

TURKEY PRODUCTION COSTS PER BROOD IN SOUTHERN CALIFORNIA

By William F. Rooney, Farm Advisor

This report provides sample production costs and returns for a single raise of turkeys in southern California when there are three raises per year with the same facilities.

Different turkey raising schedules can be established. One possible schedule is presented below. The schedule shows three raises annually, starting January 15. According to this schedule the turkey grower would keep two age groups of turkeys most of the year. Hatches are 14 weeks apart. This schedule allows for a break in production during late December and early January which may assist in disease prevention. An alternative would be a continuous program with the fourth hatch taking place around November 4. Obviously, other schedules could be developed, but remember day-old poults are harder to find in the summer and early fall.

Sample Operating Schedule

<u>Hatch Date</u>	<u>Move from Brooder House at 8 Weeks</u>	<u>Market Toms at 20 Weeks Hens Earlier</u>
1. January 15	March 12	June 4
2. April 23	June 18	September 10
3. July 29	September 24	December 17

The cost and return information has been developed using a computer program called "Budget Generator." The Budget Generator system provides a means of entering basic operational data, performs the necessary computations, and prints the results.

The cost information developed is for one raise (starting, growing and finishing) a flock of 30,000 poults -- 50% hens and 50% toms. Hens will be marketed at 18 weeks of age (14.9 pounds). Toms will be marketed at 20 weeks of age (25.2 pounds). Assuming an 8% mortality rate, total live weight per raise is estimated at 553,380 pounds.

Various assumptions on operating costs have been made. Feed consumption is estimated at 2.9 pounds of feed per pound of live weight. Poult costs include charges for veterinary services. Labor requirement is about one full time worker, with occasional help for jobs such as moving turkeys, vaccinating, and loading for market. The availability of well designed buildings and mechanical equipment insures efficient labor performance. Labor under these conditions is estimated at 25 hours per 1,000 turkeys raised.

The plan shown here employs one square foot of floor space per poult in the brooder houses. Range houses provide two square feet of floor space per bird inside and four square feet of additional space in outdoor yards. After 18 wks. some toms could be moved to buildings previously occupied by hens. A system of total confinement, which reduces the problem with dust and feather control, may be necessary when there are nearby neighbors but this requires more investment. For total confinement figure three square feet of floor space per turkey during the grow-out period.

Interest on operating capital is calculated at 1.25% per month (based on 15% annual rate) of the total cash expenses incurred each month. The principal expenses are feed and day old poults. In the estimates presented here, feed is 74 percent of the cost of production.

The investment schedule required to raise 30,000 poults at a time is presented in Table 1. Costs have been estimated using new facilities but older established ranches likely will have lower ownership costs (depreciation, interest on investment, insurance, etc.). However, older ranches may require more labor. No allowance has been made for a well and pump or for a cooling system to cope with hot weather.

Depreciation is calculated using the straight line method. The annual depreciation rate is calculated by dividing the cost of the investment by its useful life. The other ownership costs such as interest on investment and insurance are based upon the average investment (half of the original cost). This tends to underestimate interest costs in the earlier years of operation. Since several raises take place annually, the ownership costs are allocated proportionally. As this report is based on an annual rate of three raises, one-third of the annual ownership costs is allocated to a single raise.

The ranch price on live turkeys is merely a figure used for making calculation; actual prices can be higher or lower.

Estimated sample costs and returns for raising 30,000 turkeys are presented in Table 2. These figures provide a generalization. In the space provided you can estimate your own costs and returns based on specific information that related to your ranch.

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Eta Takele, Area Specialist in Farm Management, assisted with a review of material presented here.

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Table 1 Investment for 30,000 Turkeys - Three Raises Per Year.

<u>Equipment</u>	<u>Total Cost</u>	<u>12% Int. Per Raise</u>	<u>No. Yrs. Dpr.</u>	<u>Deprec. Cost per Raise</u>
1. Brooder House 2 bldgs. 50' x 300', 1 sq. ft. p. poult	\$66,000	\$1,320	20	\$1,100
2. B.H. Equipment: gas brooder, mech. feeders, and automatic waterers	23,400	468	10	780
3. Range Houses 4 bldgs. 50' x 300', 2 sq. ft./bird plus yards	120,000	2,400	20	2,000
4. R.H. Eqpt; mech. feeders, automatic waterers	51,000	1,020	12	1,417
5. Fencing	7,000	140	10	233
6. Sprayer, 110 gal.	<u>800</u>	<u>16</u>	5	<u>53</u>
Sub Total	\$268,200	\$5,364		\$5,583
<u>Machinery</u>				
1. Tractor 50 HP, Salvage Val. 1404-s1 Deprec.	14,040	281	10	421
2. Pick-up 4x4 Salvage Value 2166	14,440	288	7	584
3. Manure Scraper	470	9	10	16
4. Front-end Loader	<u>2,880</u>	<u>58</u>	12	<u>80</u>
Sub Total	\$31,790	\$636		\$1,101
<u>Land</u>				
1. 30 acres @ 2,000/A	<u>60,000</u>	<u>2,400</u>	-	<u>-</u>
TOTALS	\$359,990	\$8,400		\$6,684

TABLE 2. ESTIMATED TURKEY COSTS AND RETURNS PER BROOD FOR SOUTHERN CALIFORNIA-1982

ITEM	WEIGHT EACH	UNIT	QUANTITY	PRICE OR COST/UNIT (\$)	VALUE OR COST (\$)	YOUR COST (\$)
1. Gross Receipts						
Hen Turkeys	14.90	lbs.	223,580	0.450	100,575.00	
Tom Turkeys	25.20	lbs.	378,000	0.440	166,320.00	
8.0 percent death loss		dol.			(21,351.60)	
TOTAL					245,543.40	
GROSS INCOME PER LB.						0.4437
2. Variable Costs						
Feed Costs						
Growing Ration		cwt.	16,048.0	10.85	174,099.00	
Total Feed Cost					174,099.00	
Other Costs						
Poults		bird	30,000.	0.870	26,100.00	
Propane/Nat Gas		bird	30,000.	0.110	3,300.00	
Pine Shavings		bale	100	6.000	600.00	
Electricity		bird	30,000.	0.025	750.00	
Misc. Vet & Red		bird	27,600.	0.040	1,104.00	
Hired Labor		hour	690.	4.50	3,105.00	
Tractors (Fuel-Lube-Rep)		hour	52	5.00	260.00	
Truck Equipment		mi	1,500/mo	.30	1,800.00	
Labor: Tractor & Machinery		hrs.	52	4.50	234.00	
Interest on Oper. Cap.		dol.			6,375.45	
Total Variable Costs					217,727.45	
Var. Cost Per Lb.						.3954
3. Income Above Operating Costs						
Income Per Lb.					27,815.95	0.0503
4. Overhead						
Personal Property Taxes					105.97	
Real Property Taxes					1,083.06	
Insurance					989.97	
Total Overhead					2,179.00	
Overhead Cost Per Lb.						.0039
Total Cash Expense					219,006.45	
Cash Expense Per Lb.						0.3973
5. Income Above Cash Costs						
Income Per Lbs.					25,636.95	.0463
6. Fixed Costs						
Capital & Interest						
Int. on Equip. Cap.		Dol.	Avg. Val.	0.12	5,364.00	
Int. on Mach. Cap.		Dol.	Avg. Val.	0.12	636.00	
Int. on Farmstead		Dol.	-----	0.12	2,400.00	
Total Interest					8,400.00	
Depreciation						
Depr. on Equip.		Dol.	-	-	5,585.00	
Depr. on Mach.		Dol.	-	-	1,101.00	
Total Depreciation					6,684.00	
Total Fixed Costs					15,084.00	
Fixed Costs Per Lb.						.0272
7. Total Costs						
Total Cost Per Lb.					234,990.45	0.4246
8. Net Returns						
Net Returns Per Lb.					10,552.95	0.0191

Enterprise Based on Flock Size of 30,000 day old
3.0 Broods Per Year
Feed Conversion of 2.9:1