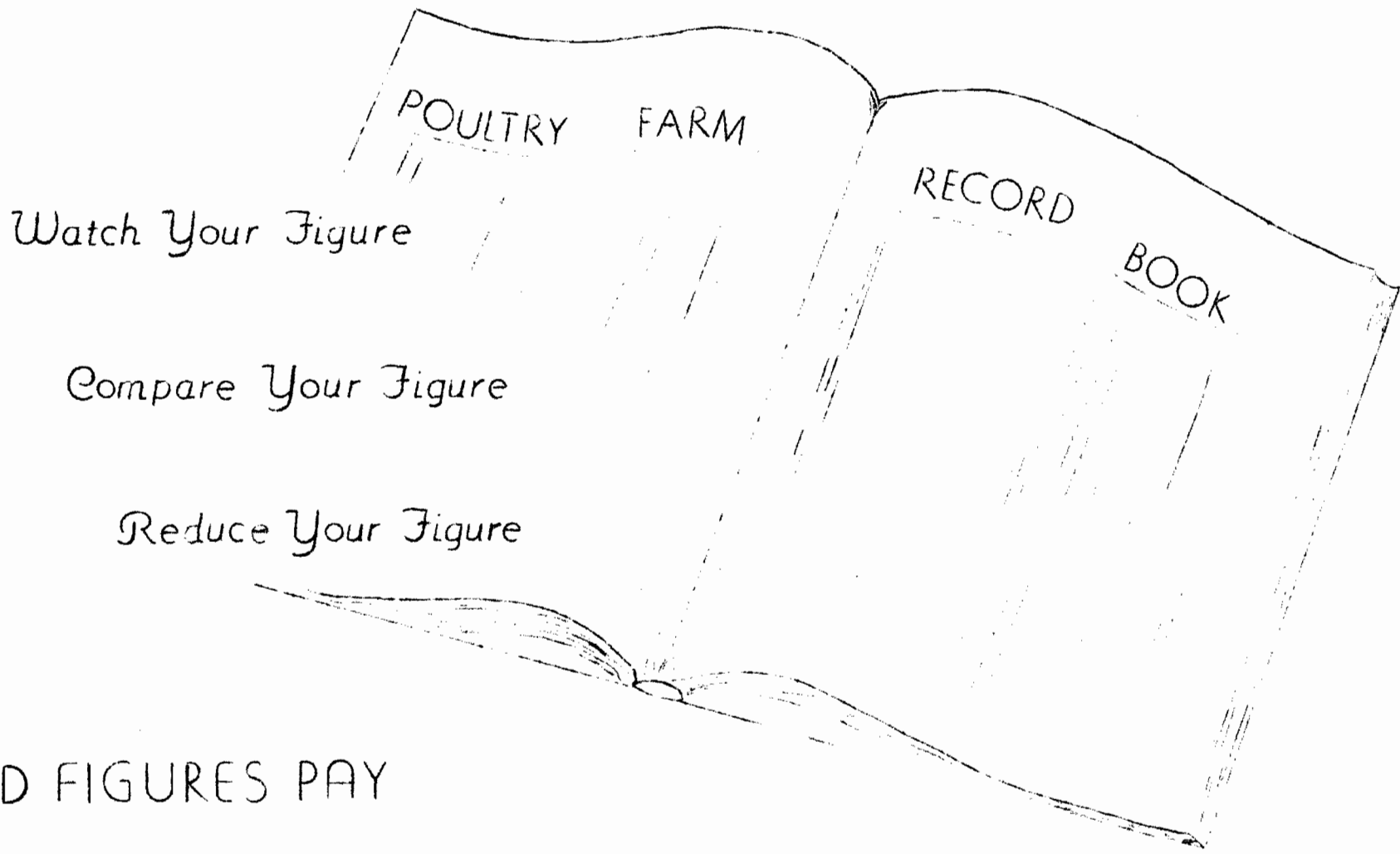


Poultry Management Study - 1961



Watch Your Figure

Compare Your Figure

Reduce Your Figure

GOOD FIGURES PAY

Prepared by Edwin J. Hauser
Farm Advisor, Los Angeles County

3/62/350

INTRODUCTION

The data presented in this study was obtained from 13 ranches in Los Angeles County for the year 1961. It must be remembered that these figures do not represent anything but the results of 13 poultry ranches. However, they should serve as a guide for you to compare your results.

Poultry cost study results have been used for over 30 years to help cooperators improve their business by keeping and using accurate records. The poultry industry today is in a fast changing period. Technological changes and financing have brought many new and larger operators into the business. They have new plants built for labor efficiency and in most cases are very good record keepers. For this reason, cost study management for those who have not considered it seriously is now one of the most important tools a poultryman must have in order to stay in business.

There are many charts in this report, mainly because the same figures have been used to show management profit per hen, profits per dozen eggs, as well as performance charts. One does not need all these charts to analyze his business, but it is important that every poultryman have some figures kept that will measure his progress over a period of time and that enough records are kept so that weaknesses may be found and corrected.

Also included in this year's cost study report is a discussion on Poultry Cost Study Analysis: (a) what records are needed, (b) an example of a yearly cost study summary, and (c) a cost per hen check sheet listing the factors which influence costs and income.

Any poultryman in Los Angeles County wishing further information on this report or about the poultry cost studies may contact the Farm Advisor's office.

TABLE OF CONTENTS

	Page
Definition of Terms Used	2
Chart I Income and Expense Per Hen	3
Chart II Cost Per Dozen Eggs	4
Chart III Feed and Flock Performance Comparisons	5
Chart IV Miscellaneous Comparisons	6
Chart V Comparison of Monthly Egg Production to Replacement Rate	7
Chart VI Ten Years of Cost Study Averages	8
Cost Study Method and Analysis	9
Records Needed	10
Typical Cost Study Summary (The average of all ranches for 1961) . .	11 & 12
Factors Influencing Costs and Income Per Hen	13 & 14
Where to Get Help	Back page

Key to Ranch Size:

D = Up to 2,500
E = 2,501 to 5,000
F = 5,001 to 8,000
G = 8,001 and over

DEFINITION OF TERMS

Costs & Income Per Hen	Total units divided by the average number of hens (hen day record) in flock over 24 weeks old
Interest on Investment	Is the average investment in land, buildings and equipment, stock, and feed at 5%
Net Farm Income (Chart I)	Total income minus cash and depreciation costs
Management Income (Chart I)	Total income minus cash, depreciation, family labor, and interest on investment costs
All Averages	Figured on a-weighted basis
Family Labor	\$1.50 per hour
Feed Conversion	Pounds of feed to produce 1 dozen eggs
Change in Stock Inventory	Is the value of stock on hand at the end of the year minus the stock on hand at the beginning of the year
Cost Per Dozen Eggs (Chart II)	Total costs divided by total dozen eggs laid
Net Costs Per Dozen Eggs	Total costs minus income not eggs
Cash Costs	All cash expenditures only (interest on money borrowed not considered)
Egg - Feed Ratio	Number of pounds of feed 1 dozen eggs will buy

Important! Please READ THIS PAGE CAREFULLY!!!

Recent changes in management practices have placed an increased importance on correctly interpreting Cost Study results. Some of these changes greatly influence various costs and income figures on the per hen or per dozen basis. Some examples are: (1) The use of started pullets increases replacement costs, but reduces feed and other costs. (2) In-plant egg cleaning and grading tends to reduce labor costs, but also lowers egg income. (3) On the ranch cartoning and candling increases labor costs, but also increases egg income. (4) Forced molting decreases egg production, replacement costs, and feed costs. When differences such as these or other major differences occur it is difficult to compare results. For this reason it is extremely important to know what you are comparing when the ranch has a different management program. To help clarify your comparisons this report will point out the major operational differences which greatly influence ranch analysis.

Ranches 5, 8, 9, 4, 14, 12, and 11 are standard poultry operations. (They buy day-old pullets, light breeds or crosses or both, raise them, care for the layers, wash-grade and case eggs for a dealer, and sell less than 6% of their eggs retail.)

At the bottom of each page you will find in addition to the average of all ranches a "standard ranch average" which is the weighted average of the above mentioned seven ranches. All standard ranches will be marked with an *.

The influencing practices employed by the other ranches are:

<u>Ranch No.</u>	<u>Different from others</u>
13	Heavy breed chicken, retail sales, candling and cartons.
7	10-15% force molting, purchase of some 6-8 weeks-old pullets.
10	All started pullets (16 weeks). Dealer in-plant washing and grading of eggs.
3	Over 50% retail sales to restaurants, candled and cased.
2	Sells to routemen candled and cartoned eggs.
6	Feeds some breeding males, sells some retail route.

Chart I - INCOME AND EXPENSE PER HEN (\$ PER HEN)

Serial Number	INCOME					CASH AND DEPRECIATION COSTS						Net Farm Income	NONCASH COSTS		Mgt. Income
	Egg Sales	Culls	Misc. Income	Stock Invent. Change	Total Income	Feed	Chicks	Misc.	Hired Labor	Depreciation	Total		Family Labor	Interest on Invest.	
13	7.76	.72	-	.08	8.56	4.92	.40	.27	.61	.10	6.30	2.26	.67	.25	1.34
* 5	6.84	.18	-	.07	7.09	3.57	.38	.39	.08	.35	4.79	2.30	.84	.26	1.20
* 8	6.73	.24	-	.03	7.00	3.38	.37	.37	.27	.72	5.11	1.89	.67	.29	.93
* 9	6.68	.26	.05	-.52	6.47	3.72	.27	.37	-	.27	4.63	1.84	1.01	.26	.57
* 4	7.02	.25	.03	.10	7.20	4.06	.31	.35	-	-	4.72	2.48	1.73	.18	.57
7	5.78	.14	-	-.06	5.86	3.51	.46	.19	-	.36	4.52	1.34	.67	.35	.32
* 14	6.36	.26	-	-.10	6.52	3.62	.37	.58	.27	.43	5.27	1.25	.57	.40	.28
10	6.33	.20	-	-.11	6.42	3.03	1.09	.47	.76	.39	5.74	.68	.12	.36	.20
3	6.79	.28	-	.14	7.21	4.73	.33	.24	-	.28	5.58	1.63	1.22	.29	.12
* 12	6.30	.27	-	.20	6.77	4.08	.46	.38	-	.25	5.17	1.60	1.17	.34	.09
2	6.55	.32	-	.07	6.80	4.17	.39	.47	.91	.63	6.57	.23	-	.21	.02
* 11	6.35	.20	-	-.05	6.50	4.13	.36	.54	.56	.32	5.91	.59	.50	.26	-.17
6	5.47	.06	.11	.04	5.68	3.85	.23	.22	.34	.08	4.72	.96	1.02	.19	-.25
Avg. this year 1961	6.48	.25	.01	-.10	6.64	3.78	.47	.39	.35	.36	5.35	1.29	.64	.29	.36
Last year avg. 1960	6.66	.20	.01	.14	7.01	3.74	.37	.43	.20	.31	5.05	1.96	.78	.25	.93
*Standard Flock Avg.	6.57	.24	.02	-.17	6.66	3.76	.34	.44	.18	.36	5.08	1.58	.82	.29	.46

4. Chart II - COST PER DOZEN EGGS (IN CENTS)

Serial Number	CASH AND DEPRECIATION COSTS						NONCASH COSTS			Total Costs	NONEGG INCOME				Net Cost per Doz.	Avg. Egg Price	Mgmt. Income
	Total Feed	Chick Cost	Misc.	Hired Labor	Depre- ciation	Total C&D	Family Labor	Interest on Invest.	Culls		Misc.	Stock Invent. Change	Total				
13	26.4	2.1	1.5	3.3	0.5	33.8	3.6	1.3	38.7	3.8	-	0.4	4.2	34.5	41.7	7.2	
* 5	16.2	1.7	1.8	0.4	1.6	21.7	3.8	1.2	25.7	0.3	-	0.3	1.1	25.6	31.0	5.4	
* 8	16.5	1.8	1.8	1.3	3.6	25.0	3.3	1.4	29.7	1.2	-	0.1	1.3	28.4	32.9	4.5	
* 9	18.0	1.3	1.7	-	1.3	22.3	4.9	1.3	28.5	1.2	0.2	-2.5	-1.1	29.6	32.3	2.7	
* 4	19.3	1.5	1.7	-	-	22.5	8.2	0.8	31.5	1.2	0.1	-0.5	0.7	30.7	33.4	2.7	
7	20.0	2.6	1.1	-	2.1	25.8	3.8	2.0	31.6	0.8	-	-0.3	0.5	31.1	32.9	1.8	
* 14	18.0	1.8	2.9	1.3	2.1	26.3	2.8	2.0	31.1	1.3	-	-0.5	0.8	30.3	31.7	1.4	
10	15.3	5.5	2.3	3.8	2.0	28.9	0.6	1.8	31.3	1.0	-	-0.5	0.5	30.8	31.8	1.0	
3	25.3	1.8	1.3	-	1.5	29.9	6.5	1.6	38.0	1.5	-	0.7	2.2	35.8	36.4	0.6	
* 12	19.4	2.2	1.8	-	1.2	24.6	5.6	1.6	31.8	1.2	-	1.0	2.2	29.6	30.0	0.4	
2	21.1	2.0	2.4	4.6	3.2	33.3	-	1.0	34.3	1.6	-	-0.4	1.2	33.1	33.2	0.1	
* 11	19.7	1.7	2.5	2.7	1.5	28.1	2.4	1.2	31.7	0.9	-	-0.2	0.7	31.0	30.2	-0.8	
6	23.3	1.4	1.3	2.1	0.5	28.6	6.2	1.1	35.9	0.4	0.6	0.2	1.2	34.7	33.2	-1.5	
Avg. this year 1961	19.0	2.4	2.0	1.8	1.8	27.0	3.2	1.6	31.8	1.3	0.1	-0.5	0.9	30.9	32.7	1.8	
Last year Avg. 1960	18.6	1.8	2.2	1.0	1.5	25.1	3.9	1.3	30.3	1.0	-	0.7	1.7	28.6	33.2	4.6	
*Standard Average	18.1	1.6	2.1	0.9	1.7	24.4	4.0	1.4	29.8	1.1	0.1	-0.8	0.4	29.4	31.6	2.2	

Chart III - FEED & FLOCK PERFORMANCE COMPARISONS

Serial Number	Eggs per Hen	FEED CONSUMPTION			Estimate Feed Conversion per Layer	Total Feed Conversion per Hen & Replacements	Avg. Feed Cost per Doz.	% Mortality	% Culled	% Added	% Change	Avg. Egg Price	Net Cost of Eggs per Doz.	% Feed Cost of Net Cost	Egg Feed Ratio	Mgmt. Income per Doz.
		Total	Young	Hens												
13	223.7	127.3	24.9	102.4	5.5	6.8	26.4	10.8	83.7	99.8	+7.4	41.7	34.5	76.5	10.8	7.2
* 5	264.7	115.2	24.3	90.9	4.1	5.2	16.2	6.9	82.3	97.2	+7.1	31.0	25.6	63.2	10.0	5.4
* 8	245.2	112.7	19.6	93.1	4.6	5.5	16.5	15.9	73.0	78.6	-9.8	32.9	28.4	58.0	11.0	4.5
* 9	248.6	117.9	18.9	99.0	4.8	5.7	18.0	12.3	99.6	75.7	-29.7	32.3	29.5	61.0	10.2	2.7
* 4	252.3	122.9	17.6	105.3	5.0	5.8	19.3	10.3	94.4	70.4	-30.3	33.4	30.8	62.6	10.1	2.7
7	210.6	107.7	17.0	90.7	5.2	6.1	20.0	18.1	63.1	70.8	-12.0	32.9	31.1	64.3	10.1	1.8
* 14	240.8	115.9	28.0	87.9	4.4	5.8	18.0	7.2	107.2	112.4	-2.0	31.7	30.3	59.4	10.2	1.4
10	238.6	104.2	11.8	92.4	4.6	5.2	15.3	12.6	69.1	98.2	+17.8	31.8	30.8	49.6	10.8	1.0
3	224.0	140.6	22.0	118.6	6.3	7.5	25.3	12.3	78.9	88.3	+1.8	36.4	35.7	70.6	10.8	0.6
* 12	252.0	128.4	34.0	94.4	4.6	6.1	19.4	12.3	92.1	136.0	+39.5	30.0	29.6	65.5	9.4	0.4
2	237.0	129.5	31.6	97.9	4.9	6.6	21.1	19.2	104.7	126.4	+4.8	33.2	33.1	63.7	10.4	0.1
* 11	252.5	134.9	32.7	102.2	4.9	6.4	19.7	15.0	81.1	130.9	+51.3	30.2	31.0	63.5	9.9	-0.8
6	197.7	116.1	16.3	99.8	6.1	7.0	23.3	9.3	38.0	65.1	+19.9	33.2	34.7	67.1	9.8	-1.5
Avg. this year 1961	237.9	118.9	24.2	94.7	4.8	6.0	19.0	13.1	83.1	96.9	+ 1.2	32.7	30.9	61.4	10.3	1.8
Last year Avg. 1960	241.0	121.6	25.8	95.8	4.8	6.1	18.6	14.0	70.0	103.0	+21.0	33.2	28.6	65.0	10.8	4.6
*Standard Average	249.7	120.7	24.7	96.0	4.6	5.8	18.1	11.7	91.7	98.8	-4.7	31.6	29.4	61.6	10.1	2.2

6.

Chart IV - MISCELLANEOUS COMPARISONS

Serial Number	Price per Cull	Average Cost per Replacement	Feed Cost per 100#	Price Rec'd per Doz. Eggs	EGG SIZES				% Sold Retail	Total Labor Cost per Bird	% Pullet Mortality	% Hen Mortality	Avg. No. Layers
					% Large	% Med.	% Small	% Com'l					
13	85.8	32.8	3.86	41.7	69	22	4	5	100.0	1.28	18.0	10.8	4,116.0
* 5	21.5	36.6	3.11	31.0	64	28	6	2	4.0	.92	4.0	6.9	4,138.8
* 8	32.8	35.8	3.00	32.9	75	20	3	2	4.0	.94	16.0	15.9	4,619.9
* 9	25.9	26.0	3.16	32.3	-	-	-	-	-	1.01	39.0	12.3	12,307.7
* 4	26.8	32.6	3.30	33.4	81	16	3	-	6.0	1.73	9.0	10.3	1,106.6
7	22.0	54.9	3.26	32.9	73	22	3	2	4.0	.67	26.0	18.0	7,061.2
* 14	24.8	28.0	3.12	31.7	61	31	6	2	0.9	.84	17.0	7.2	6,172.4
10	29.2	129.1	2.94	31.8	68	22	4	6	8.0	.88	2.0	12.6	12,503.1
3	35.6	29.4	3.36	36.4	-	-	-	-	44.5	1.22	24.0	12.3	4,153.1
* 12	28.9	32.6	3.17	30.0	58	32	9	1	-	1.17	5.0	12.3	3,237.9
2	35.8	30.0	3.02	33.2	68	21	6	5	60.0	.91	13.0	19.2	7,897.2
* 11	24.5	32.4	3.06	30.2	63	27	7	3	3.0	1.06	6.0	15.0	6,646.6
6	16.7	36.4	3.29	33.2	66	24	9	1	16.0	1.36	3.0	9.3	3,692.5
Avg. this year 1961	30.8	45.1	3.16	32.7	68	24	5	3	-	.99	16.5	13.1	5,973.3
Last year Avg. 1960	27.6	30.1	3.08	33.2	65	26	6	3	7.0	.98	13.0	14.0	5,391.7
*Standard Average	26.0	30.5	3.12	31.6	65	27	6	2	-	1.00	19.6	11.7	5,461.4

COMPARISON OF MONTHLY EGG PRODUCTION WITH ⁷ MORTALITY, CULLING & REPLACEMENT RATES

Chart V.

Serial No.	2	3	4	5	6	7	8	9	10	11	12	13	14
Month													
Jan.	<u>59.5</u>	<u>57.6</u>	<u>67.3</u>	<u>70.2</u>	56.1	<u>49.6</u>	59.7	61.3	<u>56.0</u>	<u>68.7</u>	68.0	57.1	<u>68.7</u>
Feb.	<u>62.6</u>	<u>61.7</u>	66.7	<u>71.2</u>	<u>54.5</u>	55.4	<u>66.2</u>	<u>66.9</u>	61.2	<u>76.8</u>	<u>65.8</u>	63.1	63.8
Mar.	61.3	<u>61.6</u>	69.3	<u>73.9</u>	53.2	<u>59.6</u>	<u>67.9</u>	<u>74.1</u>	65.6	68.9	70.3	<u>62.6</u>	63.0
Apr.	<u>62.8</u>	<u>61.6</u>	<u>75.2</u>	<u>73.9</u>	55.6	<u>61.9</u>	68.4	72.3	<u>65.3</u>	78.3	<u>78.8</u>	<u>64.5</u>	<u>62.7</u>
May	62.0	<u>62.9</u>	70.6	<u>74.2</u>	<u>57.1</u>	64.2	<u>63.6</u>	73.1	67.2	<u>73.8</u>	69.7	65.6	60.0
Jun.	<u>61.6</u>	<u>62.8</u>	71.0	<u>74.3</u>	<u>54.2</u>	<u>56.7</u>	<u>69.9</u>	<u>70.6</u>	<u>68.3</u>	70.9	70.7	<u>64.4</u>	64.2
Jul.	65.4	<u>63.0</u>	68.3	<u>72.4</u>	50.9	<u>60.6</u>	72.5	64.7	67.7	<u>71.2</u>	<u>75.0</u>	<u>64.8</u>	<u>68.5</u>
Aug.	<u>65.6</u>	<u>60.7</u>	66.0	<u>74.5</u>	<u>52.9</u>	59.6	<u>69.2</u>	69.3	<u>72.6</u>	67.6	65.3	<u>63.2</u>	69.7
Sept.	<u>67.0</u>	<u>60.5</u>	68.8	<u>73.2</u>	<u>59.2</u>	56.5	<u>64.1</u>	<u>66.9</u>	63.0	<u>71.8</u>	67.8	60.6	66.3
Oct.	61.9	<u>60.9</u>	<u>72.2</u>	<u>73.9</u>	<u>56.5</u>	<u>59.8</u>	<u>69.1</u>	68.4	68.6	65.6	70.5	<u>56.7</u>	<u>65.6</u>
Nov.	<u>63.5</u>	<u>61.6</u>	68.2	<u>68.1</u>	52.0	56.6	64.2	<u>64.2</u>	<u>63.9</u>	60.6	<u>64.3</u>	<u>57.7</u>	69.5
Dec.	61.0	61.2	64.2	<u>70.5</u>	48.9	48.9	<u>71.3</u>	65.5	64.8	<u>58.9</u>	64.7	<u>56.4</u>	<u>71.3</u>
Avg. (1961)	64.9	61.4	69.1	72.5	54.2	57.7	67.2	68.1	65.4	69.2	69.0	61.3	65.9
% Mortality	19.2	12.3	10.3	6.9	9.3	18.1	15.9	12.3	12.6	15.0	12.3	10.8	7.2
% Culled	104.7	78.9	94.4	82.3	38.0	63.1	73.0	99.6	69.1	81.1	92.1	83.7	107.2
% Added	126.4	88.3	70.4	97.2	65.1	70.8	78.6	75.7	98.2	130.9	136.0	99.8	112.4

underline means replacements added during month.

Chart VI - TEN YEARS OF COST STUDY AVERAGES

(\$ PER HEN)

Year	INCOME					CASH AND DEPRECIATION COSTS						Net Farm Income	NONCASH COSTS		Mgt. Income
	Egg Sales	Culls	Misc. Income	Stock Invent. Change	Total Income	Feed	Chicks	Misc.	Hired Labor	Deprec.	Total		Family Labor	Interest on Invest.	
1952	8.57	1.30	.11	.36	10.34	6.39	.67	.60	.22	.25	8.13	2.21	.97	.27	.97
1953	10.00	.80	.09	.42	11.31	5.65	.63	.55	.27	.28	7.38	3.93	1.05	.28	2.60
1954	7.63	.65	.06	.07	8.41	5.37	.47	.45	.26	.29	6.84	1.57	1.26	.29	.02
1955	8.52	.74	.08	.21	9.55	5.04	.56	.52	.30	.27	6.69	2.86	1.12	.29	1.45
1956	7.34	.38	.04	.00	7.76	4.55	.40	.31	.37	.34	5.97	1.79	.61	.36	.82
1957	7.11	.33	.02	.18	7.64	4.36	.43	.37	.27	.35	5.78	1.86	.65	.32	.89
1958	7.61	.45	.10	.29	8.45	4.06	.62	.43	.50	.43	6.04	2.41	.52	.36	1.53
1959	5.94	.22	.09	.10	6.35	4.01	.38	.41	.31	.41	5.52	.83	.83	.27	.27
1960	6.66	.20	.01	.14	7.01	3.74	.37	.43	.20	.31	5.05	1.96	.78	.25	.93
1961	6.48	.25	.01	-.10	6.64	3.78	.47	.39	.35	.36	5.35	1.29	.64	.29	.36

TRENDS TO NOTE: Lower Egg Income
 Lower Cull Income
 Much Lower Gross Income
 Lower Feed Costs

Increased Depreciation Costs (possibly due to equipment or quicker write-off).
 Total Cost of Production Getting Lower
 Labor Costs Slowly Going Down (total hours per bird reduced, cost of labor increasing).

COST STUDY METHOD AND ANALYSIS

In recent months many poultrymen have expressed the desire to know more about Cost Study Analysis. The best way to get into the subject is by starting with a definition of Cost Study Analysis. Cost Study Analysis deals with the examination of records to distinguish component costs, separately, or in relation to the total costs.

The most widely used system of cost study analysis in California has been the method used by the University of California Agricultural Extension Service. In order to have the necessary records to analyze at the year's end it is extremely important to devise a record system that will include the necessary quantities and values, and any changes that occur. It is also important to make adjustments for payments or incomes that should or should not be recorded in a particular period. The total time needed to record the necessary figures for Cost Study Analysis is actually very little more than is needed for Income Tax purposes. In short, with the proper record system it is possible to make most of the necessary entries for both income tax and ranch analysis with very little added time. Once recorded the figures can be compiled very easily with the aid of a computing machine. By starting with the proper forms the end result is the necessary figures for Ranch Analysis. Listed in the following pages you will find:

1. A list of records that are needed for Poultry Cost Study Analysis.
2. An example Ranch Summary. (This is actually the total summary of all ranches for 1961.
3. A list of factors which influence costs and income and can aid your analysis.
4. Where you can get help.

RECORDS NEEDED

A Farm Record Book that contains.....

A. Income records for

1. Total dozens and amount received for eggs.
2. Total number and amount received for culls.
3. Total amount received for miscellaneous income.

B. Expense records for

1. Total number of pounds and amount spent for feed.
2. Total hours worked and amount spent for labor.
3. Total number of chicks purchased and amount spent.
4. Total miscellaneous expenses.
5. Estimated hours for family labor.
6. Record of capital expenditures.

C. A beginning and ending inventory sheet to record

1. Total number and value of laying stock on hand.
2. Age, number, and value of young stock on hand (under 24 weeks old)
3. Number of pounds and value of feed on hand.
4. Number of dozens and value of eggs on hand.

D. Capital investment and depreciation records for interest on investment and depreciation costs.

E. Daily laying flock records showing

1. Average number of hens (hen day basis).
2. Total eggs produced.
3. Number and date pullets added to flock.
4. Number and date hens culled.
5. Number and date hens died.

The above mentioned records should be recorded periodically by the record keeper and mailed to the Farm Advisor's office each month. Here they are added to a monthly accumulation sheet which can be easily totaled at the end of the year. On the following page is an example of the information collected for cost study analysis.

COST STUDY SUMMARY
(Total Figures 13 Ranches)

	<u>Number</u>	<u>%</u>
Production Summary		
Total Eggs Laid	18,470,479	
Total Dozens Laid	1,539,207.1	
Eggs Laid per Hen	237.9	
Laying Flock Summary		
Average Number of Hens	77,653	
Beginning Inventory	75,662	
Ending Inventory	76,602	
Change in Flock Size	+904	+1.2
Mortality	10,150	13.1
Culled	64,556	83.1
Added to Flock	75,234	96.9
Young Stock Summary		
Beginning Inventory plus Chicks and Started Pullets Bought	122,460	
Less Ending Inventory Chicks and Pullets	<u>32,334</u>	
Total to Account for	90,126	
Less Added to Flock	<u>75,234</u>	
Net Chick Losses	14,892	16.5
Inventory Summary		
Average Value of Land, Buildings and Equipment, Stock, and Feed and Eggs on Hand	\$376,240.00	
Interest on Investment at 6%	22,574.40	
Stock Inventory Change (Hens and Young Stock)	-7,638.60	

INCOME AND EXPENSE ANALYSIS

	<u>Quantity</u>	<u>Value</u>	<u>Per</u>	<u>Per</u>
		\$	Hen	Doz.
			\$	¢
Egg Sales (wholesale, retail, frozen)	1,517,823 doz.	503,397.88	6.48	32.7
Cull Hen Sales	63,129	19,492.74	.25	1.3
Miscellaneous Income		1,014.84	.01	.1
Change of Stock Inventory	12,296	-7,638.60	-.10	-.5
Total Income		<u>516,266.86</u>	<u>6.64</u>	<u>33.6</u>
Feed Cost	9,226,621 lbs.	293,470.52	3.78	19.0
Replacement (chicks, pullets)	81,903	36,974.46	.47	2.4
Miscellaneous Costs (utilities, repair, taxes, vaccines, insurance, medication, etc.) (excludes interest)		30,429.52	.39	2.0
Hired Labor	16,165 hrs.	27,532.26	.35	1.8
Depreciation		28,057.94	.36	1.8
Total Cash and Depreciation Costs		<u>416,464.70</u>	<u>5.35</u>	<u>27.0</u>
<hr/>				
Net Farm Income		99,802.16	1.29	6.6
Estimated Family Labor @ \$1.50 hr.	18,751 hrs.	49,259.25	.64	3.2
Interest on Investment (6%)		22,574.40	.29	1.6
Total Expenses		488,298.35	6.28	31.8
Less Income Not Egg		12,869.98	.16	.9
Net Cost of Eggs		<u>475,428.37</u>	<u>6.12</u>	<u>30.9</u>
Management Income		27,968.51	.36	1.8

FACTORS INFLUENCING INCOME AND EXPENSES

It should be remembered that when making a cost analysis of a particular cost or income it might appear to be low or high until the whole picture is taken into consideration. An example of this might be: A \$4.10 feed cost per hen might seem high until you look at the stock inventory change and see a rather large amount credited there. In this situation the high feed cost comes as a result of increasing flock size and the credit for it shows up in inventory gains. Listed below and on the following page are factors which can affect costs and income per hen. Go back to the first pages on costs and income per hen and performance charts and see if you can spot some of these factors.

Factors Influencing Income Per Hen

Egg Income	Culls	Miscellaneous	Stock Inventory Change
Price per Dozen	Price	Fertilizer	Disease & Mortality
Egg Production	Disease & Mortality	Miscellaneous	Replacement
Egg Breakage	Breed		
Egg Size	Rate of Cull		
Quality			
Disease & Mortality			
Quantity			
Replacement			
Culling			

FACTORS INFLUENCING COSTS PER HEN

Feed	Chicks	Miscellaneous	Labor	Depreciation	Interest on Investment
Disease & Mortality	Disease & Mortality	Disease & Mortality	Disease & Mortality	Disease & Mortality	Disease & Mortality
Replacement Rate	Replacement	Replacement	Replacement	Replacement	Replacement
Price	Price	Price	Price	Price	% Filled to Capacity
Age of Flocks	Season	Utilities	Location	Equipment	Value of Land, Buildings & Stock
Wastage		Repair	Equipment	Rate of Depreciation	
Breed		Car Expense	Type Help Used	% Filled to Capacity	
Culling		Medication	Plan of Work		
Environment		Taxes	Housing Practices		
		Fly Control	% Filled to Capacity		
		*Income tax			
		*Interest			

*Not figured in cost studies - but are very important costs.

WHERE TO SEEK MATERIALS AND INFORMATION

Information on ranch analysis or record keeping can be secured by.....

1. Contacting the Agricultural Extension Service, Room 800, 808 North Spring Street, Los Angeles 12, California.
2. Securing a "Poultry Farm Record Book" from the Office of Publication, Berkeley 4, California. (cost \$1.00)
3. Asking your banker, lending agency, or local accountant to help you.

REMEMBER - "Good Figures Pay"