

SONOMA COUNTY

1967

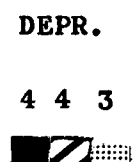
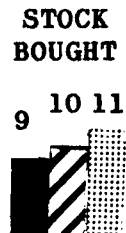
POULTRY EGG PRODUCTION *and* MANAGEMENT STUDY

FEED



TOTAL CASH COSTS
(Per Cent)

AGRICULTURAL EXTENSION SERVICE
UNIVERSITY OF CALIFORNIA



1967
1966
1965

COMPILED BY
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Sonoma County Farm Advisor

ISSUED FROM

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Co-operative Extension work in Agriculture and Home Economics, College of Agriculture,
University of California, and United States Department of Agriculture co-operating.
Distributed in furtherance of the Acts of Congress of May 8, and June 30, 1914.
George B. Alcorn, Director, California Agricultural Extension Service.

4/1/68
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I N T R O D U C T I O N

This is the nineteenth annual summary of the current Sonoma County Poultry Egg Production and Management Study. This study is conducted by the Agricultural Extension Service in cooperation with local poultrymen for the purpose of disclosing important management, cost, income, and profit information to aid the entire local poultry industry in obtaining maximum earnings. The number of records is small and the averages in this report are not considered as averages for the county but apply only to the seven flocks covered. They may or may not be typical of the county, but they do show much useful information on current local production, costs, profits, etc., for all poultrymen and those interested in the poultry business.

In order to realize the greatest value from a management study of this kind, it is necessary to carefully analyze and weigh all management factors which contribute to the success or failure of a poultry enterprise.

Cooperators are receiving a monthly summary and comparison of flock performance and mortality. At the end of each year, a detailed analysis of the year's records with comments and suggestions is available. This report represents a part of the information available for public use.

O U T L O O K

Poultrymen should have a better price for eggs this year than in 1967. The price received per dozen in 1968 will be very little higher than 1967, if at all.

The chick hatch for 1968 is expected to be below 1967. Too large a supply of eggs is in prospect during the year which will continue to depress the market. Eggs early in 1968 are much higher in supply than at the same time in 1967.

* * * * *

Here is a chart on chicks hatched, average number of layers on farms, egg production and egg prices for years 1958 through 1968*.

Year	Egg-type chicks Hatched (million)	Layers on Farms (million)	Egg Production Cases (million)	U.S. Egg Price per Doz. (average)	Sonoma County Cost Study Egg Price - Dozen (average) All Eggs
1958	596	326	168.7	38.3	38.4
1959	541	306	175.8	31.1	30.7
1960	481	295	170.4	35.7	35.1
1961	529	290	170.2	35.2	33.0
1962	502	297	175.4	33.7	28.7
1963	515	296	175.6	34.4	30.7
1964	529	298	179.0	33.8	30.9
1965	492	297	179.5	33.4	29.2
1966	510	305	184.6	38.8	35.4
1967	535	318	194.9	31.1	28.0
1968**	520	312	190.0	31.0	28.0

* Figures taken from Poultry Survey Committee Report.

** 1968 figures estimated.

GENERAL INFORMATION

All records are kept on a "hen-day" basis. In other words, a daily inventory of all chickens is maintained throughout the year.

TERMS

1. Hens - All chickens 6 months of age and older.
2. % Culled:
% Died: EQUALS Total number of birds in each category
% Added: divided by average number of hens.
3. Commercial Eggs - Small, cracks, pee wees, B Grade and other eggs.
4. Change of Stock Inventory -- Increased or decreased flock evaluation.
5. Miscellaneous Costs - Vaccines, Medication, Repairs, Taxes, Utilities.
6. Depreciation -- From Building and Equipment Investment Inventory.
7. Family Labor -- Estimated hours @ \$1.50 per hour.
8. Interest on Investment -- Average value of stock, building and equipment, and land @ 5%.
9. Costs and Income per Dozen -- Costs or income divided by dozens of eggs sold.
10. Feed Consumption and Conversion -- Feed used divided by dozens of eggs produced or pounds per average hen.
11. Cost per CWT of Feed -- Value of ALL feed purchased divided by the total weight.
12. Chick Cost -- Total cost of day old chicks divided by total number of chicks.
13. Management Income -- Amount remaining after all costs are deducted, including depreciation.
14. Net Farm Income -- The sum of Management Income plus the Value of the Farmer's Labor plus Interest on Investment.

TABLE I: PROFIT equals INCOME (eggs, stock, misc.) less EXPENSE (feed, labor, other)

Ser. No.	Income per Hen					Cash & Depreciation Costs per Hen						Net Farm Income	Non-Cash Costs/Hen		Mgt. Income per Hen
	Egg Sales	Poultry Sales	Misc. Income	Stock Inventory Change	Total Income	Feed	Stock Purchased	Misc. Costs	Depr.	Hired Labor	Total Expense		Family Labor	Int. on Inv.	
12-L	5.35	.21	--	+ .21	5.77	3.99	.42	.18	.09	.38	5.06	.71	.13	.13	.45
8-M	5.81	.14	.01	- .07	5.89	4.02	.34	.23	.19	.48	5.26	.63	.16	.16	.31
11-L	4.85	.05	.01	+1.10	6.01	3.89	1.12	.26	.18	.08	5.53	.47	.14	.13	.20
2-L	5.87	.05	--	- .44	5.48	3.56	.51	.27	.14	.71	5.19	.29	.12	.12	.05
13-L	4.93	.17	.01	- .14	4.97	3.64	.26	.29	.13	.36	4.68	.29	.12	.13	.04
1-L	5.25	.08	--	- .05	5.28	3.29	.21	.42	.21	.71	4.84	.44	.30	.16	-.02
17-S	5.63	.09	--	+ .01	5.73	3.73	.22	.64	.16	.11	4.86	.87	.82*	.16	-.11
<u>Averages</u>															
1967	5.24	.11	.01	+ .18	5.54	3.72	.53	.30	.15	.38	5.08	.46	.19	.14	+.13
1966	6.80	.17	.01	+ .01	6.99	3.44	.48	.29	.16	.34	4.71	2.28	.22	.14	+1.92

S: Below 7,500 M: 7,500-15,000 L: 15,000 and up. *Eggs processed by Family Labor.

For the cooperator's identification, each flock is assigned a ranch number. Letters of the alphabet indicate flock size. The individual records are listed above in order of Management Income per Hen, which appears in the last column. Two of the cooperators showed a minus management figure. That means that all but two poultrymen had earned more than the \$1.50 per hour, which is the figure used when considering family labor. A large part of the difference in Net Farm Income between operators is due to the different amounts of their labor used per hen. If rated by Net Farm Income instead of Management Income, the ratings would be different. However, higher labor efficiency is indicated by Management Income rating.

When compared with the 1966 figures, we find that Net Farm Income was down by \$1.82 per hen. Also, the Management Income was down \$1.79 per hen in 1967. This was mainly due to 8.1¢ less per dozen for eggs plus a slightly lower poultry sales per hen. Then too, the net cost of producing a dozen eggs was 1.5 cents a dozen higher. In a year like 1967, efficiency should be better not worse. Also, 6% more old hens were kept in 1967 compared to 1966 which accounted for some of the lower efficiency. More force molting occurred to cause the production cost per dozen or per hen to go up.

TABLE II: DISEASES ARE IMPORTANT -- See Related Factors Here.

Ser. No.	Eggs Laid per Hen	Fall Eggs per Fall Hen	Percent Pullets	Percent Added July-Oct.	Percent Mortality	Percent Chicks Lost	Culled		Percent Feed Mash	Stock Bought or Raised	Hrs. Labor per Hen	Diseases, Problems, etc.
							Percent	Months %				
12-L	241	77	76	71	20	14	91	6	100	R	.34	Coryza-Cocci-Cann.-Past.-NFM-worms Leucosis - Northern Fowl Mites Coryza - C.R.D.-No. Fowl Mites Cann.-Leucosis-No. Fowl Mites
8-M	250	82	88	60	30	8	62	4	100	R	.42	
11-L	208	73	62	100	12	10	42	2	100	C/R*	.15	
2-L	235	83	69	100	12	19	28	2	100	C/R*	.44	
13-L	222	74	73	56	16	2	74	9	100	R	.28	Leucosis - No. Fowl Mites Leucosis(Un-Diagnosed)- N.F.Mites Coryza-Cocci-CRD-Leuc.- NFMites
1-L	214	70	47	50	16	1	55	3	57	R	.63	
17-S	210	73	71	53	10	5	63	10	98	R	.62	
<u>Averages</u>												
1967	223	75	68	76	15	9	57	5	96	--	.35	
1966	224	73	74	38	13	9	45	4	96	--	.36	

* C/R = Custom Raised Stock S: 7,500 M: 7,500-15,000 L: 15,000 and up.

The mortality rate was 2 percent higher than 1966. The pullet mortality was the same as in 1966. Along with this, eggs per hen was the lowest since 1963. This was due to three factors:

1. Less "all-in & all-out birds on record;
2. Some individual poultrymen are learning about better methods of handling their disease problems;
- and 3. In addition, more old hens were kept over.

The type of housing is not as significant as disease problems and the management of the operation. It is possible to have good management and production in any of the main types of housing. However, there have been indications that less feed with better production is obtained in LTC (Light-Temperature Controlled) housing, which in turn will result in more efficiency.

TABLE III: EXPENSE PER HEN IS IMPORTANT TO PROFIT

No.	Percent of Average Number of Hens				Avg. Price Cull Hens	Avg. Cost per Chick	Percent Chicks Lost	Average Cost per CWT of Feed			Per Hen			Percent Mash	Per Dozen	
	Died	Culled	Added	Diff.				Mash	Grain	M & G	Feed Cost	Lbs. Mash Grain	Grit, Shell, Lime-stone		Grit, Shell, Lime-stone	Lbs. Feed
12-L	20	91	111	--	.210	.310	14	3.33	--	3.33	3.99	120	--	100	--	5.9
8-M	30	62	103	+8	.225	.309	8	3.48	--	3.48	4.02	116	--	100	--	5.4
11-L	12	42	104	+50	.130	.759*	10	3.53	--	3.53	3.89	110	--	100	--	6.3
2-L	12	28	43	+3	.190	.486*	19	3.44	--	3.44	3.56	104	--	100	--	5.3
13-L	16	74	72	-18	.222	.316	2	3.52	--	3.52	3.64	103	--	100	--	5.6
1-L	16	55	63	- 8	.157	.325	1	3.80	2.70	3.33	3.29	98	2.0	57	.1	5.5
17-S	10	63	65	- 8	.140	.320	5	3.68	2.62	3.65	3.73	102	--	98	--	5.8
<u>Averages</u>																
1967	15	57	80	+ 8	.194	.281	9	3.51	2.70	3.47	3.72	107	--	96	--	5.7
1966	13	45	86	+18	.219	.298	6	3.39	2.75	3.32	3.53	106	1.0	89	--	5.4

S: Below 7,500 M: 7,500-15,000 L: 15,000 and up.

Birds removed from the flock or birds added to the flock during the year resulted in an increase of 8% which was 6% lower than in 1966. There was some difference in pounds of feed per dozen eggs. Many factors bring this about--number of replacements raised, buying grit and shell separate from feed, calorie content of feed, mortality of young chicks, and feed wasted.

Also, the ones who bought started pullets should have less feed used as all the feed is charged against the average hen or dozen eggs sold. There were no "all-in & all-out" cooperators this year, plus the fact that more hens were force molted than last year, which accounts for some of the low feed usage, plus housing and lower egg production. This all accounted for only 1 pound more feed used per hen than in 1966.

	<u>Average Cost Started Pullets</u>	<u>Percent Started Pullets Bought</u>	<u>Percent Day Old Chicks</u>
1967	C/R* (Feed Cost not Available)	51%	49%
1966	\$ 1.42	36%	64%
1965	1.33	28%	72%
1964	1.45	7%	93%

*Cost of Chicks plus Custom Raising. Does not include feed costs and is not included in Average Price of Chicks.

TABLE IV: PRODUCTION, MORTALITY, REPLACEMENTS, FEED AND LABOR USE DETERMINE PROFITS

Ser. No.	Eggs Sold per Hen	Eggs Laid per Hen	Per-cent Prod.	% of All Eggs Sold					% Eggs Sept.-Dec.	Average Price per Dozen			Cents per Dozen					Net Farm Inc.	
				Lg.	Med.	Sm. & Com.	Whl-sale	Re-tail		Whl-sale	Re-tail	All Eggs	Feed Cost	Cash Cost	Net Cost	Mgt. Inc.	Fam-ily Labor		Int. on Inv.
12-L	246	241	65.9	77	15	8	100	--	32	26.1	--	26.1	19.5	22.6	23.9	2.2	.7	.6	3.5
8-M	258	250	68.5	70	25	5	97	3	35	26.6	41.1	27.0	18.7	24.0	25.5	1.5	.7	.8	3.0
11-L	210	208	57.0	83	12	5	92	8	35	26.7	33.2	27.6	22.2	24.9	26.5	1.1	.8	.8	2.7
2-L	234	235	64.3	81	9	10	88	12	35	29.8	32.8	30.1*	18.3	23.8	25.0	.6	.6	.6	1.8
13-L	222	222	60.7	72	24	4	99	1	33	26.6	38.4	26.7	19.6	25.1	26.5	.2	.7	.7	1.6
1-L	214	214	58.6	81	10	9	80	20	33	25.6	44.6	29.4	18.4	27.0	29.6	-.1	1.7	.9	2.5
17-S	211	210	57.7	81	13	6	100	--	35	31.9	--	31.9*	21.2	26.9	32.5	-.6	4.6	1.0	5.0
<u>Averages</u>																			
1967	224	223	61.1	78	15	7	94	6	34	26.5	39.2	27.3	19.8	25.6	27.3	.7	1.0	.7	2.4
1966	227	224	62.4	76	17	7	92	8	34	34.9	41.2	35.4	18.2	23.9	25.8	10.1	1.2	.7	12.0

S: Below 7,500 N: 7,500-15,000 L: 15,000 and up *Processed on Ranch. Not figured in Average.

Eggs sold per hen and eggs laid per hen are shown in the second and third columns of this table. The number of eggs sold per hen should be a lot greater than the number laid per hen because eggs laid by the pullets before they are entered in the record at six months of age have been included in the amount of eggs sold per hen. If there is a loss, the breakage is too high or some eggs were sold and not recorded.

The poultryman who showed a high percent sold retail comes up usually with a larger number short from laid to sold which indicates all eggs sold may not have been recorded or the extra handling caused more breakage.

The way the eggs are graded plus prices received and the percent of large eggs produced had a big influence on the average price per dozen. Another influencing factor is the type of selling arrangement, whereby more eggs are processed on the ranch than usual plus eggs which were only 6% of the total sold retail. One other factor which influenced price was the volume of eggs produced and sold in higher egg price months. The two cooperators who processed their eggs on the ranch received 3¢ more per dozen for this type of egg handling.

TABLE V. HOW WE COMPARE WITH OTHER YEARS

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
No. of Records	21	24	23	17	24	27	24	24	20	18	18	13	13	13	13	13	14	10	7
Avg. Hens per Flock	1,619	1,734	1,716	1,784	1,920	2,293	2,759	2,856	3,140	2,989	3,986	4,588	6,739	8,304	10,974	13,056	12,978	15,986	21,005
Eggs Laid per Hen	197	210	209	228	218	228	231	232	236	243	243	232	227	226	219	226	232	224	223
HENS:																			
% Mortality	22	16	14	11	15	13	11	12	11	11	12	15	18	17	17	16	14	13	15
% Culled	92	82	104	118	97	96	87	101	84	81	65	60	71	68	62	56	54	45	57
% Added	130	99	121	138	131	129	125	115	108	100	103	95	94	112	81	80	86	71	80
% Inc./Decr.	16	1	3	9	19	20	27	2	13	8	26	18	6	27	2	7	18	+ 14	+ 8
Av. Price M&G (Cwt.)	3.93	3.67	4.04	4.42	4.14	3.79	3.60	3.58	3.50	3.47	3.44	3.21	3.26	3.24	3.33	3.30	3.32	3.40	3.47
Lbs. M, G per Hen	141	128	138	146	144	135	135	127	126	123	122	124	116	117	112	109	106	101	107
Percent Mash	64	62	55	57	53	56	49	55	59	61	70	71	81	71	75	82	89	96	96
Hours Labor per Hen	1.8	1.4	1.5	1.2	1.2	1.2	1.0	1.0	1.1	.9	.8	.7	.5	.5	.4	.36	.43	.36	.35
Av. Price Dozen Eggs	49.5	41.9	54.9	48.6	55.0	40.7	42.8	40.1	36.7	38.4	30.7	35.2	33.0	28.7	30.7	30.9	29.2	35.4	28.0
Net Cost per Dozen	45.1	37.8	42.3	42.3	42.3	38.3	33.3	33.8	32.5	31.4	28.6	30.7	29.5	28.3	26.9	26.6	26.4	25.8	27.3
Mgt. Income per Doz.	4.4	4.1	12.6	6.3	12.7	2.4	9.5	6.3	4.2	7.0	2.1	5.4	3.5	.3	3.8	4.3	2.8	10.1	.7
INCOME PER HEN																			
Egg Sales	8.19	7.36	9.74	9.47	10.37	8.05	8.59	8.11	7.58	8.01	6.49	6.95	6.33	5.58	5.78	5.79	5.69	6.80	5.24
Poultry Sales	.67	.73	1.32	1.01	.95	.57	.56	.56	.40	.42	.26	.21	.19	.17	.17	.14	.11	.17	.11
Misc. Income	.22	.22	.30	.05	.03	.04	.02	.02	.02	.01	--	--	--	.01	.02	.02	--	.01	.01
Inventory Change	.26	--	-.12	.28	.57	.43	.60	.07	.10	.07	.54	.26	.18	.30	.10	.03	-.17	+ .01	+ .18
TOTAL INCOME	9.34	8.31	11.24	10.81	11.92	9.09	9.77	8.76	8.10	8.51	7.29	7.42	6.70	6.06	6.07	5.98	5.63	6.99	5.54
CASH & DEPRECIATION COSTS																			
Feed	5.68	4.78	5.66	6.51	6.03	5.15	4.91	4.60	4.46	4.32	4.25	3.89	3.80	3.83	3.74	3.62	3.53	3.44	3.72
Stock Bought	--	.53	.74	.78	.66	.60	.53	.48	.45	.51	.81	.60	.57	.77	.41	.37	.43	.48	.53
Miscellaneous	.68	.45	.53	.48	.57	.62	.47	.49	.46	.42	.32	.34	.38	.30	.26	.31	.24	.29	.30
Depreciation	.23	.21	.30	.32	.26	.27	.25	.26	.27	.27	.30	.28	.23	.22	.19	.19	.19	.16	.15
Hired Labor	.25	.26	.38	.15	.17	.24	.22	.24	.27	.30	.19	.24	.23	.21	.23	.25	.24	.34	.38
TOTAL CASH & DEPR. COSTS	6.84	6.23	7.61	8.24	7.69	6.88	6.38	6.07	5.91	5.82	5.87	5.35	5.21	5.33	4.83	4.74	4.63	4.71	5.08
FARM INCOME	2.50	2.08	3.63	2.57	4.23	2.21	3.38	2.69	2.19	2.69	1.42	2.07	1.49	.73	1.24	1.24	1.00	2.28	.46
Family Labor	1.51	1.12	1.11	1.06	1.55	1.45	1.20	1.16	1.10	1.02	.96	.78	.60	.49	.37	.29	.32	.22	.19
Int. on Investment	.26	.24	.29	.28	.28	.29	.28	.27	.23	.22	.19	.21	.21	.17	.16	.15	.15	.14	.14
MANAGEMENT INCOME	.73	.72	2.23	1.23	2.40	.47	1.90	1.26	.86	1.45	.27	1.08	.68	.07	.71	.80	.53	1.92	.13

*Eggs processed on ranch included in average price per dozen.

The above study averages for Sonoma County for the last 19 years represents about 10 percent of the commercial laying hens from the Sonoma County poultry industry but should indicate trends. However, they should not be considered applicable to the entire poultry business in this county. The 1967 records did show an increase in the number of birds per ranch over 1966. Egg prices and farm income per hen was the lowest in 19 years. The 1967 poultryman received 28.0¢ per dozen which was 7.4¢ less per dozen than in 1966. In addition, we had lower cull prices in 1967.

The question is: Will the egg prices for 1968 be similar to 1967? The answer will be in the 1968 Poultry Egg Production and Management Study or other market information.