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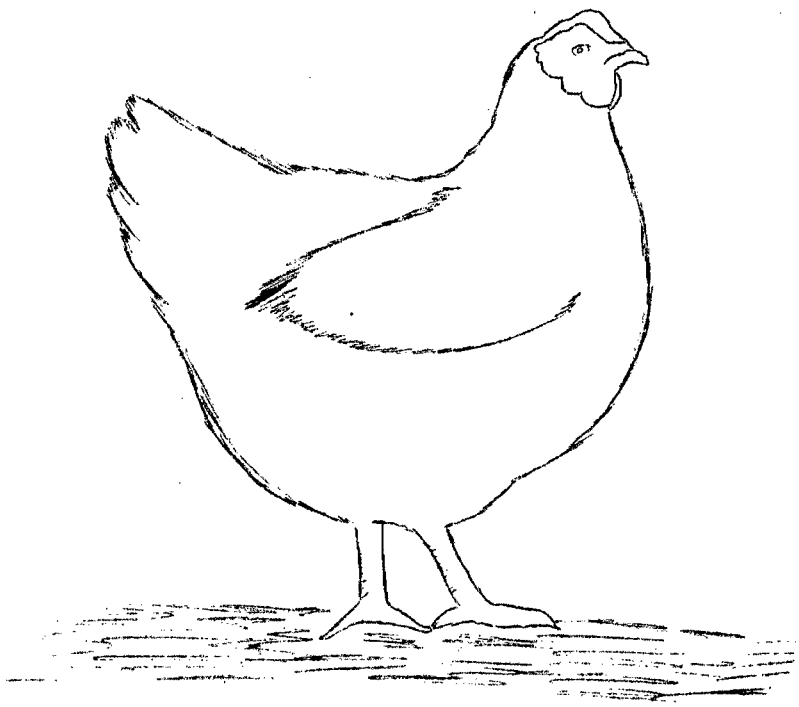
# 1951-52

# 1ST ANNUAL REPORT

# Contra Costa County Poultry Egg Cost Management Study




BY

Arthur Shultis, Extension Economist
Farm Management

AND

J. C. Borden, Farm Advisor

UNIVERSITY OF CALIFORNIA
AGRICULTURAL EXTENSION SERVICE
FARM AND HOME ADVISORS OFFICE
COWELL, CALIFORNIA



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# INTRODUCTION

This is the first annual report of the Contra Costa County Poultry Management Study. It is conducted by the Agricultural Extension Service in cooperation with a small group of local poultrymen. Its purpose is to help the cooperators improve their management and profits and also to furnish current local management and cost information useful to the entire poultry industry.

It just happens that only six poultrymen completed their records this year covering the period March 1, 1951 through February 29, 1952. These were not very typical of the going egg producing concern which is up to capacity and being maintained by the annual addition of new layers. Two of these went down in size during the year and probably will go out of business shortly. Others started small or with no layers at all and built up in size during the year. Hence only four records were included in the averages shown in tables 1 to 3 and these averages are not typical of the established egg production enterprises.

This study is being continued in 1952 with ten cooperators, and it is hoped the records completed will be more typical. Individual cooperators receive a monthly progress report where they may compare their results and prices by record number. At the end of the year they receive a detailed record and analysis. Additional cooperators are welcome and can start anytime. Apply to your local farm advisor.

# SUMMARY

The 1951 year was a fairly profitable one for most egg producers. Farm income per hen shown at the bottom of table 1 was over $3 00 for the first 3 records and averaged $2.90 for all 4 records. Average egg production was high at 218 eggs per hen. Average price per dozen was good at 59¢ and with wholesale eggs bringing 57¢ and feed costing 4.52¢ a pound the egg-feed ratio was 12.6, or above average.

# O U T L O O K

The year 1952 is well underway with conditions decidedly less favorable for the egg producer than in 1951. Egg prices are several cents a dozen below the previous year and feed costs per hundred pounds are higher. As this is written early in April, 1952 egg prices have been improving and grain prices declining a little so the most difficult period may be passed. Although consumer purchasing power is good the lower egg prices are the result of more layers in the country than a year earlier and considerable more production due to a record rate of lay.

It is expected that due to the squeeze of high costs and low egg prices the number of layers will be reduced through culling and that hatchings of replacement stock will be lower this spring. By fall the number of layers may be below a year previous and egg production more in line with demand and hence better prices. Thus the entire year may enable the good poultryman to show a fair profit although it is not likely to be as good as 1951. With good weather and high feed grain production feed costs could also be a little lower later in the year.

Poultrymen who wish to stay in business must practice every possible economy and make the right management decisions over the next few months. They must brood the correct number of replacements somehow in order to have flock up to capacity by fall and into next year when conditions are better.

# DEFINITIONS OF TERMS USED IN THIS POULTRY STUDY

Net Stock Income - is the amount by which income from poultry sold and eaten in the home and increase in inventory value of poultry stock exceeds actual poultry stock purchases and any decrease in stock inventory value. If the latter items exceed the stock income, there is a Net Stock Cost.

Total Income - is composed of returns from the sale of eggs, manure, sacks, and other miscellaneous income, the value of eggs eaten in the home and the net stock income, if any.

Total Expense - is made up of all costs of feed, hired labor, and other cash expenses, the value of farm-grown feeds, the value of the operator's or family labor, depreciation on buildings and equipment, interest on the average investment shown by the inventory, and the net stock cost, if any.

Management Income - is the amount by which the total income exceeds the total expense. If total expense is larger, a Net Loss occurs, which is designated by a minus sign (-) preceding the figure.

Farm Income - is the sum of the management income, the value of the operator's labor and interest on investment. It is the net income of the poultryman above cash expenses and depreciation. It includes interest for the use of capital, wages for his actual labor, and profit for his management.

Average Number of Hens - is the average number of hens in the flock for the year. It is obtained by dividing the total hen days in the year by the number of days for the year.

Per Cent Mortality - is the per cent of the average number of hens that died during the year. It is obtained by dividing the number died by the average number of hens.

Per Cent Culled - is the percent of the average number of hens that were sold and eaten in the home during the year. Dividing the number so disposed of by the average number of hens, gives this figure.

Per Cent Added - is the per cent of the average number of hens which were actually added to the flock during the year. It is obtained by dividing total additions by the average number of hens. Pullets are added at about six months of age.

Egg-Feed Ratio - is the pounds of feed (mash and grain) at average price paid equal to average price received per dozen market eggs sold.

TABLE 1. MAIN PROFIT FACTORS IN INDIVIDUAL LAYING FLOCKS

| | 30 | 27 | 21 | 28 | Av. of 4 | 29 | 26 |
|---|---|---|---|---|---|---|---|
| Av. no. hens per flock, S-Under 750, M-750-1500 | M | S | M | M | 703 | S | S |
| Eggs laid per hen | 237 | 204 | 248 | 172 | 218 | 264 | 189 |
| Per cent mortality hens | 12.8 | 31.4 | 15.8 | 9.7 | 14.7 | 7.3 | 35.6 |
| Per cent increase or decrease during year | -10.5 | 46.1 | 114.8 | -140.1 | -3.7 | 208.8 | 213.0 |
| Av. price per dozen eggs, wholesale | 55.4¢ | - | 60.2¢ | 54.5¢ | 57.0¢ | 50.4¢ | 51.7¢ |
| Av. price per dozen eggs sold retail | - | 74.0¢ | 64.0¢ | 66.8¢ | 69.8¢ | 62.5¢ | - |
| Av. price per dozen all eggs including home use | 55.3¢ | 73.1¢ | 60.2¢ | 57.2¢ | 59.1¢ | 50.5¢ | 51.6¢ |
| Net cost per dozen | 42.6¢ | 73.2¢ | 65.0¢ | 78.8¢ | 60.2¢ | 34.4¢ | 51.3¢ |
| Management income per dozen | 12.7 | -.1 | -4.8 | -21.6 | -1.1 | 16.1 | .3 |
| Mash and grain cost per 100 pounds | $4.17 | $4.65 | $5.00 | $4.32 | $4.52 | $4.18 | $4.55 |
| Egg - feed ratio | 13.3 | 15.9 | 12.0 | 12.6 | 12.6 | 12.1 | 11.4 |
| Poultry sales per hen | 1.91 | .15 | .75 | 1.47 | 1.26 | .04 | .00 |
| Increase stock inventory or minus (-) decrease | -.52 | -.43 | 1.79 | -3.12 | -.55 | 2.91 | 3.19 |
| Less poultry stock or chicks bought | -.75 | - | -.89 | - | -.50 | -.97 | -1.09 |
| Net stock income per hen (or - cost) | .64 | -.28 | 1.65 | -1.65 | .21 | 1.98 | 2.10 |
| Miscellaneous income - manure & sacks | .48 | - | .08 | - | .18 | .19 | .51 |
| Egg income per hen | 11.02 | 12.60 | 12.42 | 6.98 | 10.44 | 11.12 | 7.67 |
| Total income per hen | 12.14 | 12.60 | 14.15 | 6.98 | 10.83 | 13.29 | 10.28 |
| Less total expense per hen | 9.60 | 12.63 | 15.15 | 9.61 | 11.02 | 9.75 | 10.23 |
| Management income per hen | 2.54 | -.03 | -1.00 | -2.63 | -.19 | 3.54 | .05 |
| Farm income per hen - includes operator's labor and interest on his investment | 4.31 | 5.45 | 3.64 | -.48 | 2.90 | 5.78 | 1.59 |

The first 4 Records are listed in order of management income per hen which is the next to the last figure at the bottom of the table. Next is the average of these 4 records. Records 29 and 26 at the right of the table are yearly records but had layers only about 6 months of the year. Per hen figures in these records are converted to a hen year basis but are not strictly comparable with the other records so were not included in the summary. Their average number of hens on a yearly basis is only about half of the average number for the 6 months of production.

Notice the low egg income and high net stock cost in No. 28 resulted in a considerable loss. No. 21 had high production and income but too high costs.

TABLE 2. COST FACTORS AND COSTS PER HEN IN INDIVIDUAL FLOCKS

| | 30 | 27 | 21 | 28 | Av. of 4 | 29 | 26 |
|---|---|---|---|---|---|---|---|
| Av. price of mash per 100 lbs. | 4.42 | 4.72 | 5.45 | 4.37 | 4.73 | 4.74 | 4.55 |
| Av. price of grain per 100 lbs. | 3.72 | 4.37 | 4.48 | 3.74 | 4.12 | 3.64 | - |
| Av. price of mash and grain per 100 lbs. | 4.17 | 4.65 | 5.00 | 4.32 | 4.52 | 4.18 | 4.55 |
| Per cent of feed mash | 63% | 73% | 52% | 88% | 65% | 49% | 100% |
| Pounds of mash and grain per av. hen, includes feed for young stock if any. | 163 | 135 | 165 | .112 | 146 | 155 | 177 |
| Hours of labor per hen | 1.5 | 5.1 | 4.9 | 2.7 | 3.2 | 2.2 | .8 |
| Cost of mash per hen | 4.57 | 4.64 | 4.66 | 4.33 | 4.52 | 3.61 | 8.07 |
| Cost of grain | 2.25 | 1.62 | 3.57 | .51 | 2.08 | 2.89 | - |
| Shell, grit and other feeds | .09 | .02 | .11 | .06 | .08 | .06 | .03 |
| Total feed cost per hen | 6.91 | 6.28 | 8.34 | 4.90 | 6.68 | 6.56 | 8.10 |
| Hired labor | - | - | .34 | .47 | .23 | .16 | - |
| Value of operator's and family labor | 1.55 | 5.07 | 4.19 | 1.87 | 2.77 | 1.98 | 1.26 |
| Miscellaneous costs | .73 | .27 | 1.38 | .21 | .73 | .55 | .24 |
| Depreciation, buildings and equipment | .19 | .32 | .45 | .23 | .29 | .24 | .35 |
| Interest on investment | .22 | .41 | .45 | .28 | .32 | .26 | .28 |
| Net stock cost | - | .28 | - | 1.65 | - | - | - |
| Total expense per hen | 9.60 | 12.63 | 15.15 | 9.61 | 11.02 | 9.75 | 10.23 |
| Less net stock and miscellaneous income | 1.12 | - | 1.73 | - | .39 | 2.17 | 2.61 |
| Net cost per hen of eggs sold | 8.48 | 12.63 | 13.42 | 9.61 | 10.63 | 7.58 | 7.62 |
| Dozen sold per hen | 20.0 | 17.2 | 20.7 | 12.2 | 17.7 | 22.0 | 14.9 |
| Net cost per dozen eggs sold | 42.6¢ | 73.2¢ | 65.0¢ | 78.8¢ | 60.2¢ | 34.4¢ | 51.3¢ |

Costs are as important a profit factor as income. With feed costs about 60% of the total it offers the greatest opportunity for economy or extravagence. Some mashes and grains cost more than others and mash always costs more than grain. Keeping mash down to between 50 and 60% results in a lower feed cost per 100 lbs. and hence greater profit. No. 21 paid considerably more for both mash and grain than No. 30 so had feed costs higher by 1.43 per hen for about the same quantity. No. 26 feeding all mash had a higher feed cost per cwt. and per hen than No. 29 which fed 49% mash. Pounds fed per hen varies widely with the proportion of young stock raised. No. 28 which had few birds under 6 months and for only a short time last spring had lowest feed use with 112 pounds per hen, it also had lowest egg production so wouldn't need so much feed.

TABLE 3. PRODUCTION AND NET STOCK INCOME FACTORS

| | 30 | 27 | 21 | 28 | Av. of 4 | 29 | 26 |
|---|---|---|---|---|---|---|---|
| Per cent mortality of av. number hens | 12.8 | 31.4 | 15.8 | 9.7 | 14.7 | 7.3 | 35.6 |
| Per cent culled of sold | 179.6 | 24.9 | 65.1 | 193.0 | 133.2 | 7.4 | .0 |
| Per cent added as 6 mo. pullets | 181.9 | 102.4 | 195.7 | 62.6 | 144.2 | 208.8 | 248.6 |
| Per cent increase or decrease | -10.5% | 46.1 | 114.8 | -140.1 | -3.7 | 194.1 | 213.0 |
| Av. price per cull hen sold | $1.13 | $3.00 | $1.10 | $.79 | $1.00 | $.83 | - |
| Av. price paid per baby pullet | .40 | None | .41 | None | .41 | .43 | .34 |
| Per cent of chicks died or lost before 6 mo. | 7.3% | Bought | 2.7% | Bought | 5.1% | 6.6% | 21.8% |
| Eggs laid per average hen for year | 237 | 204 | 248 | 172 | 218 | 264 | 189 |
| Fall eggs per fall hen, Sept.-Dec. incl. | 79 | 61 | 76 | 57 | 71 | 90 | 61 |
| Per cent fall hens of annual average | 134 | 129 | 88 | 96 | 109 | 204 | 193 |
| Per cent of eggs laid in fall, Sept.-Dec. | 44 | 39 | 27 | 32 | 35 | 69 | 62 |
| Per cent of flock pullets 6 to 18 months | 100 | 79 | 100 | 88 | 95 | 100 | 100 |
| Per cent of pullets added to flock that were added July - Oct. inclusive | 34 | 100 | 0 | 0 | 21 | 100 | 100 |
| No. of months layers culled 1% or more | 11 | 5 | 11 | 8 | - | 2 | 0 |
| Breed of laying flock | WL | L & NH | WL | WL | - | WL | WL |
| Kind of laying house | | | | | | | |
| Kind of floor | Wire | Litter & Yard | Litter & Porch | Litter & Porch | | Litter & Porch | Wire |
| Size of pens in laying house | 6x8 | 20x20 | 30x30 | 20x30 | | 20x30 | 6x8 |
| No. of birds per pen | 40 | 160 | 500 | 300 | | 300 | 40 |

Notice great differences in mortality, culling, and replacement at the top of the table. Not a single record was typical of the going concern in which the flock is being maintained at the same size and usually has about 15% mortality, 75% culled and 90% added. Nos. 27 and 28 brooded no chicks at all and are on the way down and out. No. 30 went up during the year and then with change of plans came down at the close. No. 21 is a good flock increasing greatly this past year but at rather high costs. Better help to seasonal egg distribution and price would have come if this flock had added its replacement July to October instead of when they were added.