



## 2020 Livestock Production Cost Survey

□ In 2020, the production costs of Korean beef cattle, beef cattle and milk recorded a year-on-year increase. Whereas, the production costs of calves, eggs, broilers and hogs recorded a year-on-year decrease.

○ The production costs of Korean beef cattle, beef cattle and milk rose by 5.5%, 3.4% and 2.4%, respectively, from 2019.

- This increase in livestock production costs resulted from a rise in livestock purchase costs (Korean beef cattle and beef cattle) and feed costs (milk).

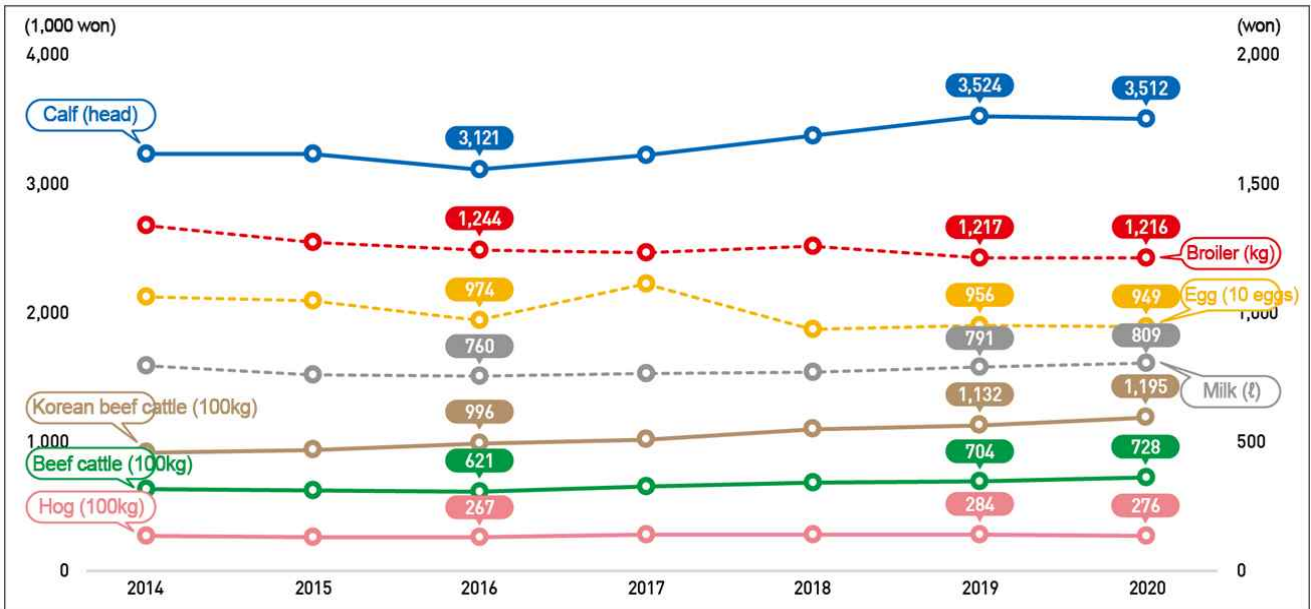
○ The production costs of calves and eggs dropped by 0.3% and 0.7%, respectively, from 2019, owing to the improvement in productivity. The production costs of broilers and hogs fell by 0.1% and 2.6%, respectively, from 2019, owing to a decrease in livestock purchase costs.

- This decrease in livestock production costs resulted from a rise in the reproduction rate (calves) and the egg production rate (eggs), and a drop in livestock purchase costs (broilers and hogs).

### < Livestock Production Costs >

| Classification                              | 2019            |                | 2020            |                | Year-on-year    |                |                    |                |
|---|-----------------|----------------|-----------------|----------------|-----------------|----------------|--------------------|----------------|
|   |                 |                |                 |                | Change          |                | Percent change (%) |                |
|   | Production cost | Operating cost | Production cost | Operating cost | Production cost | Operating cost | Production cost    | Operating cost |
| Calf<br>(1,000 won per head)                | 3,524           | 2,352          | 3,512           | 2,376          | -12             | 23             | -0.3               | 1.0            |
| Korean beef cattle<br>(1,000 won per 100kg) | 1,132           | 988            | 1,195           | 1,049          | 63              | 61             | 5.5                | 6.2            |
| Beef cattle<br>(1,000 won per 100kg)        | 704             | 580            | 728             | 599            | 24              | 19             | 3.4                | 3.2            |
| Milk (won per liter)                        | 791             | 667            | 809             | 687            | 19              | 20             | 2.4                | 2.9            |
| Hog<br>(1,000 won per 100kg)                | 284             | 270            | 276             | 263            | -7              | -8             | -2.6               | -2.9           |
| Egg<br>(won per 10 eggs)                    | 956             | 912            | 949             | 908            | -6              | -4             | -0.7               | -0.5           |
| Broiler<br>(won per kg)                     | 1,217           | 1,160          | 1,216           | 1,162          | -1              | 2              | -0.1               | 0.1            |

< Livestock Production Costs for the Past 7 Years >



□ In 2020, the net profit of Korean breeding cows and hogs recorded a year-on-year increase. Whereas, the net profit of dairy cows and broilers recorded a year-on-year decrease. The net profit of layers changed from deficit to surplus. The deficit of beef cattle scaled down.

○ The net profit of Korean breeding cows and hogs increased by 70.8% and 640.6%, respectively, from 2019, due to an increase in livestock sale prices.

\* Farm gate price of calves (1,000 won per male calf aged 6~7 months): 3,930 in 2019 → 4,295 in 2020 (a rise of 9.3%)

\* Farm gate price of pigs (1,000 won per 110kg): 324 in 2019 → 353 won in 2020 (a rise of 9.0%)

○ The net profit of dairy cows fell by 1.5% from 2019 due to a rise in feed costs. The net profit of broilers fell by 78.8% from 2019 due to a drop in livestock sale prices.

\* Price of imported hay (won per kg): 353 in 2019 → 356 in 2020 (a rise of 0.8%)

\* Farm gate price of broilers (won per head): 1,268 in 2019 → 1,121 in 2020 (a drop of 11.6%)

○ The net profit of Korean beef cattle and layers changed from deficit to surplus due to a rise in livestock sale prices. The deficit of beef cattle scaled down.

\* Auction price of Korean beef cattle (won per kg of male castrated cattle): 19,136 in 2019 → 21,241 in 2020 (a rise of 11.0%)

\* Wholesale price of eggs (won per 10 large eggs): 974 in 2019 → 1,105 in 2020 (an increase of 13.4%)

\* Auction price of beef cattle (won per kg of castrated cattle): 10,096 in 2019 → 10,727 in 2020 (a rise of 6.3%)

< Profitability of Livestock >

| Livestock                                | 2019           |         |              | 2020           |         |              | < Net profit ><br>Year-on-year |                |
|--|----------------|---------|--------------|----------------|---------|--------------|--------------------------------|----------------|
|  | Gross receipts | Income* | Net profit** | Gross receipts | Income* | Net profit** | Change                         | Percent change |
| Korean breeding cow (1,000 won per head) | 2,950          | 1,170   | 303          | 3,184          | 1,367   | 518          | 215                            | 70.8           |
| Korean beef cattle (1,000 won per head)  | 8,624          | 1,025   | -76          | 9,387          | 1,190   | 58           | 134                            | 176.0          |
| Beef cattle (1,000 won per head)         | 4,517          | 299     | -602         | 4,789          | 377     | -574         | 28                             | 4.7            |
| Dairy cow (1,000 won per head)           | 10,419         | 3,844   | 2,701        | 10,657         | 3,811   | 2,661        | -40                            | -1.5           |
| Hog (1,000 won per head)                 | 330            | 22      | 6            | 362            | 63      | 47           | 41                             | 640.6          |
| Layer (won per head)                     | 26,155         | -561    | -1,823       | 31,153         | 3,818   | 2,590        | 4,413                          | 242.1          |
| Broiler (won per head)                   | 2,046          | 267     | 180          | 2,002          | 125     | 38           | -142                           | -78.8          |

\* Income = Gross receipts - General costs

\*\* Net profit = Gross receipts - Breeding costs

< Net Profit for the Past 7 Years >

