

SONOMA COUNTY

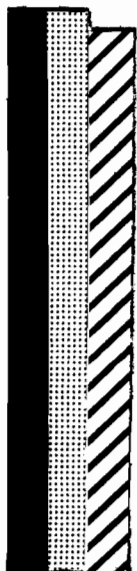
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1966

POULTRY EGG PRODUCTION *and* MANAGEMENT STUDY

FEED

76 76 73



AGRICULTURAL EXTENSION SERVICE
UNIVERSITY OF CALIFORNIA

TOTAL CASH COSTS
(Per Cent)

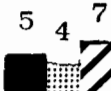
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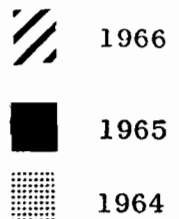
MISC.



HIRED
LABOR



DEPR.



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George B. Alcorn, Director, California Agricultural Extension Service.

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I N T R O D U C T I O N

This is the eighteenth 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 ten 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 will not have as good a price for eggs this year as in 1965. The price received per dozen in 1967 will be lower than 1965.

The chick hatch for 1967 is expected to be above 1966. A larger supply of eggs is in prospect during the year.

* * * * *

Here is a chart on chicks hatched, average number of layers on farms, egg production and egg prices for years 1958 through 1967*.

Year	Egg-type chicks Hatched (million)	Layers on Farms (millions)	Egg Production Cases (million)	U.S. Egg Price per Dozen (Average)	Sonoma County Cost Study Egg Price - Dozen (Average)
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**	520	308	188.0	33.4	29.0

* Figures taken from Poultry Survey Committee Report.

** 1967 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 divided
% Added 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 Inc.	Non-Cash Costs/Hen		Mgt. In- come per Hen
	Egg Sales	Poul- try Sales	Misc. in- come	Stock In- ventory Change	Total In- come	Feed	Stock pur- chased	Misc. Costs	Depr.	Hired Labor	Total Ex- pense		Fam- ily Labor	Int. on Inv.	
16-M	7.28	--	--	-1.07	6.20	3.00	--	.21	.14	.06	3.41	2.79	.40	.09	2.30
2-L	6.82	.36	--	+ .77	7.95	2.76	1.72	.24	.13	.56	5.41	2.54	.12	.12	2.30
12-L	7.34	.20	.01	- .03	7.52	4.03	.38	.24	.09	.35	5.09	2.43	.15	.12	2.16
13-L	6.95	.12	--	- .10	6.97	3.58	.20	.28	.13	.43	4.62	2.35	.13	.14	2.08
11-L	6.31	.14	.01	+ .03	6.49	3.13	.43	.33	.21	.05	4.15	2.34	.18	.13	2.03
8-M	6.82	.29	--	---	7.11	3.73	.29	.22	.17	.43	4.84	2.27	.12	.15	2.00
17-S	7.81	.08	--	+ .02	7.91	4.01	.25	.56	.16	.61	5.59	2.32	.23	.17	1.92
1-M	6.76	.12	.03	- .17	6.74	3.44	.23	.39	.20	.49	4.75	1.99	.46	.19	1.34
6-S	5.47	.11	--	- .07	5.51	3.19	.17	.33	.20	.14	4.03	1.48	.69	.15	.64
18-M	5.51	.12	--	+ .06	5.69	3.94	.24	.24	.23	.22	4.87	.82	.37	.16	.29
<u>Averages</u>															
1966	6.80	.17	.01	+ .01	6.99	3.44	.48	.29	.16	.34	4.71	2.28	.22	.14	1.92
1965	5.69	.11	---	- .17	5.63	3.53	.43	.24	.19	.24	4.63	1.00	.32	.15	.53

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

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. None of the cooperators showed a minus management figure. That means that all the 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 1965 figures we find that total income was more for 1966 by \$1.36 per hen. Also, the Management Income was \$1.39 more per hen in 1966. This was mainly due to a higher egg income, due to 6.2¢ more per dozen for eggs plus a slightly higher poultry sales per hen.

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

Ser. No.	Eggs Laid per Hen	Fall Eggs per Fall Hen	Per- cent Pul- lets	Per- cent Added July- Oct.	Per- cent Mor- tal- ity	Per- cent Chicks Lost	Culled		Per- cent Feed Mash	Stock Bought or Raised	Hrs. La- bor per Hen	Diseases, Problems, etc.
							Per- cent	Months 1%				
16-M	252	70	100	--	8	"All-in & All-Out"	--	--	100	B	.31	Blucomb
2-L	210	89	86	100	15	1	91	3	100	B	.38	Cannibalism-worms-mites
12-L	249	76	84	39	14	30	56	3	100	R	.34	Hemorrhagic-Pasteurella-Salmonella
13-L	226	73	85	--	13	2	37	2	100	R	.32	Newcastle-Cocci-CRD-Cann-Leu.-Mites
11-L	211	67	100	61	12	2	41	3	100	B	.16	LT-Coryza-Leucosis-Mites
8-M	237	61	76	17	16	5	77	5	100	R	.38	Leucosis-CRD-Mites
17-S	226	73	62	32	14	22	29	5	96	R	.56	Coryza-CRD-Cocci-Mites-Leucosis
1-M	228	75	56	25	14	1	32	2	55	R	.61	None Specific-Cann.-Mites-CRD-Heat
6-S	192	60	73	100	17	9	30	2	100	R	.56	None Reported
18-M	193	56	73	29	16	26	34	10	100	R	.40	Coryza-CRD-Cann.-Chol.-Leuc.-Mites
<u>Averages</u>												
1966	224	73	74	38	13	9	45	4	96	--	.36	
1965	234	75	77	34	14	6	54	5	89	--	.43	

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

The mortality rate shows the best improvement since 1959 when the expansion of large flocks began to take effect. Along with this, eggs per hen was the lowest since 1963. This was due to three factors:

1. Fewer diseases;
2. More "All-in & All-out" birds on record; and
3. Some poultrymen are learning about better methods of handling some of their disease problems. 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. This is the conclusion I have come to, after completing cost studies in Sonoma County since 1949.

TABLE III: EXPENSE PER HEN IS IMPORTANT TO PROFIT

Ser. 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, Limestone		Grit, Shell, Limestone	Lbs. Feed
16-M	8	--	--	- 8	"All-in & All-out"		3.39	---	3.39	3.00	88	--	100	--	4.1	
2-L	15	91	114	+ 8	40.4	1.49*	1	3.41		3.41	2.76	81	--	100	--	4.6
12-L	14	56	92	+ 22	36.0	.298	30	3.42	--	3.42	4.03	118	--	100	--	5.5
13-L	13	37	64	+ 16	32.0	.300	2	3.48	--	3.48	3.58	103	--	100	--	5.4
11-L	12	41	67	+ 14	33.5	1.35*	2	3.36	--	3.36	3.13	94	--	100	--	5.3
8-M	16	77	110	+ 17	37.4	.300	5	3.31	--	3.31	3.73	113	--	100	--	5.6
17-S	14	29	66	+ 23	28.6	.300	22	3.66	2.63	3.62	4.01	111	--	96	--	5.7
1-M	14	32	71	+ 25	37.0	.313	1	3.85	2.63	3.31	3.44	103	4	55	--	5.4
6-S	17	30	36	- 5	38.5	.278	9	3.31	--	3.31	3.19	96	--	100	--	6.0
18-M	16	34	76	+ 27	35.6	.280	26	3.35	3.29	3.35	3.94	117	--	100	--	7.2
<u>Averages</u>																
1966	13	45	71	+ 14	36.2	.298	9	3.43	2.63	3.40	3.44	101	.3	96	--	5.3
1965	14	54	86	+ 18	21.9	.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

*Started Pullets. Not included in cost of chicks average.

	<u>Average Cost Started Pullets</u>	<u>Percent Started Pullets Bought</u>	<u>Percent Day Old Chicks</u>
1966	\$ 1.42	36%	64%
1965	1.33	28%	72%
1964	1.45	7%	93%

Birds removed from the flock or birds added to the flock during the year resulted in an increase of 14% which was 4% lower than in 1965. 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. The "All-in & All-out" cooperators did not raise chicks 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 5 lbs. less feed used per hen than in 1965.

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.
16-M	260	252	69.1	**74	9	5	100	0	28	33.6	--	33.6	13.8	20.7	23.0	10.6	1.9	.4	12.9
2-L	211	210	67.3	70	19	11	90	10	47	38.7*	38.8	38.7*	15.6	24.3	25.7	13.0	.7	.7	14.4
12-L	256	249	68.2	75	18	7	100	--	31	34.4	--	34.4	18.9	22.9	24.2	10.1	.7	.6	11.4
13-L	227	226	62.0	74	21	5	97	3	28	36.5	45.9	36.8	19.0	24.4	25.9	11.0	.7	.8	12.5
11-L	211	211	57.7	86	10	4	89	11	93	35.1	41.0	35.9	17.8	22.6	24.3	11.6	1.0	.7	13.3
8-M	240	237	64.9	68	26	6	95	5	32	33.9	39.3	34.1	18.7	22.8	24.1	10.0	.6	.7	11.3
17-S	234	226	61.9	77	17	6	100	--	36	40.2*	--	40.2*	20.6	28.2	30.3	9.9	1.2	.9	12.0
1-M	229	228	62.5	80	12	8	83	17	97	33.8	43.9	35.5	18.0	25.0	28.4	7.0	2.4	1.0	10.4
6-S	194	192	52.7	73	13	14	77	23	33	32.3	39.9	33.8	19.7	24.6	29.8	4.0	4.3	.9	9.2
18-M	194	193	52.7	71	20	9	92	8	33	33.4	41.7	34.0	24.3	29.0	32.3	1.7	2.3	1.0	5.0
<u>Averages</u>																			
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
1965	234	232	63.5	75	18	7	92	8	33	27.9	35.5	29.2	18.1	24.0	26.4	2.8	1.7	.7	5.2

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

**12% Sold to Breakers ungraded.

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 with a larger number short from laid to sold which indicates all eggs sold may not have been recorded.

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 8% 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 percent of eggs sold retail was the largest amount sold since this study was started. The 6.2 cents per dozen increase in price was the most benefit received from any previous year. The two cooperators who processed their eggs on the ranch received 3.7c more per dozen for this type of egg handling. UC Cooperative Extension

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
No. of Records	21	24	23	17	24	27	24	24	20	18	18	13	13	13	13	13	14	10
Avg. Hens per Flock	1619	1734	1716	1784	1920	2293	2759	2856	3140	2989	3986	4588	6739	8304	10,974	13,056	12,978	15,986
Eggs Laid per Hen	197	210	209	228	218	228	231	232	236	243	243	232	227	226	219	226	232	224
<u>HENS:</u>																		
% Mortality	22	16	14	11	15	13	11	12	11	11	12	15	18	17	17	16	14	13
% Culled	92	82	104	118	97	96	87	101	84	81	65	60	71	68	62	56	54	45
% Added	130	99	121	138	131	129	125	115	108	100	103	95	94	112	81	80	86	71
% Inc./Decr.	16	1	3	9	19	20	27	2	13	8	26	18	6	27	2	7	18	+ 14
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
Lbs. M, G per Hen	141	128	138	146	144	135	135	127	126	123	122	124	116	117	112	109	106	101
Percent Mash	64	62	55	57	53	56	49	55	59	61	70	71	81	71	75	82	89	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
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
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
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
<u>INC. PER HEN</u>																		
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
Poultry Sales	.67	.73	1.32	1.01	.95	.57	.56	.56	.40	.42	.26	.21	.19	.17	.17	.14	.11	.17
Misc. Income	.22	.22	.30	.05	.03	.04	.02	.02	.02	.01	--	--	--	.01	.02	.02	--	.01
Inventory Change	.26	--	-.12	.28	.57	.43	.60	.07	.10	.07	.54	.26	.18	.30	.10	.03	-.17	+.01
<u>TOTAL INCOME</u>	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
<u>CASH & DEPRECIATION COSTS</u>																		
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
Stock Bought	--	.53	.74	.78	.66	.60	.53	.48	.45	.51	.81	.60	.57	.77	.41	.37	.43	.48
Miscellaneous	.68	.45	.53	.48	.57	.62	.47	.49	.46	.42	.32	.34	.38	.30	.26	.31	.24	.29
Depreciation	.23	.21	.30	.32	.26	.27	.25	.26	.27	.27	.30	.28	.23	.22	.19	.19	.19	.16
Hired Labor	.25	.26	.38	.15	.17	.24	.22	.24	.27	.30	.19	.24	.23	.21	.23	.25	.24	.34
<u>TOTAL CASH & DEPR. COSTS</u>	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
<u>FARM INCOME</u>	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
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
Int. on Investment	.26	.24	.29	.28	.28	.29	.28	.27	.23	.22	.19	.21	.21	.17	.16	.15	.15	.14
<u>MANAGEMENT INCOME</u>	.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

The above study averages for Sonoma County for the last 18 years represents about 8% of the 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 1966 records did show an increase in the number of birds per ranch over 1965. This year's record also indicates good income can be obtained by any flock size. Egg prices and farm income per hen was the best since 1958. The 1966 poultrymen received 35.4 cents per dozen which was 6.2 cents more per dozen than in 1965. In addition, we had higher cull prices in 1966--14.2 cents more per hen than 1966. The question is: Will the egg prices for 1967 be similar to 1965 which averaged 29.2 cents per dozen. The answer will be in the 1967 Poultry Egg Production and Management Study or other market information. UC Cooperative Extension