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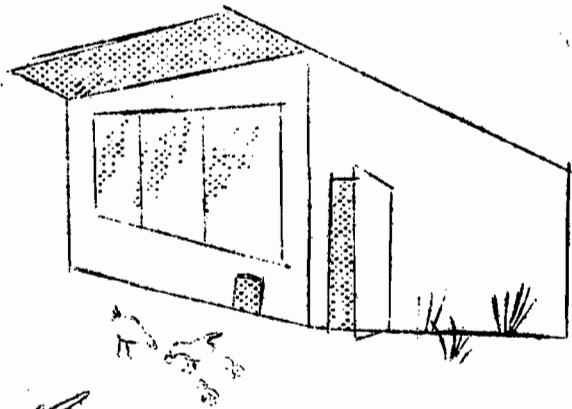
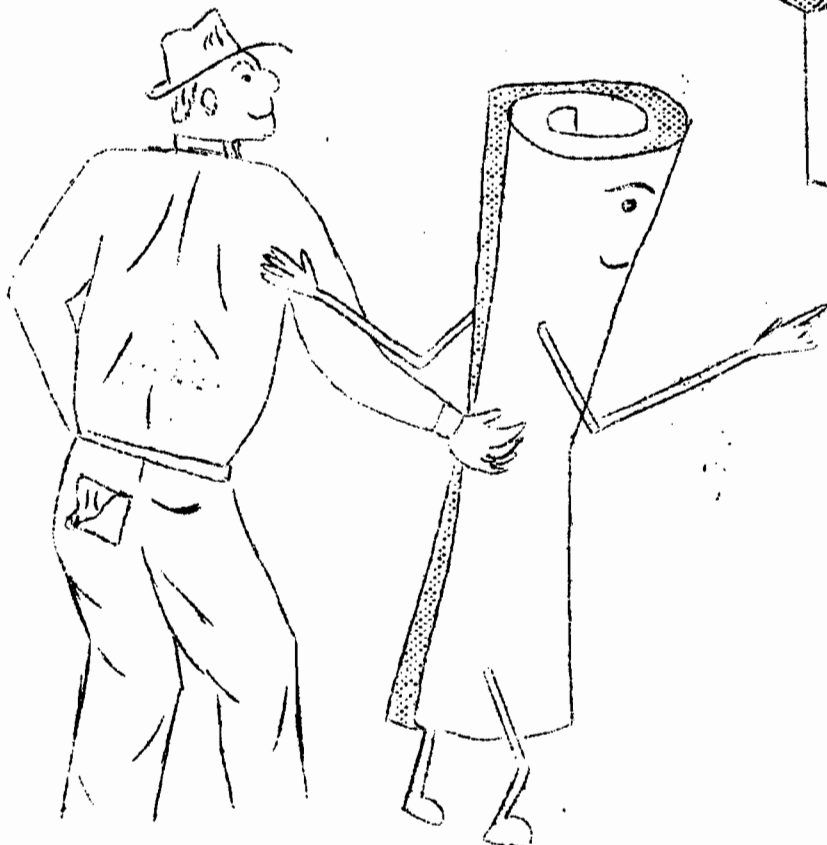
POULTRY MANAGEMENT STUDY

SANTA CLARA COUNTY

1950

RECORDS

Help You
IMPROVE



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INTRODUCTION

This is the second annual report of the Santa Clara County Poultry Management Study. This study is conducted by the Agricultural Extension Service in cooperation with a small group of local poultrymen. Its purpose is to help the cooperating producers and other poultrymen improve their management and profits by disclosing current local production and cost problems and the manner in which they can be improved.

The figures obtained in this study and presented in this report are from only a few individual flocks. They are, therefore, not represented as being typical or average for the county. They do, however, present an interesting picture of actual production, costs, income and management in these flocks for the calendar year 1950. More records over more years will present a more typical picture of improved management practices and changing price and costs conditions.

This study is continuing in 1951 with 15 records underway. Cooperators receive a Monthly Summary and comparison of their results plus a detailed record and analysis at the end of the year. Those interested in receiving this free service should contact the local Agricultural Extension Office, Room 201 Post Office Building in San Jose.

The year 1950 was one of low egg prices and profits for poultrymen, as compared to recent years. Yet, 6 of the 7 show a fair net farm income, as presented in Table 1.

OUTLOOK

The year 1951 is well underway with high consumer purchasing power and prices tending upward. Anti-inflation measures and price controls are being introduced. Egg prices are around 10 cents a dozen higher than a year ago with about 4 percent fewer layers in flocks in the United States and higher demand. Prices of meats are at high levels and have carried the prices of poultry for meat to rather satisfactory levels.

Although the national supply of feed grains and ingredients for poultry mashes is ample, the demand for livestock feed concentrates is also high and feed prices are somewhat above a year ago and will probably continue high, but not too high to permit profitable egg and poultry production under the expected better prices.

These factors indicate better profit opportunities in the poultry business for most of 1951. This better outlook, however, may stimulate some expansion and increased hatching of replacement stock with an increase in layers by fall, which might start another downward trend in the profit cycle. Average poultrymen should make a fairly good profit, exceptionally good managers will enjoy good profits but poor and extravagant management will still result in a loss.

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 percent 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 percent 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 six months of age.

Feed-Egg Ratio - is the dozen market eggs at average price required to pay for 100 pounds of mash and grain at average cost.

TABLE I.

MAIN PROFIT FACTORS IN INDIVIDUAL FLOCKS AND AVERAGES FOR 1950 and 1949

Cooperator's Serial Number	13	9	6	4	3	10	5	Av. 1950	Av. 1949
Size of Flock *	Med.	Med.	Small	Large	Med.	Med.	Small	Med.	Med.
Eggs laid per average hen for year	234	171	198	201	247	187	223	207	188
Dozen eggs sold per hen	19.9	14.6	16.8	17.1	21.1	15.5	16.9	17.4	15.5
Average price per dozen eggs sold	39.6¢	48.1¢	53.4¢	39.9¢	38.7¢	38.6¢	55.8¢	42.0	49.4
Av. cost per cwt. of mash and grain	\$3.62	\$3.84	\$3.51	\$3.64	\$3.92	\$ 3.81	\$4.00	\$3.77	\$3.96
Feed - egg ratio	9.1	8.0	6.6	9.1	10.1	9.8	7.3	8.9	8.0
Net stock income per hen	.95	.79	.09	-	.41	(.81)	3.08	.37	.18
Miscel. income, manure and sacks	.44	.18	.20	.28	.46	.27	.46	.33	.30
Egg income per hen	7.88	7.03	9.36	6.84	8.16	5.98	9.40	7.31	7.66
Total income per hen	9.27	8.00	9.65	7.12	9.03	6.25	12.94	8.01	8.14
Less total expense per hen	7.28	6.57	8.98	7.07	9.32	7.64	15.26	7.97	8.12
Management income per hen	1.99	1.43	.67	.05	-.29	-1.39	-2.32	.04	.02
Add value of operator's labor	1.55	.31	4.27	.99	1.93	1.11	2.79	1.39	1.04
Labor income per hen	3.54	1.74	4.94	1.04	1.64	- .28	.47	1.43	1.06
Add interest on investment	.26	.25	.20	.22	.27	.15	.78	.26	.27
Farm income per hen	3.80	1.99	5.14	1.26	1.91	-.13	1.25	1.69	1.33

* Size of flock: Small - under 750 hens; Med., 750 -1499 hens; Large, over 1500.

The 7 individual flocks for 1950 are listed above in order of management income per hen, from left to right. This figure varied from \$1.99 in flock #13 to a loss of \$2.32 in flock #5, averaging 4¢ per hen. This means that these 7 poultrymen made only 4¢ a hen for management last year in addition to wages for their reported labor and interest on their investment. Some operators, however, particularly #6, put a lot of labor into their enterprise and when this labor value is added with management and interest results in a rather good net farm income for all flocks except #10. It will be seen that there was a rather wide variation in egg prices with considerable eggs sold at retail from some flocks. The cost of feed per hundredweight also shows some variation with rather wide differences in the feed-egg ratio or profit opportunity. Notice how these various factors of dozen eggs sold, price per dozen, feed cost, and total expense influence the net income in the different flocks.

TABLE 2

PRODUCTION AND MISCELLANEOUS MANAGEMENT FACTORS

	13	9	6	4	3	10	5	Av. 1950	Av. 1949
Eggs laid per Av. hen	234	171	198	201	247	187	223-Reds	207	188
Breed	WL	WL & NH	WL	WL	BR & X	WL	WL & X	-	-
Percent mortality, Hens	16.3	18.8	17.9	23.8	19.4	26.7	30.7	22.3	27.3
Percent culled	36.4	39.6	54.4	98.3	90.9	100.3	91.6	79.1	76.0
No. months culled 1% or more	6	9	11	9	11	11	10	10 av.	9 av.
Month of heaviest culling	Aug.	Oct.	Oct.	Jul.	Jan.	Sept.	Dec.	-	-
Percent of flock pullets	79	66	48	72	100	73	88	82	76
Percent of pullets added Jul. to Oct 31		83	100	24	56	0	53	38	60
Fall eggs per fall hen (Sept.-Dec.)	73	44	64	56	76	53	64	60	56
Percent of total eggs in fall	38	35	34	27	32	22	39	31	35
Type of housing	Shed	Univ.	Shed	Shed	Shed	Calif.	Cages	-	-
Kind of floors	Conc.	Conc.	Conc.	C.&Wr.	Wire	Conc.	Wr.&Drt.	-	-
Sq. ft. floor space per av.hen	4.1	2.5	5.7	2.7	3.1	3.3	2.8	3.3	-
Lights used for layers in winter	Yes	No	Yes	Yes	Yes	Yes	Yes	-	-

Many factors exert considerable influence on egg production. Some of these are under the control of the operator - some only partly and others, temporarily at least, beyond their control. Mortality of the laying flock is certainly in part under the control of the operator through his selection of stock, his positive disease control measures, and his culling and replacement program. Culling is definitely under his control and, ordinarily, to have a young, healthy flock of good layers would be up around 60 to 70%. Flock #13, however, had high production with very moderate culling, but will have to cull heavier in order to maintain anything like this production in future years.

Having a high percentage of the flock pullets and adding these pullets largely in the 4 months, July to October, has over the years proved to be a profitable system of management. It usually results in higher total egg production per hen, higher egg production of eggs in the fall months, September to December, and higher percentage of the total year's eggs in the fall months when prices are usually higher.

The breed and type of housing are shown above merely for information and are not believed to greatly influence egg production. The square feet of floor space per average hen is shown merely as an indication of utilization of all floor space to capacity.

TABLE 3,

COST FACTORS AND COSTS PER HEN

	13	9	6	4	3	10	5	Av. 1950	Av. 1949
Investment per hen	5.21	4.95	3.94	4.33	5.35	3.00	15.61	5.27	5.77
Lbs. of mash per hen	71.0	77.4	52.5	97.1	135.4	72.6	153.8	93.5	95.7
Lbs. of grain per hen	58.2	48.7	56.3	35.8	31.5	44.0	82.7	46.3	41.2
Total pounds mash & grain	129.2	126.1	108.8	132.9	166.9	116.6	236.5	139.8	136.9
Percent of feed mash	55.0	61.4	48.0	73.0	81.1	62.3	65.0	66.9	69.9
Av. price Mash, per Cwt.	\$4.31	\$4.15	\$4.17	\$3.94	\$4.20	\$4.31	\$4.59	\$4.20	\$4.41
Av. price Grain per Cwt.	2.72	3.24	2.98	2.80	2.80	2.98	2.91	2.90	2.90
Av. price Mash & Grain per Cwt.	3.62	3.84	3.51	3.64	3.92	3.81	4.00	3.77	3.96
Hours of labor per hen	1.7	1.2	4.3	1.2	1.9	1.1	2.9	1.6	1.7
Av. cost per hour of labor	\$1.00	\$.89	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$.98	\$.96
Cost of mash per hen	\$3.07	\$3.21	\$2.19	\$3.84	\$5.67	\$3.13	\$7.07	3.93	4.22
Cost of grain per hen etc.	1.58	1.62	1.64	1.00	.88	1.31	2.39	1.34	1.20
Cost of other feeds, grit, shell/	.03	.05	.06	.22	.05	.03	.05	.09	.04
Total feed cost per hen	4.68	4.88	3.89	5.06	6.60	4.47	9.51	5.36	5.46
Cost of hired labor	.12	.69	-	.18	-	.01	.10	.16	.51
Value of operator's labor etc.	1.55	.31	4.27	.99	1.93	1.11	2.79	1.39	1.04
Miscellaneous costs: Elec., taxes/	.56	.23	.49	.44	.33	.98	1.22	.59	.51
Depreciation: Bldgs. & Equipment	.11	.21	.13	.18	.19	.09	.86	.21	.31
Interest on investment	.26	.25	.20	.22	.27	.15	.78	.26	.29
Net stock cost	-	-	-	-	-	.83	-	-	-
Total expense per hen	7.28	6.57	8.98	7.07	9.32	7.64	15.26	7.97	8.12

Cost per hen was one of the important profit factors among these 7 poultry flocks. In total expense it may be seen to vary from a low of \$6.57 for #9 to a high of \$15.26 for #5. Most of this variation was in the feed cost or in the value of the operator's labor. Notice that feed price per Cwt. is greatly influenced by the percentage of the total feed that was mash, which in all cases is considerably higher per Cwt. than grain. Several of these records have an opportunity to reduce the percentage of mash fed and thereby reduce costs and improve profits.

TABLE 4.

NET STOCK INCOME AND EGG PRICE FACTORS

	13	9	6	4	3	10	5	Av. 1950	Av. 1949
Percent of Av. No. hens died & lost	16.3	18.8	17.9	23.8	19.4	26.7	30.7	22.3	27.3
Percent culled & sold or eaten	36.4	39.6	54.4	98.3	90.9	100.3	91.6	79.1	76.0
Percent added	132.4	95.7	64.3	136.5	92.4	60.8	235.9	116.0	132.1
Percent increase or decrease in flock	79.7	37.3	-8.0	14.4	-17.9	-66.2	113.6	14.6	28.8
Percent of chicks died & lost	3.4	6.2	21.0	12.5	12.8	40.4	19.2	15.8	21.3
Av. price per: c-chick, p-baby pullet	p36.3	p49.3 c 8.4	p36.6	p35.3	p49.4	p29.2 c15.5	p45.5	p39.6	p39.4
Av. price per cull hen sold	\$.64	\$1.14	\$1.08	\$.77	\$1.15	\$.67	1.50	.89	.82
Av. price per bird other stock	1.60	.97	-	.57	-	-	1.28	1.12	.93
Income per hen from stock sold	\$.27	\$.67	\$.57	\$.68	\$.82	\$.59	\$ 2.02	\$.71	\$.89
Stock inventory increase (-decrease)	1.14	.51	-.07	-.24	.28	-1.15	2.61	.18	.49
Less cost of stock bought per net	.46	.39	.41	.44	.69	.27	1.55	.52	1.20
Net stock income per hen (-cost)	.95	.79	.09	-	.41	-.83	3.08	.37	.18
Av. price market eggs sold wholesale	39.0¢	36.1¢	-	40.0	38.7	38.0¢	-	39.0¢	48.1¢
Av. price per doz. eggs sold retail	66.2	56.3	57.3¢	27.2	39.8	48.9	55.8¢	55.5	61.2
Percent of eggs sold retail	2.4	59.2	98.2	0.6	2.9	7.8	97.9	18.3	10.7
Percent of market eggs: Large	46	70	68	59	69	69	51	61	60
Medium	36	21	20	26	23	22	25	26	27
Small & Com'l.	18	9	12	15	8	9	24	13	13
Av. price per dozen all eggs sold	39.6¢	48.1¢	55.7¢	39.9¢	38.7¢	38.6¢	55.8¢	42.0¢	49.4¢
Net cost per dozen	29.5	38.3	51.7	39.7	40.1	47.5	69.5	41.8	49.3
Management income per doz.	10.1	9.8	4.0	.2	-1.4	-8.9	-13.7	.2	.1

Net stock income shown in the upper part of the above table really represents the gross income from raising poultry less the value of poultry used up in the egg production business. Ordinarily, higher net stock incomes are associated with higher profit per hen.

A large part of the variation in egg prices may be seen above to be due to the percentage of eggs sold at retail.

FACTORS SHOWING MANAGEMENT IMPROVEMENT
1949 COMPARED TO 1950

Each year, in going over the Management Study, it is interesting to determine what practices have improved and changed toward more efficient operation.

For the purpose of analysis it is necessary that we observe only those factors which can be affected by the poultryman's own management efficiency. Since the average poultryman has little or no control over market prices, comparisons involving price are omitted:

<u>Factor</u>	<u>1949</u>	<u>1950</u>	<u>Change</u>	<u>Remarks</u>
Eggs laid per hen	188	207	19	Good improvement. More eggs per hen means more money returned.
Dozen sold per hen	15.5	17.4	1.9	Confirms the above.
Percent mortality	27.3	22.3	5.0	Important improvement. Dead hens don't lay.
Percent culled	76.1	79.1	3.0	Keeping loafers out of flock reduces feed consumption and labor.
Percent flock pullets	76	82	6.0	Pullet flocks are generally healthy and good layers.
Percent of feed mash	69.9	66.9	3.0	Small improvement but in right direction.
Hours labor per hen	1.7	1.6	.1	Seems small but this saving could care for 62 birds per 1000, equal to about \$105 at 1950 Farm Income.

Of greater importance to the cooperative poultryman are those changes in his own operation which are brought out in this Management Study. Each year of record-keeping points out new places for improvement.

The Cooperative Management Study is the only place you can compare figures each month with other Poultrymen throughout Santa Clara County.

ATTEND - MONTHLY POULTRY DISCUSSION GROUP.
JOIN - THE MANAGEMENT STUDY.

Morgan Hill & San Jose