
GUIDE

How to budget for a piggery

By Nick Clunes · Updated 25 October 2026 · 7 minute read

SHORT ANSWER

Start with the herd: sows, pigs weaned, deaths and carcase weight give you kilograms to sell. Then budget feed in tonnes and price it, because feed is around 60% or more of your costs. Finish by testing what dearer grain and a lower pig price do to the cash after debt repayments.

A piggery budget looks simple on paper, because pigs go out most weeks and the cheques come in steadily. The trouble is that a small move in grain or feed conversion can wipe out most of the year's margin. A good budget shows you how close that line is before the bank works it out for you.

There's no published NSW DPI gross margin budget for pigs at the moment, so most producers build their own. This is how I do it.

Start with the herd, not the bank account

Everything in a piggery budget flows from the herd. Work out how many kilograms of carcase you'll sell, and the income and the feed bill follow from that.

The herd numbers you need

- Sows in the herd, including gilts that will farrow this year.
- Pigs weaned per sow per year, taken from your herd software or sow cards.
- Deaths between weaning and sale, as a percentage.
- Average carcase weight at sale, and how your pigs fall on the buyer's grid.

For comparison, Pork CRC benchmarking reported Australian herds at 26-plus pigs weaned per mated female per year in 2016-17. Use your own figure in the budget, though, even if it's lower. A budget built on someone else's herd won't match your bank account.

Turning pigs into kilograms

Multiply sows by pigs weaned to get pigs weaned for the year. Take off your post-weaning deaths to get pigs sold. Then multiply pigs sold by your average carcase weight to get kilograms sold.

NSW DPIRD reported an average carcase weight of 75.1 kg in 2024-25. Baconers averaged 80.7 kg and porkers 51.5 kg nationally. Use the weights on your own dockets, split by porkers and baconers if you sell both.

Price the pigs

Income is kilograms sold times the price per kilogram you expect to be paid. NSW DPIRD reported eastern Australia porker prices averaging \$4.52/kg carcase weight in 2024-25, with baconers at \$4.43/kg.

Pig prices move in cycles, and NSW DPIRD notes a four-year pattern in pig numbers. I'd budget at a price you'd be comfortable defending to a credit team, not the best week of last year. Check your grid as well, because pigs that miss the weight band lose money on the docket.

Budget the feed in tonnes first

Feed is the big number. Australian Pork Limited has put feed grain at about 60% of production costs, and other industry reporting puts feed at 60% to 70%. If you get this line wrong, the rest of the budget hardly matters.

Work out how much the herd eats

The cleanest measure is herd feed conversion. It's the total feed the whole herd eats for each kilogram of liveweight sold. That includes the sows, boars and gilts as well as the grower pigs. Pork CRC figures put the Australian average at 3.73 in 2016, against a target of 3.4.

You can also budget feed per pig sold, which is easier to check against your mill records. Add up a year of feed deliveries in tonnes and divide by pigs sold. Your nutritionist can split that by ration so you can price each diet separately.

Then put a price on it

Price contracted grain at the contract price and the rest at a current delivered quote. Include milling, protein meal, premix and freight, because grain is only part of the diet. Then make a note of how many months of feed you have bought or contracted.

The other costs

After feed, the main costs in most units are these.

- Wages, including your own if you pay yourself through the business.

- Power and gas for fans, lights, heat pads and the feed mill.
- Vet, vaccines and medication.
- Repairs to sheds, effluent systems and the feed mill.
- Freight to the abattoir, levies, insurance and administration.

Don't guess at power. NSW DPIRD reported NSW wholesale electricity averaging \$147/MWh in 2022-23, against \$78/MWh over the previous five years. Use a year of your actual bills.

A worked example

This is an example 400-sow farrow-to-finish unit near Forbes. The figures are illustrative and don't come from a real business.

The herd and income

Item	Figure
Sows	400
Pigs weaned per sow per year	24
Pigs weaned	9,600
Deaths after weaning	5%
Pigs sold	9,120
Average carcase weight	76 kg
Kilograms sold	693,120 kg
Pig price	\$4.30/kg
Income	\$2,980,416

The costs

The unit uses 370 kg of feed for every pig sold. That counts everything the sows and growers eat. That comes to 3,374.4 tonnes a year at an average of \$450 a tonne delivered.

Cost	\$ a year
Feed (3,374.4 t at \$450/t)	1,518,480

Cost	\$ a year
Wages	420,000
Power and gas	110,000
Vet and medication	95,000
Repairs and maintenance	80,000
Freight to abattoir	60,000
Insurance, levies and admin	55,000
Other	40,000
Total costs	2,378,480

Feed is 63.8% of total costs, which sits inside the industry range. The cost of production is \$3.43 per kg of carcase, of which feed is \$2.19.

After the bank

Line	\$ a year
Income	2,980,416
Less total costs	2,378,480
Operating surplus	601,936
Less interest	140,000
Less principal repayments	150,000
Less drawings	120,000
Cash left over	191,936

To cover all costs, debt and drawings, this unit needs about \$4.02/kg. That's 28 cents under the budgeted price.

Test it the way the bank will

A credit team won't stop at your base case. They'll ask what happens when things go wrong, so it's better to show them first.

Test	Change in cash	Cash left over
Base case	0	191,936
Grain up \$50 a tonne	-168,720	23,216
Pig price down 15%	-447,062	-255,126

A \$50 rise in grain leaves this unit only just ahead after the bank and drawings. A 15% fall in the pig price puts it \$255,126 short. That is why the bank asks how many months of feed you have locked in.

Feed conversion works the other way. If this unit cut 10 kg of feed per pig sold, it would use 91.2 tonnes less in a year. At \$450 a tonne, that's \$41,040 straight to the bottom line.

In 2017, Pork CRC's Roger Campbell said feed at \$350 a tonne could cut production cost by up to 30 cents/kg. Grain is the lever that matters most, and your budget should show that clearly.

Turn the budget into a cashflow

A budget gives you the year. A monthly cashflow shows when the money actually moves. If you buy grain off the header and store it, a large share of the feed bill goes out between November and January.

Spread the pig sales across the weeks you'll actually sell them. Then put the grain payments in the months they're due, and watch where the overdraft hits its lowest point. That low point is what the bank will set your limit against.

When to get help

My Bank Review Pack builds the herd, feed and cashflow from your records, with the tests the bank expects. It costs \$1,850 plus GST (\$2,035 incl. GST). If you'd rather start by seeing where you stand, the Farm Health Check is \$850 plus GST.

Common questions

Is there a published NSW DPI gross margin budget for pigs?

Not at the moment. When I checked in October 2026, the NSW DPIRD livestock budget page listed beef and sheep budgets but none for pigs. You'll need to build your own from your herd records, and this guide shows how.

What share of costs is feed in a piggery?

Australian Pork Limited has put feed grain at about 60% of production costs. Industry reporting in 2018 put feed at 60% to 70%. Your own share depends on your grain price, your feed conversion and how much labour and power you use.

How far ahead should a piggery budget go?

I budget at least 12 months and usually through to the next grain harvest. That way the cashflow shows the big grain payments as well as the weekly pig cheques. Herd changes take most of a year to show in sales, so a longer view helps.

What grain price should I use in the budget?

Use the price you've actually contracted for the tonnes you've locked in. For the rest, use a current delivered quote and then test a higher one. I usually show the bank a rise of \$50 a tonne alongside the base case.

Sources

1. Australian Pork Limited, submission to the Productivity Commission inquiry into government drought support (feed grain about 60% of production costs)
2. The Pig Site, Australian pork industry reaches crisis point, November 2018 (feed 60% to 70% of production costs)
3. National Hog Farmer, Pork CRC benchmarking shows Australian producers progressing, October 2017 (26-plus pigs weaned per mated female per year)
4. FeedNavigator, Improving feed efficiency in Australian pork production, March 2018 (herd feed conversion 3.73 in 2016, target 3.4)
5. FeedNavigator, High feed costs put Australian pig producers under pressure, 2017 (feed at \$350/t could cut production cost by up to 30c/kg)
6. NSW DPIRD, Pork: Performance, Data and Insights 2025 (2024-25 pig prices and carcase weights)
7. NSW DPIRD, Pork: Performance, Data and Insights 2023 (NSW electricity prices in 2022-23)
8. NSW DPIRD, Livestock gross margin budgets (no pig budget listed)

General information only, not financial, tax or credit advice. Worked examples use made-up figures. More on how Farm CFO works with piggeries.