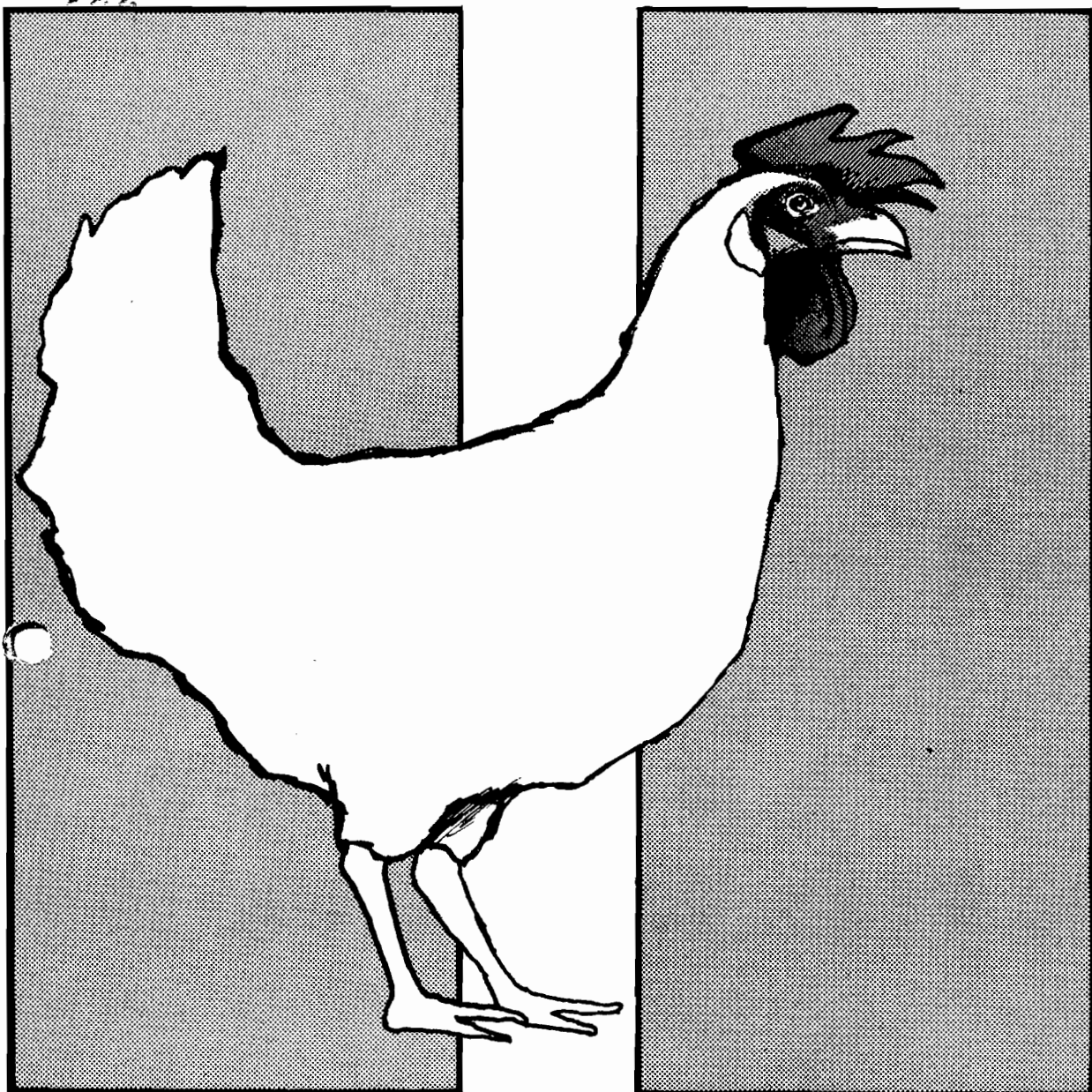


Poultry  
Exam



# 1963 POULTRY MANAGEMENT STUDY ORANGE COUNTY

UNIVERSITY OF CALIFORNIA AGRICULTURAL EXTENSION SERVICE IN ORANGE COUNTY

## INTRODUCTION

The University of California, Agricultural Extension Service has conducted Poultry Management Studies in Orange County since 1927 with the exception of an 11 year period between 1943 and 1953. This publication represents the 10th consecutive annual summary since 1954.

There are several purposes for conducting such studies. The first and most important is to help the individual cooperator analyze his management decisions and economic situation. The second purpose is to produce a set of management and economic standards which can form the basis for industry comparison. It is only through accumulated data of this type that poultrymen can know where they stand and then make changes to improve their position. One of the side benefits of a uniformly conducted study of this type is the standardization of terminology throughout the industry.

In 1963 nine poultry ranches participated in the Orange County study. Four of these submitted full cost and income information as well as production and management records while the remaining five furnished only production and management information. The small size of the 1963 Orange County study limits its usefulness as a guide for industry comparison, but an analysis of several studies conducted in various parts of the state can provide very useful information to California poultrymen.

<u>Complete Study</u>	Ranch Sizes	<u>Combined Studies</u>
11,680	Smallest ranch	11,688
21,326	Largest ranch	53,915
15,191	Average ranch	26,582
	TOTAL HENS 239,241	

## DISCUSSION

Average egg prices in 1963 were the lowest since pre-war years. Due to a great improvement in reducing costs, returns equaled the five year average of slightly over 80 cents per hen. During the five year period beginning in 1959, Southern California poultrymen have succeeded in reducing costs by 15-20 per cent.

Compiled By  
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## 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 24 weeks of age and older.
2. % Culled }  
% Died } Total number of birds in each category  
% Added } divided by average number of hens.
3. Commercial Eggs - Includes cracks, pee wees, and B grade eggs.
4. Change of Stock Inventory - Increased or decreased flock evaluation.
5. Miscellaneous Costs - Vaccines, Medication, Repairs, Taxes, Utilities, small equipment, etc.
6. Depreciation - From Federal Income Tax Report.
7. Family Labor - Estimated hours @ \$1.50 per hour.
8. Interest on Investment - Average value of stock, buildings and equipment, and \$4000 per acre land value @ 6%.
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.
11. Cost per Cwt. of Feed - Value of all feed purchased divided by total weight.
12. Chick Cost - Total cost of chicks divided by total chicks delivered including extras.
13. Cash Income - Amount remaining after all cash costs are paid.
14. Net Farm Income - Amount remaining after all cash costs and depreciation costs are paid.
15. Management Income - Amount remaining after all cash, depreciation, and non-cash costs are paid.

A less than 3,000 hens	C 5,000 - 10,000
B 3,000 - 5,000	D 10,000- 20,000
E over 20,000	

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# EGG PRODUCTION AND SIZES

Serial No. And Size	Eggs Per Hen	% Production	% Large	% Medium	% Small	% Commercial	% Retail
1D	227.9	62.4	66.0	23.9	4.2	5.9	4.3
2D	240.7	66.0	77.9	18.3	2.7	1.1	.6
3D	242.3	66.4	70.5	21.4	3.7	4.4	0
4E	235.0	64.4	72.2	17.1	3.5	7.2	3.0
5E	257.9	70.7					
6E	255.3	69.9					
7E	239.4	65.6					
8E	233.8	64.1					
9E	225.6	61.8					
AVE.	239.8	65.7	71.7	20.2	3.5	4.7	2.0
1962	239.3	65.6	70.9	21.9	4.1	3.1	3.8
1961	244.7	66.8	70.4	21.4	5.7	2.5	3.9
1960	242.7	66.3	70.8	20.2	6.0	3.0	3.6
1959	247.3	67.7	73.9	18.8	4.0	3.3	2.6

Average hen-day production this year and last were lower than previous years because of lowered culling and replacement rates. More ranches kept their pullets to an older age and several ranches practiced forced molting. Average production rates of 70 per cent for an entire year now seem to be quite rare in this area. Production peaks are quite commonly seen between 75-80 per cent while peaks over 80 per cent are seldom experienced by local poultrymen.

# INCOME PER HEN

Serial No. And Size	INCOME				
	Egg Sales	Cull Hens	Change of Stock Inventory	Misc.	Total
1D	\$ 5.40	\$ .18	\$ .11	\$ .01	\$ 5.70
2D	5.58	.10	.29	0	5.97
3D	5.72	.10	- .03	0	5.79
4E	5.43	.16	.02	0	5.61
AVE. 1963	\$ 5.53	\$ .14	\$ .10	\$ 0	\$ 5.77
1962	5.79	.17	.01	0	5.97
1961	6.46	.24	.11	0	6.81
1960	6.77	.24	.24	.01	7.26
1959	6.25	.25	.02	.02	6.54

Total income was the lowest in over ten years. This was due to low egg prices as well as to low production. The four ranches in this study actually had almost identical incomes with the exception of change of stock inventory.

# COSTS PER HEN

Serial No. And Size	CASH COSTS					Depre- ciation	NON-CASH COSTS		Total Costs
	Feed	Re- place- ment	Hired Labor	Misc.	Total		Family Labor	Int. on Investment	
1D	\$ 3.51	\$ .26	\$ 0	\$ .17	\$ 3.94	\$ .12	\$ .43	\$ .15	\$ 4.64
2D	3.55	.25	.12	.46	4.38	.25	.30	.16	5.09
3D	3.38	.22	.38	.37	4.35	.30	.16	.20	5.01
4E	3.34	.48	.32	.24	4.38	.22	.09	.12	4.81
AVE.	3.45	.30	.21	.31	4.26	.22	.25	.16	4.89
1962	3.35	.53	.22	.33	4.43	.21	.41	.10	5.24
1961	3.56	.31	.31	.40	4.58	.24	.47	.21	5.50
1960	3.64	.37	.34	.43	4.78	.27	.58	.24	5.87
1959	4.04	.37	.31	.33	5.05	.27	.83	.21	6.36

The most impressive savings in costs is the sixty per cent less labor required in 1963 versus 1959. This difference accounts for 68 cents less costs which is almost one-half of the difference in cost of production between the two years. Savings in feed costs account for savings of another 59 cents per hen. This is due to less feed as well as lower cost.

# INCOME OVER COSTS

Serial No. And Size	Total	Cash	Cash	Depre-	Net Farm	Non-Cash	Management
	minus Income	Costs	Income	ciation	Income	Costs	Income
1D	\$ 5.70	\$ 3.94	\$ 1.76	\$ .12	\$ 1.64	\$ .58	\$ 1.06
2D	5.97	4.38	1.59	.25	1.34	.46	.88
3D	5.79	4.35	1.44	.30	1.14	.36	.78
4E	5.61	4.38	1.23	.22	1.01	.21	.80
AVE.	\$ 5.77	\$ 4.26	\$ 1.51	\$ .22	\$ 1.28	\$ .40	\$ .88
1962	5.97	4.43	1.54	.21	1.33	.60	.73
1961	6.81	4.58	2.23	.24	1.99	.68	1.31
1960	7.26	4.78	2.48	.27	2.21	.82	1.39
1959	6.54	5.05	1.49	.27	1.22	1.04	.18

A management income higher than in 1959 and 1962 was obtained chiefly through decreased family labor requirements. Family labor was spread over more hens due to increased flock size.

Returns on investment were satisfactory for ranches with reasonable loan commitments but were probably inadequate for those ranches which have been over-financed and have large monthly mortgage payments.

# INCOME AND COSTS

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Serial No. And Size	INCOME			CASH COSTS				
	Eggs	Other	Total	Feed	Re-placements	Hired Labor	Misc.	Total
1D	28.6¢	1.5¢	30.1¢	18.6¢	1.4¢	0	.9¢	20.9¢
2D	28.0	1.9	29.9	17.8	1.3	.6¢	2.3	22.0
3D	28.5	.4	28.9	16.8	1.1	1.9	1.8	21.6
4E	28.0	.9	28.9	17.2	2.5	1.6	1.2	22.5
AVE.	28.3	1.2	29.5	17.6	1.6	1.0	1.6	21.7
1962	29.1	1.0	30.1	16.9	2.8	1.1	1.7	22.5
1961	31.7	1.7	33.4	17.5	1.5	1.6	2.0	22.6
1960	33.5	2.4	35.9	18.1	1.8	1.6	2.3	23.8
1959	30.0	1.4	31.4	19.4	1.8	1.6	1.6	24.4

All ranches in this study sold eggs on an ranch-run basis with no cleaning or sizing done on the ranch. The two ranches with the highest return per dozen also had the smallest eggs which emphasizes the importance of doing business with an egg processor who pays a competitive price with the rest of the industry. These two ranches should have had less income per dozen, all else being equal.



# PER DOZEN EGGS SOLD

	Cash Income	Depre- ciation	Net Farm Income	NON-CASH COSTS		Total Costs	Management Income
				Family Labor	Int. On Invest.		
	9.2¢	.6¢	8.6¢	2.3¢	.8¢	24.6¢	5.5¢
	7.9	1.2	6.7	1.5	.8	25.5	4.4
	7.3	1.5	5.8	.8	1.0	24.9	4.0
	6.4	1.2	5.2	.5	.6	24.8	4.1
	7.7	1.1	6.6	1.3	.8	25.0	4.5
	7.6	1.1	6.5	2.0	.9	26.5	3.6
	10.8	1.2	9.6	2.2	1.1	27.1	6.3
	12.1	1.4	10.7	2.9	1.1	29.2	6.7
	7.0	1.3	5.7	4.0	1.0	30.1	.7

Management income is the best means of comparing the results of one ranch with another. It does not handicap a ranch for hiring all labor where another ranch may have none. It does not take into consideration living costs or mortgage payments because these items vary too much from ranch to ranch.

# FEED CONSUMPTION AND FEED CONVERSION

Serial No. And Size	Pounds Feed Per Hen		Pounds Per Doz. Eggs	
	All Feed	Estimate For Layers	All Feed	Estimate For Layers
1D	109.8	84.5	5.8	4.5
2D	116.8	96.2	5.8	4.8
3D	112.0	94.4	5.6	4.7
4E	106.7	89.8	5.5	4.6
5E	112.9	88.7	5.3	4.1
6E	125.6	98.7	5.9	4.6
7E	118.7	101.1	6.0	5.1
8E	-	-	-	-
9E	119.4	99.9	6.3	5.3
AVE. 1963	115.2	94.2	5.8	4.7
1962	115.3	94.8	5.7	4.8
1961	116.2	93.3	5.7	4.6
1960	117.2	93.3	5.8	4.6
1959	120.0	95.1	5.8	4.6

Feed requirements have appeared to be dropping slightly each year, but this is probably due to the increased use of started pullets, which lowers the amount of feed actually purchased on the ranch. Feed conversion appears to be fairly constant from year to year but great differences are noted from ranch to ranch. Much of the difference is due to different rates of production, different strains of chickens, and wastage. A 4.5 pound feed conversion should be the goal of all poultrymen in this area.

# MANAGEMENT FACTORS

Serial No. And Size	Per Cent Mortality 1 Day to 24 Weeks	Per Cent of Average Laying Flock			
		Died	Culled	Added	Increase or Decrease
1D	5.4	10.5	68.2	101.2	+22.5
2D	12.4	21.2	42.1	87.7	+24.4
3D	9.3	15.9	54.5	74.8	+ 4.4
4E	5.4	13.8	76.3	81.6	- 8.5
5E	7.6	20.0	86.3	103.0	- 3.3
6E	5.5	17.2	102.5	114.3	- 5.4
7E	-	16.4	67.0	74.9	- 8.5
8E	7.2	21.7	78.7	101.9	+ 1.5
9E	9.5	31.3	56.9	82.9	- 5.3
AVERAGE	7.8	18.7	70.3	91.4	+ 2.4
1962	7.3	12.3	70.7	92.9	+ 9.9
1961	7.2	11.2	78.2	98.9	+ 9.5
1960	9.8	12.1	75.5	95.7	+ 8.1
1959	10.5	11.5	82.1	100.2	+ 6.6

Hen mortality was the highest since 1955. This (in both years) was due to severe heat spells in September. Average mortality in 1955 was 24 per cent as against 18.7 per cent this year. Inadequate cooling equipment and water supplies were the principle causes of bird losses this year. The other main causes of hen losses are cannibalism and prolapse.

Culling rates are currently 15 per cent less than they were several years ago. The elimination of single cages coupled with "push out" culling makes weekly culling quite minimal.

# MISCELLANEOUS DATA

Serial No. And Size	Cost Per Cwt. Feed	Hours of Labor Per Hen	Per Cent Labor Hired	Price Rec'd Per Cull	Chick Cost	Started Pullet Costs	
						16 Week	Other
1D	\$ 3.20	.28	0	25.6¢	27.6¢	0	\$
2D	3.04	.28	30%	23.5	28.2		
3D	3.02	.29	62	21.5	30.8		1.64
4E	3.13	.27	78	20.4	29.6		
AVERAGE	\$ 3.10	.28	43%	22.8¢	29.1¢	0	\$ 1.64
1962	3.00	.41	33	24.2	30.7	\$1.32	1.53
1961	3.00	.51	36	30.8	29.2		
1960	3.05	.63	37	31.7	30.2		
1959	3.31	.77	30	28.3	31.7		

Feed prices in 1963 took a slight rise over the previous three years. This 10 cents per 100 pounds accounts for 9-10 cents per hen higher costs.

Labor requirements for the four ranches in this study were quite similar and each has shown improvement over 1962.

# HOUSING INFORMATION

Serial No. And Size	Number of Hens Per Pen and Per Cent of Each			
	1	2-6	7-40	over 40
1D	%	%	90%	10%
2D		100		
3D	30	70		
4E		100		
5E	50	18	17	15
6E	32	68		
7E			100	
8E		23		77
9E		100		

The types of poultry housing used by the ranches participating in this study were primarily single-aisle cage houses (with 1-7 hens per cage), single-aisle colony cages (25-35 hens per cage) and individual colony wire-floored houses (75-100 per house). Small cages predominate and usually have 2 or 3 hens per 10 inch or 12 inch wide by 18 inches deep.

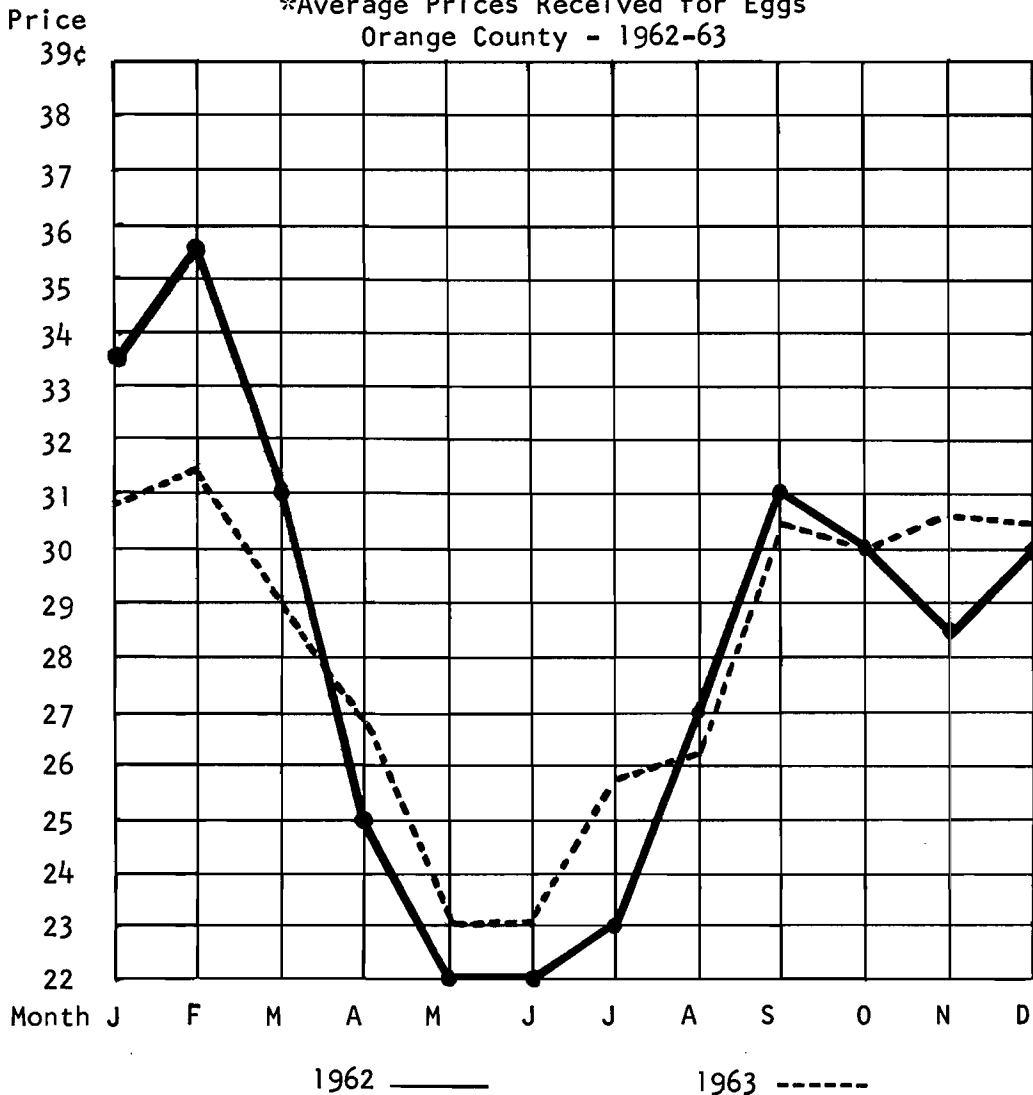
# WHOLESALE EGG PRICE

ORANGE COUNTY 1963

<u>LARGE</u>	<u>MEDIUM</u>	<u>SMALL</u>	<u>AVERAGE RANCH PRICE*</u>	<u>NUMBER OF DAYS</u>	<u>DATE</u>
37½¢	33½¢	27½¢	31.35¢	7	1/1
35½	32½	26½	29.65	13	1/8
37½	35½	28½	31.90	8	1/21
38½	36½	29½	32.90	17	1/29
36½	33½	26½	30.60	11	2/15
34½	31½	25½	28.65	14	2/26
35½	31½	25½	29.35	21	3/12
36½	32½	26½	30.35	10	4/2
34½	30½	24½	28.35	3	4/12
31½	27½	21½	25.35	4	4/15
30½	26½	20½	24.35	7	4/19
29½	24½	17½	23.00	67	4/26
31½	25½	17½	24.70	15	7/2
32½	27½	18½	25.90	5	7/17
34½	29½	20½	27.90	11	7/22
32½	26½	17½	25.60	18	8/2
34½	27½	17½	27.25	7	8/20
35½	28½	18½	28.25	7	8/27
36½	29½	18½	29.20	7	9/3
37½	30½	19½	30.20	7	9/10
38½	31½	20½	31.20	7	9/17
38½	32½	21½	31.50	7	9/24
38½	33½	22½	31.80	7	10/1
36½	31½	22½	29.90	17	10/8
35½	30½	22½	28.95	12	10/25
35½	30½	24½	29.05	6	11/6
36½	31½	25½	30.05	3	11/12
38½	34½	28½	32.35	14	11/15
36½	32½	26½	30.35	20	11/29
36½	33½	28½	30.70	11	12/19
37½	35½	30½	32.00	2	12/30
Weighted Average	34.58¢	30.00¢	22.56¢	28.19¢	

\* Based on 4½¢ under on Large eggs, 5¢ under on Medium, and 5¢ under on Small  
Typical size breakdown 70% Large, 25% Medium, and 5% Small

\*Average Prices Received for Eggs  
Orange County - 1962-63



Egg prices were below the cost of production (25.3 cents per dozen) for 3½ months of the 1963 year from April 15 to August 1. Poultrymen must expect this situation to exist for 3-6 months every year and, therefore, must have adequate reserves starting each spring to carry them through the summer