

1968 POULTRY EGG COST STUDY with
20 Year Summary of Costs of Production
in San Diego County, California.

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In Cooperation with the Poultry Industry of
San Diego County.

The San Diego County Poultry Egg Cost Study has been conducted by the Agricultural Extension Service, University of California in this county for 20 continuous years.

Cooperators report results from their own operations with the specific purpose of comparing their results with others in the study and to determine management programs which will improve their own ranch operation.

The over-all results are published so that former cooperators and others in San Diego county, under similar record-keeping procedures may also compare and develop programs which will enable them to become efficient in their own poultry egg producing business.

The results of this study cannot be considered as representative of this county or area. They may be considered only as representative of what 21 specialized commercial egg producing ranches averaging 43,000 layers varying from 10,000 to over 100,000 hens did in San Diego county.

Housing is now mostly open type, truss construction, metal roof with lath or plastic curtain siding. The 30 foot wide house holds 4 double rows of back to back cages with water between and feed hoppers on the front of cages. The usual housing rate is 4 inches frontage per bird with 2 birds in 8-inch cages, 3 per 12-inch, 4 per 16-inch, and 6 per 24-inch cages.

Feeding is mostly with electric cart, however several ranches have mechanical feeding equipment. Except for the 4 ranches using started pullets, chicks are brooded on the ranches on a year round basis with replacement generally 3 to 5 times a year.

Labor cost, as reported, included hired labor and all costs of labor such as Workmen's Compensation, and Social Security.

All contract labor for manure clean-out, debeaking, and vaccination are also included.

The average results of the growers in the study appear to be above the average of the industry. However, there exists a wide range in results. Although the average of the study was 24.8¢ cost per dozen eggs, there were those in the study with costs as low as 22.4¢ per dozen and others with as high a cost as 28.3¢ per dozen. The average price received by the producers for all egg sales was 24.7¢ indicating that on the average producers failed to meet their cost of production. This means that some poultrymen failed to meet all their cost of production while many just met their costs, while a few showed a small return over their costs. Miscellaneous costs dropped 8 cents per bird indicating that some purchases of supplies were deferred for better egg prices.

This was the second year of low egg price returns. A good year in 1966 helped producers get through 1967 but this was not true for 1968. The result was that in addition to cutting out on miscellaneous costs, replacement rates were also deferred giving a low percent added of 85% and culling was cut to 58% for the year. Based on the 20% mortality rate the average number of pullets on hand during the year was 74%. Considering this lower percent of pullets on hand, the average rate of 246 eggs for the 366 hen day basis of 1968 was outstanding. All eggs produced are counted and the 246 eggs include the few eggs produced before pullets are six months of age which is the time they are added to the laying flock.

Problem of Marek's disease appears to be the major disease problem confronting poultrymen. This has caused increases in pullet growing mortality as well as laying hen mortality.

All feed cost including layers and replacement was 12 cents per hen lower in 1968.

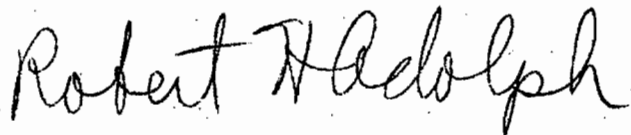
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Lower feed cost per 100 pounds and fewer pullets raised were the primary reason for this lower cost.

Due to special efforts at maintaining efficiency of operation and deferring some costs such as supplies and buying fewer pullet chicks, the average cost of production was 24.8 cents per dozen compared to 26.2 cents per dozen in 1967.

A new practice of force molting played an important part in this year's study. Pullet replacements were less and higher mortality rates in layers and growing pullets meant that more hens were being carried over for

further production. Birds in their second year of lay usually lay poor quality eggs. By force molting the producer gets at least the same number of eggs he would have received otherwise but does get eggs of such quality that the major part may be sold in the AA and A market grades of eggs. The carrying of older birds is having an effect on dealer grade out because of the 13% smalls and commercials only about 3% of the pack are smalls and 10% are commercial grade.



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Farm Advisor

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COMPARE YOUR RESULTS WITH SAN DIEGO EGG COST STUDY COOPERATORS, 1966 to 1968

<u>I RESULTS PER DOZEN EGGS PRODUCED</u>	1966 Av. Cents	1967 Av. Cents	1968 Av. Cents	Compare your Results
Feed Layers only	13.4¢	13.5¢	13.2¢	_____
Feed Cost for Replacements	4.2	4.2	3.6	_____
Replacement chicks & started pullets	2.3	2.2	2.1	_____
Supplies, taxes, utilities, misc.	1.4	1.6	1.1	_____
Hired labor costs	1.9	1.9	1.7	_____
Home chore labor	.1	.1	.1	_____
Total cash & labor	23.3	23.5	21.8	_____
Stock Inventory and Cull sales - credit	-1.6	-1.0	- .7	_____
Net cash cost incl. home chore labor	21.7	22.5	21.1	_____
Depreciation 10% average value of buildings and equipment	.7	.8	.6	_____
Interest 7% on land stock and average value of buildings and equipment	1.0	.9	1.1	_____
Management of cost 2¢ per dozen	2.0	2.0	2.0	_____
Net cost of production per doz. eggs	25.4	26.2	24.8	_____
<u>II RESULTS PER AVERAGE LAYER(365 hen days)</u>				
Feed layers only	\$2.82	\$2.73	\$2.71	_____
Feed for replacements	.80	.84	.74	_____
Replacement chicks, started pullets	.46	.44	.42	_____
Supplies, taxes, utilities, misc.	.30	.31	.23	_____
Hired labor	.40	.39	.36	_____
Home chore labor	.02	.02	.02	_____
Net cash and labor cost	4.80	4.73	4.48	_____
Stock inventory and Cull sales - credit	- .34	-.19	-.15	_____
Net cash cost incl. home chore labor	4.46	4.54	4.33	_____
Depreciation 10% average value of buildings and equipment	.15	.16	.14	_____
Interest 7% on land, stock and average value of buildings and equipment	.20	.19	.21	_____
Management 2¢ per dozen	.41	.40	.41	_____
Total cost per hen	\$5.22	\$5.29	\$5.09	_____

COMPARE YOUR RESULTS WITH SAN DIEGO EGG COST STUDY COOPERATORS, 1966 to 1968

111 <u>LAYING FLOCK, FEED AND OTHER DATA</u>	1966	1967	1968	Compare your results
	Av.	Av.	Av.	
Died	15	18	20	_____
Culled	66	65	58	_____
Total to replace	81	83	78	_____
Added	96	86	85	_____
Increases	15	3	7	_____
% of av. flock est. as pullets 6-18 mos. of age	82	77	74	_____
<u>Loss of chicks to 6 months of age</u>	9	10	12	_____
Cull income each	31	20	20	_____
<u>Average number birds per flock</u>	41,548	44,261	43,105	_____
Dozen eggs produced per hen	20.6	20.2	20.3	_____
All eggs produced per 365 hen days Less: estimate of eggs produced before being added to flock	247 4	243 4	246 4	_____
Estimated production all eggs per 365 hen days after 6 months of age	243	239	242	_____
Average rate of production (including eggs laid by hens under 6 mos. of age)	68	67	67	_____
<u>Eggs sold wholesale; A,AA,Lrg.& Xlrg.</u>	70	69	70	_____
Pounds of feed for layers only	90	87	91	_____
Feed ratio for layers only	4.4	4.3	4.5	_____
Feed cost per dozen, layers only	13.7	13.5	13.2	_____
All feed used, replacements and layers	114	110	112	_____
Feed ratio, replacements and layers	5.5	5.5	5.5	_____
Cost of feed per 100 pounds	\$3.17	\$3.24	\$3.07	_____
<u>Feed cost for layers only</u>	2.82	2.73	2.71	_____
Replacements as started pullets	15	6	11	_____
Average cost of day-old pullets	\$.31	\$.31	\$.30	_____
Average price received per dozen	33.2¢	24.5¢	24.7¢	_____

TABLE A. POULTRY EGG COST STUDY, SAN DIEGO COUNTY - 20 - YEAR SUMMARY 1949 - 1968
 Agricultural Extension Service, University of California - San Diego County

Year	Eggs per Hen	% Lrg	% Died	% Culls	% Added	% Increase	Cull Income each	Lbs. Feed per Layer only	Feed Ratio Layers only*	Feed Cost			Hired Labor Cost per Doz.	Pullet Chick Cost each
										per cwt.	per Doz. **	Layers only per Doz.		
1968	246	70	20	58	85	7	\$.20	91	4.5	\$3.07	16.8¢	13.2¢	1.7¢	\$.30
1967	243	69	18	65	86	3	.20	87	4.3	3.24	17.7	13.5	1.9	.31
1966	247	70	15	66	96	15	.31	90	4.4	3.17	17.6	13.4	1.9	.31
1965	246	70	16	68	95	11	.18	89	4.4	3.12	17.1	13.1	1.7	.31
1964	242	72	15	76	98	7	.21	89	4.4	3.10	17.6	13.5	1.8	.32
1963	243	69	14	63	94	17	.25	88	4.3	3.12	17.2	13.1	1.8	.33
1962	245	72	13	68	106	15	.23	90	4.4	3.08	17.4	13.1	2.2	.35
1961	246	71	13	75	105	17	.29	91	4.4	3.02	16.9	12.9	2.2	.36
1960	241	70	13	71	96	12	.27	89	4.5	2.90	16.6	12.5	2.1	.39
1959	243	68	14	82	107	11	.30	90	4.5	3.23	18.5	14.1	2.1	.43
1958	239	68	14	79	105	12	.46	91	4.6	3.31	19.3	14.8	2.6	.40
1957	235	70	14	68	100	18	.40	91	4.6	3.45	20.2	16.0	1.9	.40
1956	236	69	14	88	102	14	.52	93	4.8	3.63	21.8	16.9	2.5	.40
1955	234	66	17	70	103	16	.56	92	4.8	3.84	24.4	18.0	2.2	.40
1954	235	61	14	86	114	14	.52	94	4.9	3.95	25.2	18.9	2.1	N.A.
1953	228	60	15	76	107	16	.75	95	5.1	4.06	26.5	20.2	2.5	N.A.
1952	231	61	14	82	118	22	.61	96	5.1	4.53	29.7	22.2	2.4	N.A.
1951	222	68	13	74	102	15	.75	100	5.4	4.06	28.5	21.5	2.3	N.A.
1950	217	65	15	64	108	29	.70	98	5.4	3.65	26.3	19.2	1.8	N.A.
1949	213	64	15	77	124	32	.88	100	5.6	4.09	32.7	22.3	2.6	N.A.

* Pounds feed to one dozen eggs.

** Includes feed used for replacement and layers.

N.A. Not available.

TABLE 8. POULTRY EGG COST STUDY, SAN DIEGO COUNTY - 20-YEAR SUMMARY 1949 - 1968 Inclusive
Agricultural Extension Service, University of California -San Diego County

Year	Av. Flock Size (1000)	Egg Income per Doz.	Per Doz. Net* Cost Eggs	+Profit -Loss per Doz.	Egg Income per Hen	Net Cost Eggs per Hen	Profit per Hen	Costs Labor per Hen	Int. on Invest-ment	Per Deprec. Allow.	Average Misc. Cash Costs	Hen All Feed Cost	
1968	43	24.7¢	24.8¢	-0.1¢	\$5.07	\$5.09	\$-.02	\$.36	\$.01	\$.21	\$.14	\$.23	\$3.45
1967	44	24.5	26.2	-1.7	5.00	5.38	-.38	.39	.02	.19	.16	.31	3.57
1966	42	33.2	25.4	+7.8	6.84	5.29	+1.55	.40	.02	.20	.15	.30	3.62
1965	29	26.9	25.6	+1.3	5.52	5.34	+.18	.34	.06	.20	.20	.33	3.52
1964	25	27.9	26.2	+1.7	5.62	5.35	+.27	.37	.08	.21	.19	.30	3.55
1963	21	28.4	26.4	+2.0	5.73	5.33	+.40	.36	.07	.23	.23	.34	3.47
1962	16	28.9	27.8	+1.1	5.90	5.66	+.24	.35	.23	.23	.23	.44	3.55
1961	13	31.5	27.5	+4.0	6.45	5.65	+.80	.45	.21	.21	.25	.38	3.47
1960	9	33.3	28.7	+4.6	6.61	5.72	+.89	.42	.31	.27	.30	.43	3.30
1959	7	29.8	30.9	-1.1	5.97	6.20	-.23	.38	.44	.26	.29	.42	3.72
1958	6	37.0	31.1	+5.9	7.32	6.15	+1.17	.48	.38	.25	.29	.52	3.80
1957	6	36.3	30.8	+5.5	7.00	5.95	+1.05	.47	.60	.26	.34	.45	3.91
1956	5	38.4	32.1	+6.3	7.45	6.23	+1.22	.49	.64	.26	.35	.43	4.22
1955	4	41.3	32.1	+9.3	8.00	6.15	+1.85	.43	.59	.20	.33	.41	4.52
1954	4	36.8	34.1	+2.7	7.12	6.59	+.53	.40	.54	.20	.34	.40	4.86
1953	4	51.5	36.3	+15.2	9.64	6.80	+2.84	.46	.85	.21	.37	.41	4.96
1952	3	46.0	40.8	+5.2	8.74	7.75	+.99	.47	1.04	.24	.38	.35	5.71
1951	3	55.2	40.3	+14.9	9.90	7.20	+2.70	.42	1.34	.25	.38	.41	5.16
1950	2	43.6	35.6	+8.0	7.73	6.32	+1.41	.33	.94	.23	.31	.34	4.65
1949	2	52.0	42.0	+10.0	9.18	7.42	+1.76	.48	1.08	.24	.29	.53	5.77

*Total net cost of eggs per dozen and per hen includes all costs: feed, replacement stock, all labor, misc. cash cost of supplies, taxes, and utilities, interest at prevailing rates (i.e. 1968-7%), depreciation at 10% of average bldgs. & equipm't. Cull income and stock value increase are subtracted from costs to give net cost of egg production.

Management costs were considered at 2 cents per dozen during 1964 to 1968. During 1959-1963 management cost was considered at 10% of costs. There was no management charge made during the years 1949 to 1958 because flock sizes were smaller and most of the labor used was home supplied rather than hired.