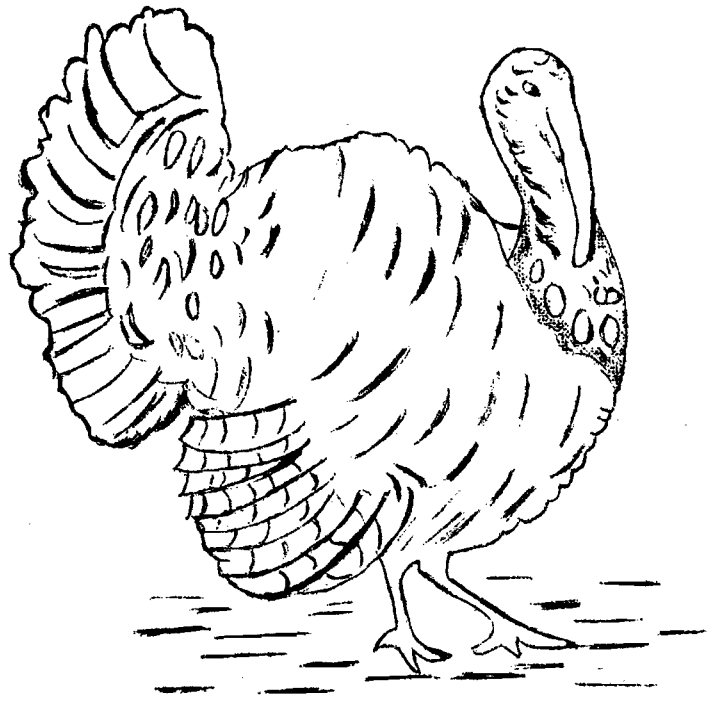


Pauling

TURKEY MEAT PRODUCTION COST STUDY

1959



GOOD MANAGEMENT
means the difference between
PROFIT AND LOSS

UNIVERSITY OF CALIFORNIA
AGRICULTURAL EXTENSION SERVICE
RIVERSIDE COUNTY

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INTRODUCTION

This turkey meat production cost study was conducted by the University of California Agricultural Extension Service in cooperation with seven Riverside County turkey growers. The size of the flocks represented in the study averaged 16,424 birds.

The purpose of this study is to develop information that will help turkey growers in analyzing their business to determine more efficient methods of operation. A study of this kind also affords a grower the opportunity of comparing his production costs with those of other cooperators while the identity of the grower is kept strictly confidential.

Records in this study cover the cost of raising poults to be sold as meat birds or transferred to breeding flocks. Birds transferred to breeding flocks were considered as having been sold for meat at prevailing market price.

A comparison and analysis of flock records as shown in the following tables point up some of the reasons why some operations were more profitable than others.

DEFINITIONS AND EXPLANATIONS OF TERMS

Income is shown on a per bird and per pound basis for both hens and toms.

Net Farm Income is the total income minus cash and depreciation costs per bird or per pound.

Total Costs include cash and depreciation costs plus family labor and interest on investment.

Management Income includes total income per bird or per pound minus total costs.

Per Cent Livability is the number of birds sold, divided by the number of poults delivered, divided by 100. It accounts for loss due to mortality or theft.

Miscellaneous Cost includes turkey promotion assessment of two cents per bird and all other cash items not specifically listed on the charts.

Depreciation covers buildings and equipment used by birds entered in this study.

Interest on Investment is figured at six per cent of the current value of land, buildings, and equipment used for turkey production.

TABLE I. I N C O M E A N D E X P E N S E P E R B I R D

Ranch No.	Flock Size	INCOME			CASH AND DEPRECIATION COSTS								Net Farm Income	NON-CASH COSTS		Total Cost	Management Income
		Hen	Tom	Average Income	Feed	Poults	Drugs	Depreciation	Labor	Misc.	Total	Family Labor		Int. on Invest.			
4	C	3.68	6.22	5.25	2.91	.27	--	.16	.05	.32	3.71	1.54	.27	.12	4.10	1.15	
5	C	4.27	6.97	5.19	3.25	.45	--	.05	.15	.16	4.06	1.13	.12	.09	4.27	.92	
6	D	3.62	6.92	5.43	3.18	.86	--	.06	.31	.10	4.51	.92	.11	.14	4.76	.67	
3	B	4.25	7.52	5.36	3.06	.71	.08	.04	.13	.30	4.32	1.04	.37	.06	4.75	.61	
7	A	3.88	5.47	4.63	2.83	.56	.02	.24	--	.14	3.79	.84	.21	.11	4.11	.52	
1	B	3.46	6.43	4.89	3.25	.59	.01	.11	.01	.10	4.07	.82	.28	.06	4.41	.48	
2	D	3.12	5.43	4.29	3.05	.62	.02	.10	.11	.23	4.13	.16	.16	.06	4.35	-.06	
Avg.		3.72	6.33	4.98	3.09	.60	.03	.10	.13	.19	4.14	.84	.20	.09	4.43	.55	

Flock Size:

A - 5,000 - 10,000 B - 10,001 - 15,000 C - 15,001 - 20,000 D - 20,001 - 30,000

In comparing records in the above table, it is particularly important to keep in mind that in years when the margin of profit is narrow, low production costs are all-important. The cost per bird varied from a low of \$3.71 to a high of \$4.51 or a difference of 80 cents. This could mean the difference between profit and loss.

TABLE II. INCOME AND EXPENSE PER POUND OF MEAT

Ranch No.	INCOME			CASH AND DEPRECIATION COSTS						Net Farm Income	NON-CASH COSTS		Total Cost	Management Income
	Hen	Tom	Average income	Feed	Poults	Depreciation	Labor	Misc.	Total		Family Labor	Int. on Invest.		
4	.257	.246	.264	.146	.013	.008	.003	.012	.182	.082	.013	.006	.201	.063
5	.282	.265	.272	.170	.024	.002	.007	.008	.211	.061	.006	.005	.222	.050
6	.253	.256	.255	.149	.041	.003	.015	.005	.213	.042	.005	.006	.224	.031
3	.257	.289	.272	.155	.036	.002	.006	.015	.214	.058	.019	.003	.236	.036
7	.258	.284	.254	.155	.031	.013	--	.008	.207	.047	.012	.006	.225	.029
1	.258	.261	.258	.171	.031	.006	--	.005	.213	.045	.015	.003	.231	.027
2	.232	.246	.240	.171	.035	.006	.006	.013	.231	.009	.009	.003	.243	-.003
Avg.	.256	.259	.259	.161	.031	.005	.007	.010	.214	.045	.010	.005	.229	.030

Turkeys marketed early sold on a poor market. This was responsible for some growers taking a loss even under good management conditions.

TABLE III. TURKEY PRODUCTION AND MANAGEMENT FACTORS

Ranch No.	Number of broods	AVERAGE AGE SOLD		AVERAGE LIVE WEIGHT			POUNDS FEED		AVERAGE FEED COST	LIVABILITY
		Hens (weeks)	Toms (weeks)	Hens	Toms	Flock	Per Bird sold	Per Lb. Meat Sold	Per cwt.	Per cent
4	2	24	26	14.3	25.3	19.9	93.4	4.7	3.11	92.3
5	1	22 - 2 da.	24	15.1	26.3	19.1	72.4	3.8	4.49	94.6
6	1	22	26	14.3	27.0	21.3	90.4	4.2	3.52	90.2
3	3	20 - 4 da.	25	16.5	26.0	19.7	78.0	3.9	3.92	82.8
7	1	18 - 4 da.	19	15.0	19.3	16.9	59.4	3.3	4.76	93.4
1	1	20 - 4 da.	25	13.4	24.6	18.9	68.9	3.6	4.70	93.5
2	1	21	25	13.5	22.1	17.8	71.5	4.0	4.23	96.6
Avg.		21 - 2 da.	24	14.5	24.5	19.2	78.1	4.1	3.96	92.2

Flock #4 had a feed consumption of 93.4 pounds per bird. This was the highest in the study and was due to the older age at which the birds were marketed. Flock #7 had the lowest average feed consumption (59.4 pounds). This was due to their younger age at time of marketing.

SUMMARY

Riverside County turkey growers in 1959 marketed 820,810 turkeys amounting to \$4,268,210. Both the production and income were lower than for the preceding year. Growers who marketed early birds experienced a very poor market, price-wise, while those who had late birds did very well due to a rise in turkey market prices. Price of turkeys at market time is one of the factors affecting profit and loss over which the grower has little control. The general price level of feed is another factor over which the grower has little control.

Management factors which may contribute to the success or failure in the turkey business but which the grower should be able to control and thereby reduce production costs are:

- Feed required to produce a pound of meat.
- Cost of drugs per bird.
- Hired labor cost per bird.
- Age and weight of birds at marketing.
- Livability of birds.
- Quality of birds marketed.
- Time and method of marketing.

The experienced operator knows when the margin of profit is narrow — good management can mean the difference between profit and loss.