

TURKEY COST STUDY DATA IN SOUTHERN CALIFORNIA
1975 and JANUARY 1976
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This report summarizes data on income and costs for turkey raising in southern California with marketing late in 1975 and January 1976. Results from six ranches raising a total of 153 thousand Large White roaster-size turkeys are reported. Since one grower raised toms only and a second grower bought slightly more tom poults, 57 percent of the turkeys marketed were toms.

The purpose of the study is to obtain information that will help individual cooperators compare and evaluate their results, which hopefully may lead to improved incomes. Others in the turkey industry may find the summary valuable for comparison and planning.

Late 1975 and January 1976 was a profitable period for turkey raising. Late 1976 was not profitable since live price at the ranch declined to 27 to 31 cents a pound and cost of production likely increased to just less than 35 cents a pound. Additional cost study analysis is planned for the late 1976 and early 1977 crop and anyone interested in participating is invited to contact our office. Individual records are treated confidentially.

In the present report (page 3), we see differences in many of the factors that influence profitability. Market price declined late in 1975 and in January 1976 and this affected the returns for individual growers--income per pound ranges from 37.7¢ to 34.8¢. Average price on hens was 37.64¢ per pound and on toms 36.08¢ per pound.

On the average, body weights at marketing exceeded the medium growth rate for heavy strain turkeys reported by Jensen in the January 1976 Turkey World by about 1.6 pounds on toms and 1.4 pounds on hens. The overall feed conversion of 3.42 compares well with the 3.3 reported by Jensen at 22 weeks of age for hens and toms combined.

Total cost of producing a pound of live turkey varied from 30.75¢ to 36.43¢, averaging 33.83¢. The variation suggests that some growers in the study may be able to improve their net income per pound by making management adjustments that lower costs. The grower with the lowest costs marketed his flock at a young age, about 18½ weeks, with a 3.0 feed conversion--which is very good.

Management income per pound (MIPP) is considered by agricultural economists to be a key profit figure. MIPP considers the selling price per pound and allows for all costs of production. In this study it averages 2.63¢ per pound. Various terms used in the report and other details are explained on page two.

EXPLANATION OF TERMS

Percentage of poults raised is percentage based on the total number of poults delivered and includes any extras.

Income is the value of the birds raised, whether sold or transferred to a breeder flock. Weights and prices are on a live weight basis.

Total cost per bird includes all feed costs, hired labor and other cash expenses, the value of the operator's own labor at \$3 per hour, depreciation on buildings and equipment used, interest on the average investment and the cost of poults or eggs and hatching. Poult cost includes various services such as sexing, injecting, debeaking, etc.

Miscellaneous costs in this report include such expenses as drugs, fuel, electricity, litter, repairs, water, office expense, insurance, taxes, and interest on production loans.

Interest on investment is computed at eight percent and pertains to such items as land, buildings, feeders, shades, water systems, and the like. Any interest paid on feed or poults has been entered under miscellaneous costs.

Management income is total income less total cost as explained above. This compensates the operator for his management after all other costs of production have been met.

Farm income is the management income plus both the value of the operator's labor and the interest on investment.

<u>TOTAL COST OF PRODUCTION PER POUND--33.82¢</u>		
Feed	25.84¢	76.4%
Poult Cost	3.26¢	9.6%
Misc. Costs	1.58¢	4.7%
Operator & Hired Labor	1.26¢	3.7%
Interest on Investment	1.17¢	3.5%
Depreciation	0.71¢	2.1%
TOTAL	<u>33.82¢</u>	<u>100.0%</u>

TURKEY COST STUDY DATA ON SIX FLOCKS
MARKETED IN SOUTHERN CALIFORNIA IN 1975 AND JANUARY 1976

	HIGH	LOW	AVG
Percentage of poults raised	94.7	87.6	92.7
Average price per lb	37.7 ¢	34.8 ¢	36.45¢
Average weight per bird (lbs)	33.4	20.7	24.3
Average price per bird	\$ 12.57	\$ 7.43	\$ 8.87
Total cost per bird	\$ 11.81	\$ 6.56	\$ 8.24
Mgt income per bird	\$ 1.11	\$.00	\$.63
Farm income per bird	\$ 1.48	\$.45	\$ 1.09
Average weight of toms (lbs)	33.5	25.6	28.8
Average age of toms-days	164	129	152.2
Average age of toms-weeks	23.4	18.4	21.74
Average weight of hens (lbs)	17.1	15.9	16.6
Average age of hens-days	147	126	134.4
Average age of hens-weeks	21.0	18.0	19.20
Percentage toms in flock	100.0	48.6	57.0
Pounds feed per bird	127	64	83.8
Feed per pound of gain (lbs)	3.96	3.00	3.42
Feed cost per cwt.	\$ 7.86	\$ 6.86	\$ 7.54
Feed cost per pound produced	29.44¢	23.15¢	25.84¢
Total feed cost per bird	\$ 9.82	\$ 4.94	\$ 6.34
Hired labor per bird raised	\$.28	\$.00	\$.12
Operator's labor per bird raised	\$.34	\$.09	\$.18
Misc costs: Drugs, fuel, taxes, etc.	\$.50	\$.23	\$.38
Depreciation per bird	\$.31	\$.07	\$.17
Interest on investment per bird	\$.51	\$.15	\$.28
Poult cost per bird raised	\$.84	\$.63	\$.77
Total cost per pound	36.43¢	30.75¢	33.82¢
Mgt income per pound	5.17¢	.04¢	2.63¢
Farm income per pound	6.93¢	2.17¢	4.55¢

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