

F.H. - ~~Econ.~~ - costs
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TRENDS AND CHANGES IN POULTRY/EGG BUSINESS DEMONSTRATED

A Ten Year Summary of Egg Cost Study - San Diego County
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Changes are taking place within the poultry egg business in San Diego County. To demonstrate these changes a summary of the Poultry Egg Cost Study for the 10 years 1952 to 1961 is presented. Data as presented is only representative of the participants in the study. However, the trends indicated in these averages could be considered as representative of changes taking place in the poultry egg business in San Diego County.

Major changes noted in these last ten years are as follows:

1. Egg production per bird has increased due to a greater supply of high production egg stock.
2. Size of poultry flocks now exceeds 10,000 layers as compared to 3,000 layers 10 years ago.
3. Hired labor costs per bird have remained constant in the face of increased labor cost per man hour. Less family labor is available for each individual bird where flock size increases.
4. Total labor requirements have decreased from 1.2 hours per bird to .5 hours per bird per year.
5. Feed requirement per layer has decreased slightly primarily due to higher energy feed. (Milo has replaced barley and wheat by-products.)
6. Feed per dozen eggs has decreased due to higher egg production and higher energy feed being used.
7. Replacement rates have not changed to any great extent. Culling and replacement practices have changed from individual culling to group replacement programs after 12 to 15 months of lay.
8. Feed costs have gone down more than actual costs of ingredients have. This is because of greater efficiency in feed manufacturing due to bulk handling, delivery of feed in larger quantities to larger poultry ranches and to improvements in feed processing and mixing equipment.
9. Interest and depreciation costs have decreased primarily due to handling of more birds in the same housing capacity. Even though equipment is now more costly it is being used for larger flocks making the individual bird cost somewhat less than 10 years ago.
10. The net overall costs of production are lower because of increased efficiency in labor, housing, feeding, and equipment.
11. The years 1960 and 1961, considering flock sizes four times the size of 1952, were the most profitable years of the last ten years.
12. Egg prices show a continued lower price with less variation in averages from year to year.

TABLE I.

AVERAGE CASH COSTS PER HEN PER YEAR

Year	Feed per Hen	Replacement Chick	Hired Labor	Supplies Taxes & Services	Less Income Culls & Inven. Increase	Net Cash Cost
1952	\$ 5.71	\$.51	\$.47	\$.35	(-.95)	\$ 6.09
1953	4.96	.50	.46	.41	(-.96)	5.37
1954	4.86	.46	.40	.40	(-.61)	5.51
1955	4.52	.42	.43	.41	(-.70)	5.08
1956	4.22	.42	.49	.43	(-.58)	4.98
1957	3.91	.44	.47	.45	(-.52)	4.75
1958	3.80	.48	.48	.52	(-.61)	4.67
1959	3.72	.48	.38	.42	(-.35)	4.65
1960	3.30	.42	.42	.43	(-.39)	4.18
1961	3.47	.41	.46	.38	(-.35)	4.37

TABLE II.

AVERAGE COST, INCOME AND PROFITS PER HEN PER YEAR

Year	Net Cash Costs	Interest & Deprec.	Family Labor	Management 10% of Egg Income	Total All Costs	Gross* Egg Income	Profit** or (Loss)
1952	\$ 6.09	\$.62	\$1.04	\$.87	\$8.62	\$8.74	\$.12
1953	5.37	.58	.85	.96	7.76	9.64	1.88
1954	5.51	.54	.54	.71	7.30	7.12	(-.18)
1955	5.08	.53	.59	.80	7.00	8.00	1.00
1956	4.98	.61	.64	.75	6.98	7.45	.47
1957	4.75	.60	.60	.70	6.65	7.00	.35
1958	4.67	.54	.38	.73	6.32	7.32	1.00
1959	4.65	.55	.44	.60	6.24	5.97	(-.27)
1960	4.18	.57	.31	.66	5.72	6.61	.89
1961	4.37	.46	.20	.62	5.65	6.46	.81

TABLE III.

TEN YEAR SUMMARY OF PRODUCTION AND RESULTS PER DOZEN EGGS SOLD

Year	Ave. Flock Size	Number of Records	Eggs Produced per Hen per Yr.	Dozen Eggs Sold per Hen	Net Cash Cost Cents per doz.	Total All Costs Cents per doz.	Gross* Income per dz. Cents	Profit** or (-Loss) per dz. Cents
1952	3034	30	231	19.0	32.1¢	45.4¢	46.0¢	.6¢
1953	3801	35	228	18.7	28.7	41.5	51.6	10.1
1954	3719	38	235	19.4	28.4	37.7	36.8	(-.9)
1955	3808	41	234	19.3	26.2	36.1	41.3	5.2
1956	4600	43	236	19.4	25.7	36.0	38.4	2.4
1957	5685	36	235	19.3	24.6	34.4	36.3	1.9
1958	6426	42	239	19.8	23.6	32.0	37.0	5.0
1959	7177	40	243	20.0	23.3	31.1	29.8	(-1.3)
1960	9478	32	241	19.9	21.0	28.7	33.3	4.6
1961	13364	37	246	20.5	21.3	27.5	31.5	4.0

* Gross Income is the total income per dozen or per hen received for all eggs sold during the year.

**Profit or (-Loss) is the difference between Gross Income and Total All Costs of Egg Production including Management. Income from culls and inventory is credited against expenses so that Total All Costs is the Net Cost of Egg Production.

TABLE IV

FEED AND FEED EFFICIENCY

Year	Feed Layer Only		All Feed Including Replacements			
	Per Hen Lbs.	Per Dozen Lbs.	Lbs. Per Hen	Lbs. Per Doz. Eggs	Feed Cost Per ¢ Per Cwt.	Feed Cost Per Dozen Cents
1952	96	5.1	126	6.6	\$ 4.53	30.1¢
1953	95	5.1	122	6.5	4.06	26.5
1954	94	4.9	123	6.4	3.95	25.1
1955	92	4.8	118	6.1	3.84	23.3
1956	93	4.8	116	6.0	3.63	21.8
1957	90	4.7	114	5.9	3.45	20.2
1958	90	4.5	115	5.8	3.31	19.3
1959	90	4.5	115	5.7	3.23	18.5
1960	89	4.5	114	5.7	2.90	16.6
1961	91	4.4	115	5.6	3.02	16.9

TABLE V

LABOR AND FLOCK REPLACEMENTS

Year	Hours Labor Per Hen	% of Average Laying Flock per Year			% Chick Loss to Layer Age
		Died	Culled	Net Replacement Rate	
1952	1.2	14	82	107	11
1953	1.1	15	76	99	11
1954	1.0	14	86	107	12
1955	1.0	17	70	95	11
1956	.9	14	74	95	10
1957	.9	14	68	91	10
1958	.8	14	79	99	10
1959	.7	14	82	102	9
1960	.6	13	71	90	8
1961	.5	13	75	97	10