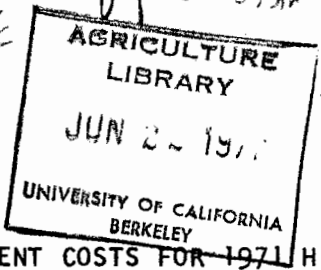


Cost of Production Studies

P.H. EGG PROD.
Econ. -costs
CP232-700
6/71-s:d



Agricultural Extension Service
University of California
Bldg. 4, 5555 Overland Avenue
San Diego, California 92123

FEED AND REPLACEMENT COSTS FOR 1971 HIGHER THAN 1970 COSTS
by Robert H. Adolph, Farm Advisor

Cost of producing eggs for the first 5 months of 1971 appears to have increased to 31 cents per dozen based on the San Diego County poultry egg cost study analysis. 1970 average results were 28.1 cents cost per dozen.

According to the egg cost study, San Diego County feed costs are up to around \$3.70 per 100 pounds or 27 cents over the 1970 cost study average. Using the last two years' averages of 4.6 pounds of feed average per dozen eggs, the total cost of feed is now 17 cents per dozen eggs produced.

This 17 cents per dozen assumes a rate of lay equal to the 1970 cost study average of 63%.

Considering the average pullet added to the laying flock at 6 months of age to produce 25 dozen eggs, the replacement cost could be estimated at 7½ cents per dozen. (Cost of raising pullet to 6 months less remaining cull sale value estimated at \$1.88).

Labor cost amounts to 2 cents per dozen for the laying flock. Add one cent per dozen for taxes, utilities and miscellaneous cash costs for the laying flock only. Miscellaneous cash costs of replacement are included in replacement cost as above.

Depreciation on buildings and equipment at \$1.90 per bird on a ten year basis would make depreciation cost one cent per dozen. Interest on investment of \$3.60 per layer at 8% rate would cost 1½ cents per dozen. Management is figured at one cent per dozen.

The total cost of egg production appears to now be around 31 cents per dozen. Income per dozen for the first 5 months of 1971 was 24.4 cents.

It may be that birds hatched previous to December 1969 may not any more than break even with cash costs during the next six months. Poultrymen could do themselves and the industry a favor by selling these hens now. Old hens use 6 pounds of feed per dozen eggs and usually average around 50% including molt periods. Feeds costs at 3.7 cents a pound would make a feed cost of 22 cents per dozen. Other action to cut down on present egg supplies may be to force molt pullets during this summer that were hatched during December 1969 and the early part of 1970. This practice could put off egg production and improve egg shells for fall when prices should certainly be higher than present.

Close culling, especially for dormant, overweight, and small birds, should improve rate of lay in the flock as well as lower costs of production.

These few suggestions may be of assistance to the poultryman pressed for finding ways to survive the present egg price depression. The good poultry manager will find many other ideas which may be useful in keeping costs at the lowest possible level.

(over)

JUNE 1971
SUMMARY OF COSTS
EGG PRODUCTION - SAN DIEGO COUNTY

	Cost per Dozen Cents	Your Costs
Feed 4.6 pounds of feed per dozen eggs @ 3.7¢ per pound (layers only)	17.0¢	_____
Net Replacement cost \$1.88 for 25 dozen eggs per pullet housed (\$1.88 includes chick, feed, labor, cash, etc., for replacements only to 6 months less cull income)	7.5¢	_____
Labor (laying flock only)	2.0¢	_____
Misc. cash - taxes, utilities and all other cash costs (laying flock only)	1.0¢	_____
Depreciation @ \$1.90 - 10% rate on buildings and equipment (layers only)	1.0¢	_____
Interest (based on \$3.60 investment at 8% - 19 dozen eggs per layer per year of lay)	1.5¢	_____
Management of operations (@ 19¢ per layer provides \$10,000 on 52,632 average number of layers)	1.0¢	_____
TOTAL ALL COSTS	31.0 cents	_____

The 1970 Poultry Egg Cost Study referred to in this report is available upon request.

Please feel free to contact your Farm Advisors' Office for further information or assistance in your farming operations.

Yours sincerely,

Robert H. Adolph

Robert H. Adolph
Poultry Farm Advisor

TABLE B - POULTRY EGG COST STUDY, SAN DIEGO COUNTY - 20 - YEAR SUMMARY 1952 - 1971 INCLUSIVE
 Agricultural Extension Service, University of California - San Diego County

Year	Av. Flock Size (1000)	Egg Income Per Doz.	Per Doz. Net* Cost Eggs	+Profit -Loss Per Doz.	Egg Income Per Hen	Net Cost Eggs Per Hen	+Profit -Loss Per Hen	Costs		Per Int. on Invest-ment	Per Deprec. Allow.	Average Misc. Cash Costs	Hen All Feed Cost
								Labor Per Hen	Hired Home				
1971	47	21.3¢	28.1¢	- 6.8¢	\$4.35	\$5.74	\$-1.39	\$.38	\$.03	\$.28	\$.16	\$.29	\$3.80
1970	47	29.7	28.1	+ 1.6	5.70	5.40	+ .30	.39	.02	.26	.17	.32	3.58
1969	46	31.7	25.5	+ 6.2	6.13	4.92	+1.21	.36	.03	.22	.14	.32	3.30
1968	43	24.7	24.8	- 0.1	5.07	5.09	- .02	.36	.01	.21	.14	.23	3.45
1967	44	24.5	26.2	- 1.7	5.00	5.29	- .30	.39	.02	.19	.16	.31	3.57
1966	42	33.2	25.4	+ 7.8	6.84	5.22	+1.62	.40	.02	.20	.15	.30	3.62
1965	29	26.9	25.6	+ 1.3	5.52	5.26	+ .26	.34	.06	.20	.20	.33	3.52
1964	25	27.9	26.2	+ 1.7	5.62	5.26	+ .36	.37	.08	.21	.19	.30	3.55
1963	21	28.4	26.4	+ 2.0	5.73	5.33	+ .40	.36	.07	.23	.23	.34	3.47
1962	16	28.9	27.8	+ 1.1	5.90	5.66	+ .24	.35	.23	.23	.23	.44	3.55
1961	13	31.5	27.5	+ 4.0	6.45	5.65	+ .80	.45	.21	.21	.25	.38	3.47
1960	9	33.3	28.7	+ 4.6	6.61	5.72	+ .89	.42	.31	.27	.30	.43	3.30
1959	7	29.8	30.9	- 1.1	5.97	6.20	- .23	.38	.44	.26	.29	.42	3.72
1958	6	37.0	31.1	+ 5.9	7.32	6.15	+1.17	.48	.38	.25	.29	.52	3.80
1957	6	36.3	30.8	+ 5.5	7.00	5.95	+1.05	.47	.60	.26	.34	.45	3.91
1956	5	38.4	32.1	+ 6.3	7.45	6.23	+1.22	.49	.64	.26	.35	.43	4.22
1955	4	41.3	32.1	+ 9.3	8.00	6.15	+1.85	.43	.59	.20	.33	.41	4.52
1954	4	36.8	34.1	+ 2.7	7.12	6.59	+ .53	.40	.54	.20	.34	.40	4.86
1953	4	51.5	36.3	+15.2	9.64	6.80	+2.84	.46	.85	.21	.37	.41	4.96
1952	3	46.0	40.8	+ 5.2	8.74	7.75	+ .99	.47	1.04	.24	.38	.35	5.71

*Total net cost of eggs per dozen and per hen includes all costs: feed, replacement stock, all labor, misc. cash cost of supplies, taxes, and utilities, interest at prevailing rates, depreciation at 10% of average bldgs. & equip't. Cull income is subtracted from costs to give net cost of egg production. There were no management charges included up to 1960. Management charges of about two cents per dozen are included after 1960.

TABLE A - POULTRY EGG COST STUDY, SAN DIEGO COUNTY - 20 - YEAR SUMMARY 1952 - 1971 INCLUSIVE
 Agricultural Extension Service, University of California - San Diego County

Year	Eggs per Hen	% Lrg	% Died	% Culls	% Added	% Increase	Cull Income Each	Lbs. Feed per Layer Only	Feed Ratio Layers Only*	Feed Cost			Hired Labor Cost per Doz.	Pullet Chick Cost Each
										per cwt.	per Doz. **	Layers only per Doz.		
1971	245	68	20	59	81	+2	\$.14	88	4.3	\$3.60	18.6¢	15.4¢	1.9¢	\$.29
1970	230	69	22	50	70	-2	.25	89	4.6	3.43	18.7	15.7	2.0	.29
1969	232	69	23	36	66	7	.34	89	4.6	3.15	17.1	14.4	1.8	.30
1968	246	70	20	58	85	7	.20	91	4.5	3.07	16.8	13.2	1.7	.30
1967	243	69	18	65	86	3	.20	87	4.3	3.24	17.7	13.5	1.9	.31
1966	247	70	15	66	96	15	.31	90	4.4	3.17	17.6	13.4	1.9	.31
1965	246	70	16	68	95	11	.18	89	4.4	3.12	17.1	13.1	1.7	.31
1964	242	72	15	76	98	7	.21	89	4.4	3.10	17.6	13.5	1.8	.32
1963	243	69	14	63	94	17	.25	88	4.3	3.12	17.2	13.1	1.8	.33
1962	245	72	13	68	106	15	.23	90	4.4	3.08	17.4	13.1	2.2	.35
1961	246	71	13	75	105	17	.29	91	4.4	3.02	16.9	12.9	2.2	.36
1960	241	70	13	71	96	12	.27	89	4.5	2.90	16.6	12.5	2.1	.39
1959	243	68	14	82	107	11	.30	90	4.5	3.23	18.5	14.1	2.1	.43
1958	239	68	14	79	105	12	.46	91	4.6	3.31	19.3	14.8	2.6	.40
1957	235	70	14	68	100	18	.40	91	4.6	3.45	20.2	16.0	1.9	.40
1956	236	69	14	88	102	14	.52	93	4.8	3.63	21.8	16.9	2.5	.40
1955	234	66	17	70	103	16	.56	92	4.8	3.84	24.4	18.0	2.2	.40
1954	235	61	14	86	114	14	.52	94	4.9	3.95	25.2	18.9	2.1	N.A.
1953	228	60	15	76	107	16	.75	95	5.1	4.06	26.5	20.2	2.5	N.A.
1952	231	61	14	82	118	22	.61	96	5.1	4.53	29.7	22.2	2.4	N.A.

* Pounds Feed To One Dozen Eggs.

** Includes Feed Used For Replacement and Layers.

N.A. Not Available.