (pounds produced).

*For example, if your operation had the same opening and closing weight, did not purchase any animals, and sold 10,000 pounds of market hogs, your operation would have produced 10,000 pounds. If you spent \$2500 on feed, the feed cost of gain would be \$0.25/pound or \$25/cwt.*

The important discussion begins when you find out that another operation spent only \$1800 on feed to produce 10,000 pounds. You wonder if the \$700 you spent on additives to enhance growth rate had a good payback. Records can help producers make more informed decisions.

Basic records can help you decide what is best for your operation. The same type of benchmarking analysis can be made for all the cost items in the operation. You just need to track the costs of things like utilities,

fuel, repairs, bedding, etc. After these cost items have been recorded, then cost of gain can be easily calculated and analyzed. Some basic records can help you decide what is best for the operation.

Successful operations that have kept records over the years have found that purchasing inputs, facilities, and equipment to fix a problem will not always help. Producers who use records successfully are able to search for an alternative management solution. This may be an approach someone else keeping records used to solve the root problem instead of simply purchasing a Band-Aid type “tool.” For example, if your operation has a herd health issue, a feed product that treats the symptom is not a solution. Rather, the use of performance records to identify and connect the stress factors that triggered the health problem is the first step in correcting the situation.

Many record systems are commercially available to help track information. Iowa State University has a business record system that can help summarize and process information from your record system. Check with your local Iowa State University Extension swine field specialist to find out more about the Swine Business Record

(SBR) analysis. The SBR is flexible. You can use it to help analyze the records you already have or use the input forms to record your cost. ISU Extension swine field specialists are available to help answer your questions, to help analyze the information gathered, and to help set goals and direction for the operation. Check the map on the following web site listed below to find the swine field specialist who serves your operation.

<http://www.extension.iastate.edu/ag/fsswine/fsswine.html>

### **Additional Resources**

Iowa Pork Industry Center.

109 Kildee Hall. Iowa State University,  
Ames, IA, 50011. 515-294-4103.

in Iowa: 1-800-808-7675

<http://www.ipic.iastate.edu/about.html>

Iowa State University Extension. 2007.

Ag Decision Maker. Iowa State  
University. Ames.

Purdue University Extension, 2007.

The New Pork Industry Handbook.

Purdue University. West Lafayette, IN.