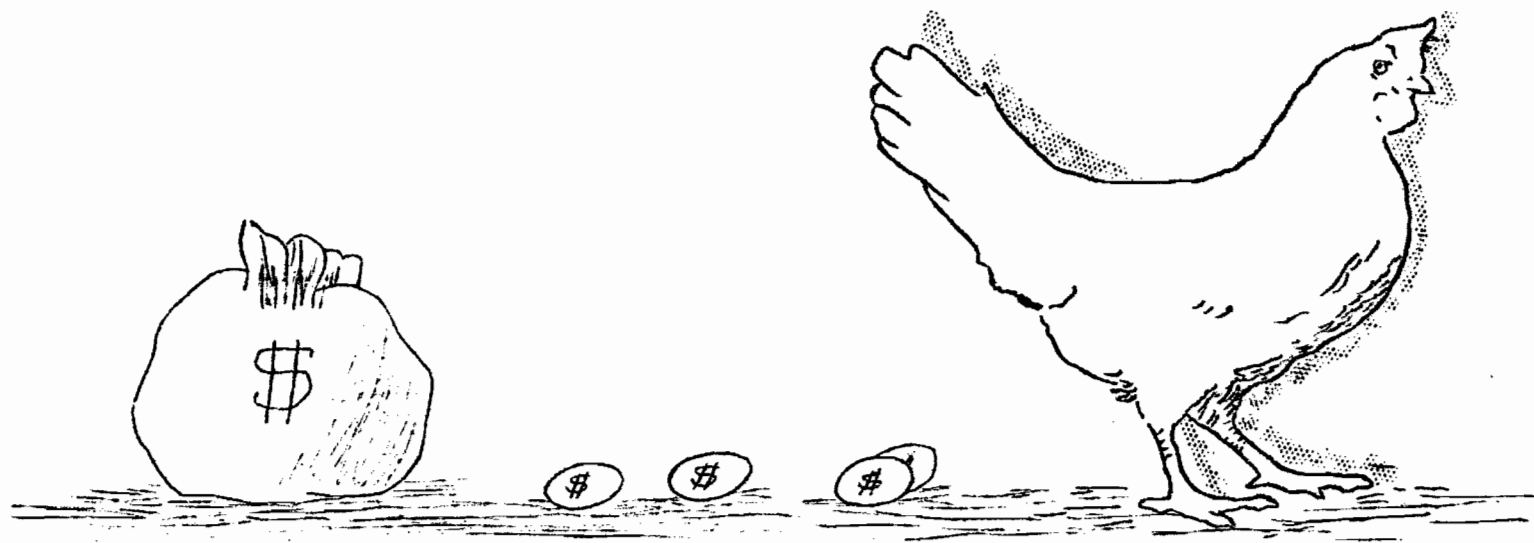


# SAN LUIS OBISPO COUNTY POULTRY MANAGEMENT STUDY = 1953



FOURTH ANNUAL REPORT

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This is the fourth annual report of the San Luis Obispo Poultry Management Study. Records are shown in detail for 1953 on Tables 1 to 3. Average for the other 3 years are shown in Table 4 with averages from two other studies for 1953.

These few records are a small sample from a large number of poultry farms in this county. They are perhaps fairly representative of local flocks, but should not be considered as average for the local industry.

Cooperators in this study show rather variable results in production and profit obtained. The purpose of this study is to present comparisons so the reader of this report may see for himself the affect of various profit determining factors. Careful examination will show that no single factor is dominant, but that a favorable combination of several factors is essential to better than average profit.

High egg production per hen and a good egg price result in higher egg income per hen. Good poultry sales depend on low mortality in chicks and hens. Profit is income less cost and the cost side is most important. Heavier replacements than necessary result in high chick and feed costs. Higher feed costs than necessary through choice of kind of feed and a high proportion of mash can reduce profit.

These four years of this study show a rather low profit or net income in 1950, much better earnings again in 1952 and a profitable year in 1953.

Arthur Shultis  
Extension Economist  
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Income in the fourth quarter of 1953 was at an annual rate about one billion below that of the previous quarter. Consumer expenditures about equalled the decline in income after taxes. Egg prices, however, have been rather well maintained, with a strong demand for consumption and freezing; and despite egg production for the country, 1% above the previous January and a record high for the month. Average number of layers for January for the U. S. was 2% above the previous year, and in California was 7% more than a year ago.

Chicks hatched in the U. S. in January were 20% higher than the previous January. In California light-breed chicks for flock replacements were up 28% over the previous January. Eggs in incubators February 1 are up 15% for the U. S. and up 16% for light breeds in California. This means more pullets coming into production this coming fall and higher egg production. Poultry meat production will also continue large; and with a large meat supply, good prices are not likely.

With some probable decline in consumer expenditures and increased egg production, lower prices for eggs are apt to prevail than for the same months last year. Prices of feed concentrates have been increasing a little recently, while grains are still below a year earlier. Grain production in California will be up materially this year if rainfall and weather are about normal for the balance of the season. Hence feed grains may be lower in price than last year. But with lower egg prices and no substantial decline in feed and other costs, the year 1954 will be one of lower profits to California poultrymen.

Dale C. Cannon  
Farm Advisor  
San Luis Obispo



TABLE 1  
MAIN PROFIT FACTORS IN INDIVIDUAL FLOCKS AND STUDY AVERAGES

San Luis Obispo County

Serial Number	8	14	10	7	1	2	5	12	Average 1953
Size of flock or av. no. hens *	B	D	B	C	C	C	B	A	1122
Eggs laid per average hen	217	221	221	195	222	195	216	153	211
Percent Mortality, hens	24	12	15	24	23	15	12	31	18
Percent Mortality or lost, young stock	17	16	21	8	12	3	34	35	17
Average price cull hens	.69	.55	.71	.50	.56	.65	.98	.73	.68
Av. cost per chick or bird bought	.500	.459	.353	.424	.337	.388	.321	.258	.373
Net stock income per hen	.45	.20	.16	.12	.62	.24	1.29	3.04	.46
Av. price per dozen eggs sold	.472	.499	.510	.525	.555	.541	.564	.439	.520
Dozens sold per hen	19.7	19.7	18.7	15.2	18.2	16.6	19.1	12.9	18.1
Income per hen from eggs sold	9.31	9.84	9.55	7.99	10.08	8.97	10.78	5.67	9.40
Poultry sold	.34	.45	.78	.10	.45	1.18	1.86	3.01	.74
Miscellaneous income	---	.12	.09	.05	.08	.06	.24	---	.08
Increase in stock inventory	.55	.52	-.16	.32	.89	.07	.40	2.03	.45
Total income per hen	10.20	10.93	10.26	8.46	11.50	10.28	13.28	10.71	10.67
Total expense per hen	7.04	8.18	7.59	6.66	10.26	10.94	14.26	12.83	9.26
Management income	3.16	2.75	2.67	1.80	1.24	-.66	-.98	-2.12	1.41
Farm income per hen **	4.56	4.18	4.11	3.61	2.83	1.60	1.32	-.30	3.13

Individual records are listed above from left to right in order of management income per hen with the most profitable records to the left. Notice the first 5 all had a profit, but the last 3 had a loss as shown by a minus sign. No. 12 had the largest loss and had the lowest egg production and highest mortality. Stock could not have been very good and it was the cheapest at 25.8¢ per chick only part of which were pullets.

The last four or least profitable flocks shown above all had good total incomes per hen but had much higher total costs per hen than the four more profitable records. Costs were most important this year in determining profit. They appear in detail in Table 3. No. 7 with lowest cost per hen had a fair profit despite not very high egg production. Culling and replacements were too low here for best profit this year and next.

\* Size of flock: A. Under 500 B. 500 - 999 C. 1000 - 1999 D. 2000 & over

\*\* Farm Income is Management Income plus the value of the operator's labor and interest on investment.

TABLE 2  
PRODUCTION AND EGG PRICE FACTORS IN INDIVIDUAL FLOCKS

San Luis Obispo County

Serial Number	8	14	10	7	1	2	5	12	Average 1953
Eggs laid per average hen	217	221	221	195	222	195	216	153	211
Fall eggs per fall hen, Sept. - Dec.	73	71	74	59	74	70	81	62	71
Percent of year's eggs in fall Sept. - Dec.	37	38	36	31	43	35	33	76	38
Percent of flock pullets, 6 - 18 mo.	57	86	84	39	94	91	62	77	78
Percent pullets added, July - Oct.	100	61	26	100	44	51	50	100	56
Percent mortality & lost, hens	24	12	15	24	23	15	12	31	18
Percent culled of av. no.	39	77	110	23	90	172	185	57	96
Percent added	72	107	100	44	156	173	121	207	118
Percent increase or decrease	9	18	-25	-3	43	-14	-76	119	4
Percent of all eggs sold									
Large	58	38	63	68	67	44	54	-	54
Medium	32	36	26	23	26	39	27	-	31
Small & commercial	10	26	11	9	7	17	19	-	15
Sold at retail	1	4	2	4	30	1	0	12	7
Average price per dozen									
Wholesale market	47.2	50.2	51.4	52.0	54.5	50.4	56.6	45.3	51.3
Retail	48.7	47.6	41.4	65.1	58.2	52.5	---	51.6	56.1
All eggs sold & home use	47.2	49.9	51.0	52.5	55.5	54.1	56.4	43.9	52.0
Net cost per dozen	31.2	35.9	36.7	40.7	48.7	58.0	61.5	60.4	44.2
Management income per dozen	16.0	14.0	14.3	11.8	6.8	-3.9	-5.1	-16.5	7.8
Farm income per dozen	23.1	21.2	21.9	23.7	15.6	9.6	6.9	-2.3	17.3

To have high income per hen, it is necessary to have high production and sale of eggs per hen. To get high annual production, it is necessary to get high fall egg production. This is dependent on a fairly high percentage of pullets and the addition of a high percentage of the pullets added during the four months of July to October. This means hatching the major proportion of replacement pullets from January to April. This practice also results in a larger flock in the fall and a higher per cent of the year's eggs being obtained in the fall when egg prices are higher. Adequate continuous culling is also important to high egg production, but culling above 60 per cent is probably not culling, but the sacrifice of good birds to make room for new layers coming on. Over replacement, even though it may result in higher egg production per hen, can increase costs more than income. Flock 5 had high enough production to show a profit but over-brooding of replacements used up the potential profit.

TABLE 3  
COST FACTORS AND COSTS PER HEN

San Luis Obispo County

Serial Number	8	14	10	7	1	2	5	12	Average 1953
Average price per cwt. mash	4.35	4.42	3.88	4.18	4.13	4.34	4.64	4.74	4.30
Average price per cwt. grain	3.73	3.26	--	3.56	3.76	3.52	--	3.88	3.43
Av. price per cwt. mash and grain	4.19	3.70	3.88	3.97	4.10	4.12	4.64	4.45	4.07
Percent of feed mash	76%	38%	100%	64%	91%	70%	100%	66%	73%
Lbs. mash and grain per hen	108	144	120	100	165	153	188	181	142
Estimated feed need per hen	114	126	120	105	143	141	152	166	---
Percent fed of estimated need	95%	114%	100%	95%	115%	108%	124%	113%	---
Investment per hen	3.02	3.42	4.67	3.37	5.35	6.32	13.88	6.81	5.27
Hours of labor per hen	1.3	1.3	1.2	1.3	1.5	2.0	1.6	1.5	1.5
Total feed cost per hen	4.64	5.38	4.74	4.01	6.84	6.33	8.72	8.05	5.82
Poultry stock bought	.44	.77	.46	.30	.71	1.01	.97	2.00	.73
Miscellaneous Costs	.37	.33	.51	.37	.49	.95	1.48	.37	.58
Depreciation	.19	.13	.44	.17	.48	.35	.80	.59	.34
Hired labor	--	.04	--	--	.15	.04	--	--	.04
Subtotal, cash costs and depreciation	5.64	6.65	6.15	4.85	8.67	8.68	11.97	11.01	7.51
Value operator's labor	1.25	1.26	1.20	1.64	1.32	1.94	1.60	1.48	1.46
Interest on investment	.15	.27	.24	.17	.27	.32	.69	.34	.29
Total all costs	7.04	8.18	7.59	6.66	10.26	10.94	14.26	12.83	9.26

Costs per hen are frequently the most important factor in allowing a profit or causing a loss in the individual flock. Feed was 63% of the total expense per hen shown above as the average for 8 flocks. The quantity fed times average price per cwt. of mash and grain largely determines feed cost per hen. Lowest cost per 100 lbs. was in flock 14 at 3.70 where 38% of the feed was mash and the rest was low-priced grain costing 3.26 per cwt. Highest feed cost per 100 lbs. was at 4.64 in flock 5 which fed all mash. Quantity fed will vary widely with differing proportions of young stock raised, the strain or breed of hens, and egg production per hen. There is probably also some waste. To show the need to check for this we have estimated the feed that should have been needed for the young stock raised and the egg production obtained. The percent actually fed of this estimated need is also shown. Notice that No. 5, 8, and 7 fed only 95% of our liberal estimate of need, No. 10 fed exactly the amount or 100% and the other 5 records fed over 100%--as high as 124% in No. 5. The first 4 more profitable flocks all had considerable lower expense than the last four.

TABLE 4  
STUDY AVERAGES OTHER YEARS AND COUNTIES

	Sari Luis Obispo County				Sonoma	San Diego
	1953	1952	1951	1950	1953	1953
Number of records	8	10	8	11	24	35
Average number hens per flock	1122	1393	1092	956	1920	3801
Eggs laid per hen	211	205	206	200	218	228
Percent mortality, hens	18	22	20	24	15	15
Percent culled	96	97	81	85	97	76
Percent increase or decrease	4	25	23	23	19	16
Av. price per dozen eggs	52.0	51.8	58.4	46.9	55.0	51.4
Av. price per cull hen	.68	.84	.83	.85	.89	.75
Av. cost per cwt. mash and grain	4.07	4.52	4.37	3.98	4.14	4.06
Percent of feed mash	73	82	71	71	53	100
Hours of labor per hen	1.5	1.8	1.7	2.4	1.2	1.1
Income per hen, eggs sold	9.40	8.79	9.88	7.66	10.37	9.64
Poultry stock sold	.74	1.25	1.88	1.50	.95	.58
Miscellaneous income	.08	.05	.06	.04	.03	.05
Increase stock inventory	.45	.78	.20	.48	.57	.33
Total income per hen	10.67	10.87	12.02	9.68	11.92	10.60
Total feed cost per hen	5.82	7.67	6.98	6.34	6.03	4.96
Poultry stock bought	.73	.67	.61	.84	.66	.50
Miscellaneous costs	.58	.66	.53	.50	.57	.41
Depreciation	.34	.33	.46	.23	.26	.37
Hired labor	.04	.40	.51	.46	.17	.46
Cash & depreciation costs per hen	7.51	9.73	9.09	8.37	7.69	6.70
Farm income per hen	3.13	1.14	2.93	1.31	4.23	3.90
Value operator's labor	1.46	1.43	1.20	1.90	1.55	.85
Interest on investment	.29	.32	.21	.26	.28	.21
Management income per hen	1.41	-.61	1.52	-.85	2.40	2.84

Averages for this study over the last four years are shown above. The average for 1953 shows the highest egg production per hen, the lowest hen mortality and highest farm income per hen for any of the four years. This shows higher efficiency as does the lower labor per hen. Egg price per dozen was only slightly above the previous year but cost per 100 lbs. of mash and grain was considerably below 1952, thus making possible the materially higher earnings.

The last two columns show averages for 1953 for similar studies in Sonoma and San Diego counties. Egg production was a little higher and mortality a little lower in both of these studies than in our smaller local study and profit was also somewhat higher. All this comparison can mean is that the records in those two larger studies covered successful commercial flocks that probably had become large through good management. The higher egg price in Sonoma County includes some special outlets and hatching eggs; so is not strictly comparable.

Although egg prices have been good early in 1954 they will probably average less for the year than 1953 and good management and lower feed costs will be essential to good profit in 1954.