

1960

APR 28 1961

**POULTRY
MANAGEMENT
STUDY**

orange county



University of California
Agricultural Extension Service
County of Orange

Introduction

This study is made each year so that participating ranches can gain knowledge concerning many facets of their operation. Through the use of a uniform method of bookkeeping these ranches can compare their results with others in the study as well as their own from year to year. The Agricultural Extension Service welcomes any poultry rancher into this study if he is willing to put a little time and effort into his records so that they mean something at the end of a year.

All records are calculated on a hen-day basis and results are accumulated each month. As monthly records are completed a report is mailed to the cooperating poultrymen.

This summary represents the average results obtained in the 1960 Poultry Management Study in Orange County, California. They were calculated by taking the individual ranch results and dividing by the number of ranches involved.

This year the report contains information derived from two separate studies. The first of these was the complete cost study in which ten ranches averaging 9,259 laying hens participated. A new approach was started in 1959 whereby ranchers could enter the study on a management basis without having to enter their cost and income figures. Eight ranches completed on this basis with an average of 27,704 hens each. For averages where information was available we used the entire 18 ranches whose combined average size was 17,456 hens. The total number of hens for the entire study was 314,217.

General Information

<u>Ranch Sizes</u>	<u>Complete Cost Study</u>	<u>Combined Studies</u>
A less than 3,000 hens	smallest ranch - 3,593 hens	smallest ranch - 3,593 hens
B 3,000 - 5,000	LARGEST RANCH - 17,187	LARGEST RANCH - 44,429
C 5,000 - 10,000	average ranch - 9,259	average ranch - 17,456
D 10,000 - 20,000		
E over 20,000		

Discussion

This Poultry Management Summary is a study of conditions affecting the poultry industry here in 1960. But, in reality, it is also a study of conditions as they occurred in 1959. Any free enterprise of a short cycle nature, such as the poultry business, has its good and bad years. High margin years are a result of a previous low margin year and vice versa. A true evaluation of any business should not be made on an annual basis but rather on a five or ten year basis. Annual studies of this type reflect only those management conditions which yield yearly results. Several such studies should be used when attempting to evaluate the potential economics of any business.

Low or no profit years must be a part of the picture whenever open competition exists, whether it be in agriculture or in private industry. Along with these years of low profit we have years such as 1960 which tend to balance the long-term situation. This study should not be used alone as a measure of the economics of the poultry industry, but rather as a part of a history of the industry.

Egg Production and Sizes

Serial No. And Size	Eggs Per Hen	Per Cent Production		Per Cent Large	Per Cent Medium	Per Cent Small	Per Cent Commercial (1)	Per Cent Retail
5 D	226.8	62.0		64.4	25.5	8.2	1.9	1.2
6 C	215.1	58.8		61.2	18.5	19.7	.6	0
10 C	252.7	69.1		75.9	18.9	3.7	1.5	3.2
15 D	241.1	65.9		74.0	17.7	4.0	4.3	6.7
18 C	262.7	71.8		62.1	24.5	5.8	7.6	2.1
19 C	252.8	69.1		77.6	18.4	2.5	1.5	1.3
22 D	246.9	67.4		78.7	13.9	1.9	5.5	6.4
25 B	267.0	73.0		73.7	19.2	4.4	2.7	5.1
29 D	212.5	58.1		77.7	16.3	3.6	2.4	9.9
32 C	261.1	71.3		62.9	29.3	5.7	2.1	0
3 E	233.0	63.7						
9 E	259.6	70.9						
12 D	235.1	64.2						
14 D	228.3	62.4						
16 E	246.0	67.2						
17 E	249.4	68.1						
20 E	231.0	63.3						
27 E	246.8	67.4						
AVERAGE	242.7	66.3	AVERAGE	70.8	20.2	6.0	3.0	3.6

(1) Includes cracks, pee wees and frozen eggs

Average production in 1960 dropped below that attained in 1959. This was probably due to the general practice of keeping hens to an older age this year. Culling rate was down 7% from 1959 which reflects the older average age of the flocks. This practice of keeping older hens was fairly common throughout the state this year, brought about by the higher than average egg prices the latter part of the year.

Four poultrymen of the eighteen in the study were able to maintain an average of over 70% production for the entire year. These four had an average of over 50% of their hens in single cages while the other fourteen ranches in the study averaged only 16% in single cages.

Income and Costs Per Hen

(ranked according to management income per hen)

Serial No. And Size	INCOME					CASH COSTS					Depre- ciation	NON-CASH COSTS		Total Costs
	Egg Sales	Cull Hens	Change of Stock Inventory (1)	Ferti- lizer	Total	Feed	Chicks	Hired Labor	Misc. (2)	Total		Family Labor (3)	Int. on Investment (4)	
32 C	\$ 7.07	\$.23	\$.51	\$.02	\$ 7.83	\$ 3.52	\$.34	\$.40	\$.57	\$ 4.83	\$.42	\$.40	\$.28	\$ 5.93
18 C	7.27	.20	.44	0	7.91	3.77	.40	.20	.45	4.82	.26	.77	.25	6.10
15 D	6.82	.32	.16	0	7.30	3.68	.35	.09	.25	4.37	.24	.67	.21	5.49
22 D	6.98	.23	.16	0	7.37	3.45	.48	.70	.47	5.10	.11	.19	.19	5.59
25 B	7.48	.27	.12	0	7.87	3.99	.35	0	.35	4.69	.19	1.06	.22	6.16
10 C	7.06	.26	.05	.01	7.38	3.80	.30	.17	.24	4.51	.38	.70	.27	5.86
19 C	6.95	.26	.16	.01	7.38	3.46	.48	.16	.58	4.68	.41	.59	.25	5.93
29 D	6.20	.11	.11	0	6.42	3.48	.30	.38	.32	4.48	.27	.32	.22	5.29
5 D	6.04	.30	.23	.06	6.63	3.68	.34	.52	.44	4.98	.27	.62	.20	6.06
6 C	5.80	.21	.49	.01	6.51	3.60	.37	.77	.58	5.32	.19	.53	.28	6.32
AVERAGE	\$ 6.77	\$.24	\$.24	\$.01	\$ 7.26	\$ 3.64	\$.37	\$.34	\$.43	\$ 4.78	\$.27	\$.58	\$.24	\$ 5.87

(1) Increased or decreased flock evaluation

(3) \$1.50 per hour

(2) Vaccines, medication, repairs, taxes, etc.

(4) 6% of average investment

Summary of Income Per Hen

(ranked according to management income per hen)

Serial No. And Size	Total Income	Cash minus Costs	Cash equals Income	Depre- ciation minus	equals	Net Farm Income	Non-Cash minus Costs	equals Management Income
32 C	\$ 7.83	\$ 4.83	\$ 3.00	\$.42		\$ 2.58	\$.68	\$ 1.90
18 C	7.91	4.82	3.09	.26		2.83	1.02	1.81
15 D	7.30	4.37	2.93	.24		2.69	.88	1.81
22 D	7.37	5.10	2.27	.11		2.16	.38	1.77
25 B	7.87	4.69	3.18	.19		2.99	1.28	1.71
10 C	7.38	4.51	2.87	.38		2.49	.97	1.52
19 C	7.38	4.68	2.70	.41		2.29	.84	1.45
29 D	6.42	4.48	1.94	.27		1.67	.54	1.13
5 D	6.63	4.98	1.65	.27		1.38	.82	.57
6 C	6.51	5.32	1.19	.19		1.00	.81	.19
AVERAGE	\$ 7.26	\$ 4.78	\$ 2.48	\$.27		\$ 2.21	\$.82	\$ 1.39

Many different systems can be used to express earnings in a business; we use three but emphasize one. Cash Income is the amount by which your total income exceeds your total cash expenses. Farm Income is this same figure except that it takes away the cost of the buildings and equipment over a period of time. Management Income places all ranches on a fairly equal basis regardless of the amount of unpaid labor involved. It also makes a charge for the use of the money which is in the business. We feel that Management Income is the best means of comparing one ranch with another.

Non-cash costs may be considered as income by some persons, but for sake of comparison these non-cash costs must be included as an expense. Due to extreme variations in these non-cash costs ranches highest in Cash Income may fall somewhat lower in Management Income.

Income and Costs Per Dozen Eggs Sold - Cents

(ranked according to management income per hen)

Serial No. And Size	INCOME			CASH COSTS					Cash Income	Depre- ciation	Net Farm Income	NON-CASH COSTS		Management Income
	Eggs	Other (1)	Total	Feed	Chicks	Hired Labor	Misc. (2)	Total				Family Labor (3)	Int. on Investment (4)	
32 C	33.0¢	3.5¢	36.5¢	16.4¢	1.6¢	1.8¢	2.7¢	22.5¢	14.0¢	2.0¢	12.0¢	1.9¢	1.3¢	8.8¢
18 C	33.2	2.9	36.1	17.2	1.8	.9	2.1	22.0	14.1	1.2	12.9	3.5	1.1	8.3
15 D	34.0	2.4	36.4	18.3	1.7	.4	1.3	21.7	14.7	1.2	13.5	3.4	1.0	9.1
22 D	34.8	1.9	36.7	17.2	2.4	3.5	2.3	25.4	11.3	.6	10.7	.9	1.0	8.8
25 B	33.5	1.7	35.2	17.9	1.6	0	1.5	21.0	14.2	.8	13.4	4.8	1.0	7.6
10 C	33.2	1.5	34.7	17.9	1.4	.8	1.1	21.2	13.5	1.8	11.7	3.3	1.2	7.2
19 C	32.9	2.1	35.0	16.4	2.3	.8	2.8	22.3	12.7	1.9	10.8	2.8	1.2	6.8
29 D	35.1	1.2	36.3	19.7	1.7	2.1	1.9	25.4	10.9	1.5	9.4	1.8	1.2	6.4
5 D	32.0	3.1	35.1	19.4	1.8	2.7	2.4	26.3	8.8	1.4	7.4	3.3	1.1	3.0
6 C	33.0	4.0	37.0	20.5	2.1	4.4	3.3	30.3	6.7	1.1	5.6	3.0	1.6	1.0
AVERAGE	33.5¢	2.4¢	35.9¢	18.1¢	1.8¢	1.6¢	2.3¢	23.8¢	12.1¢	1.4¢	10.7¢	2.9¢	1.1¢	6.7¢

(1) Includes change of stock inventory, cull hens and fertilizer income

(2) Includes vaccines, medication, utilities, repairs, taxes, etc.

(3) \$1.50 per hour

(4) 6% on average investment

This page of "Income and Costs Per Dozen Eggs Sold" enables poultrymen not keeping records on a hen-day basis to compare directly with those ranches in this study. The only figures needed for this comparison are the total dozens of eggs sold during the year and the total cost of the item for which you wish to make comparisons. Ranches with less than 33 cents per dozen egg income for 1960 should analyze the possible reasons for this low figure. Likewise the items of cost should be in line with those obtained in this study. Each $\frac{1}{2}$ cent per dozen higher cost or lower income on a 10,000 hen flock is \$1,000 less income for the year.

Feed Consumption & Feed Conversion

Serial No. And Size	Pounds Feed Per Hen		Pounds Feed Per Doz. Eggs	
	All Feed	Estimate for Layers	All Feed	Estimate for Layers
3 E	112.9	90.8	5.81	4.68
5 D	122.0	92.5	6.46	4.89
6 C	122.3	97.7	6.82	5.45
9 E	118.6	94.7	5.48	4.38
10 C	115.9	97.1	5.50	4.61
12 D	112.7	91.3	5.75	4.66
14 D	108.8	84.5	5.72	4.44
15 D	117.0	92.2	5.82	4.59
16 E	118.4	92.1	5.78	4.49
17 E	129.3	100.5	6.22	4.83
18 C	128.0	101.0	5.87	4.62
19 C	116.1	92.8	5.51	4.40
20 E	101.8	79.7	5.29	4.14
22 D	117.3	94.0	5.70	4.57
25 B	131.1	106.6	5.89	4.79
27 E	110.8	87.2	5.39	4.24
29 D	108.6	93.8	6.15	5.31
32 C	117.1	89.3	5.38	4.11
AVERAGE	117.2	93.3	5.81	4.62

Feed conversion figures give poultrymen an excellent tool with which to evaluate their feeding program. To figure the conversion rate, simply divide pounds of feed used by the dozens of eggs produced. This gives the ranch conversion rate which includes all feed used on the ranch. To arrive at an estimate for the actual laying flock (over 24 weeks of age) it is necessary to subtract the feed used up to 24 weeks to raise the pullet. For this study we subtracted 23½ pounds for each leghorn that was fed for the entire 24-week period.

Management Factors

Serial No. And Size	Per Cent Mortality to 24 Weeks	Per Cent of Average Laying Flock			
		Died	Culled	Added	Increase or Decrease
3 E	13.2	19.6	73.5	83.5	-9.6
5 D	9.3	21.6	94.0	116.1	+5
6 C	22.9	15.7	67.3	98.7	+15.7
9 E	7.5	8.8	79.9	98.5	+9.8
10 C	3.3	6.0	78.6	94.4	+9.8
12 D	12.1	11.0	65.9	88.8	+11.1
14 D	8.1	15.6	77.8	85.1	-8.3
15 D	6.0	9.3	83.7	93.3	+3
16 E	6.8	13.3	70.2	103.6	+20.1
17 E	13.6	13.2	92.1	110.7	+5.4
18 C	8.8	7.9	71.5	114.4	+35.0
19 C	15.5	5.9	82.9	91.0	+2.2
20 E	9.1	19.7	65.8	89.4	+3.9
22 D	5.0	7.5	86.0	91.8	-1.7
25 B	5.3	6.5	84.6	99.4	+8.3
27 E	8.4	11.4	74.4	92.0	+6.2
29 D	14.2	17.6	38.5	69.5	+13.4
32 C	7.7	7.8	72.5	102.6	+22.3
AVERAGE	9.8	12.1	75.5	95.7	+8.1

Since this study utilizes the hen-day method, it is a simple matter to arrive at the average flock size for the entire year. The total died, culled and added are then divided by the average flock size to arrive at the percentages in the above table. The amount of pullets you must add and the rate at which you cull is highly related to the number of eggs produced per average hen barring no disease or heavy mortality problems. The increased replacement cost must be weighed against the increased production gain.

Miscellaneous Data

(ranked according to management income per hen)

Serial No. And Size	Cost Per Cwt. Feed (1)	Hours Labor Per Hen	Per Cent Labor Hired	Price Rec'd Per Cull	Chick Cost (2)
32 C	\$ 3.00	.65	50%	31.3¢	27.1¢
18 C	2.93	.67	24	29.5	30.1
15 D	3.14	.53	14	38.6	30.1
22 D	2.94	.45	72	26.6	32.4
25 B	3.04	.71	0	31.8	34.0
10 C	3.28	.58	20	33.0	29.8
19 C	2.98	.51	23	30.9	34.9
29 D	3.20	.46	54	31.8	32.2
5 D	3.01	.75	44	31.9	25.9
6 C	2.95	1.03	66	31.1	25.1
AVERAGE	\$ 3.05	.63	37%	31.7¢	30.2¢

(1) Average price of all feed used on ranch minus discounts and rebates

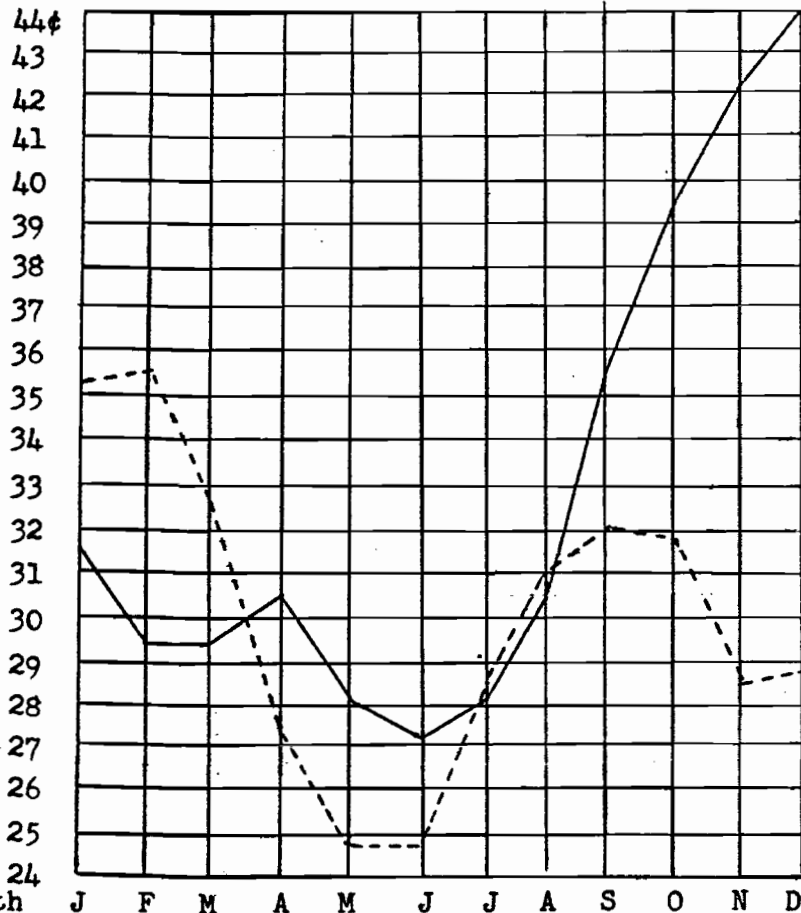
(2) Total cost of chicks divided by total chicks delivered including extras

Housing Information

Serial No. And Size	Number of Hens Per Pen and Per Cent of Each			
	1	2 - 6	7 - 40	over 40
3 E	%	100%	%	%
5 D				100
6 C	80	20		
9 E	47	39		14
10 C	3	97		
12 D		50	50	
14 D		75	25	
15 D			100	
16 E			100	
17 E	32	68		
18 C	10	88		2
19 C	65	35		
20 E		23		77
22 D	22	78		
25 B	95	5		
27 E	20	80		
29 D		100		
32 C	60	40		

*Average Prices Received for Eggs
Orange County - 1959-60

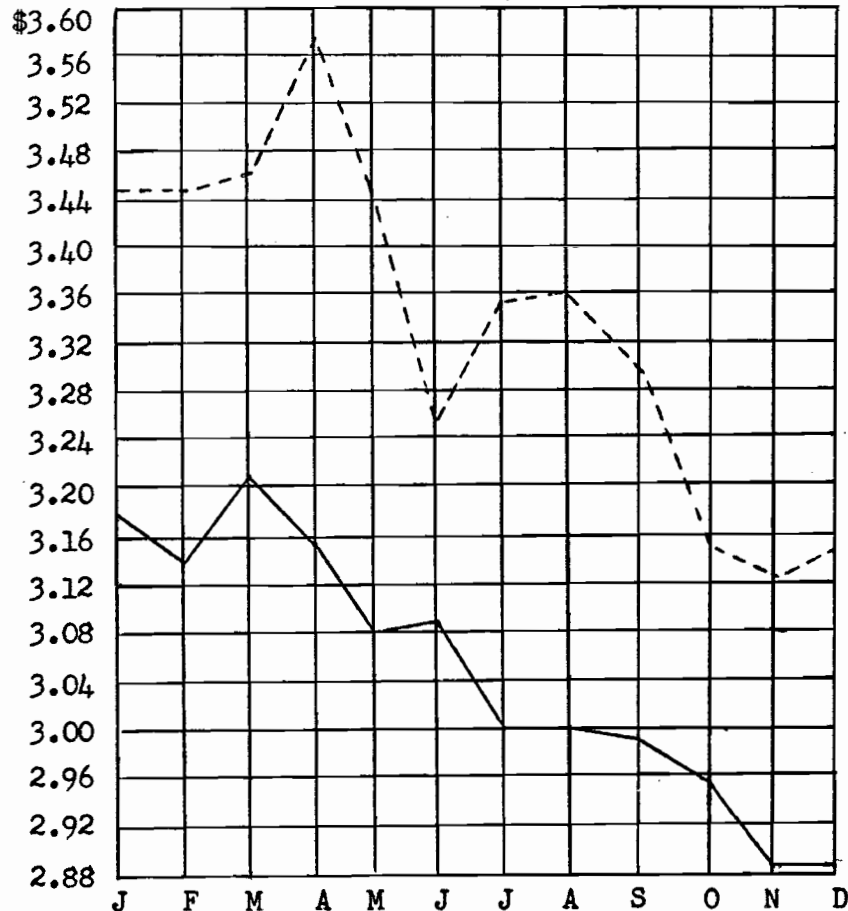
Price



*Includes all sizes of eggs sold and 2-4% retail sales
1959 - - -
1960 - - -

Egg prices for the first six months of 1960 reflected the overproduction of 1959. Decreased brooding near the end of 1959 resulted in the very rapid rise of egg prices from July through the end of the year. The average egg price for the year was 33.5 cents per dozen with a range from 32.0 cents to 35.1 cents per dozen. This, of course, includes differences in egg size, paying price, egg quality and per cent retail sales.

*Average Total Ration Cost Per Cwt.
Orange County - 1959-60



*Includes all feed used on ranch

Feed prices showed a steady decline for the entire year down to a low monthly feed price of \$2.89 per hundred pounds in November and December. This low feed price resulted in a savings of 1.3 cents per dozen eggs sold over 1959 prices. The price of the laying ration alone would be approximately 10-15 cents per hundred pounds less than the total ration price.