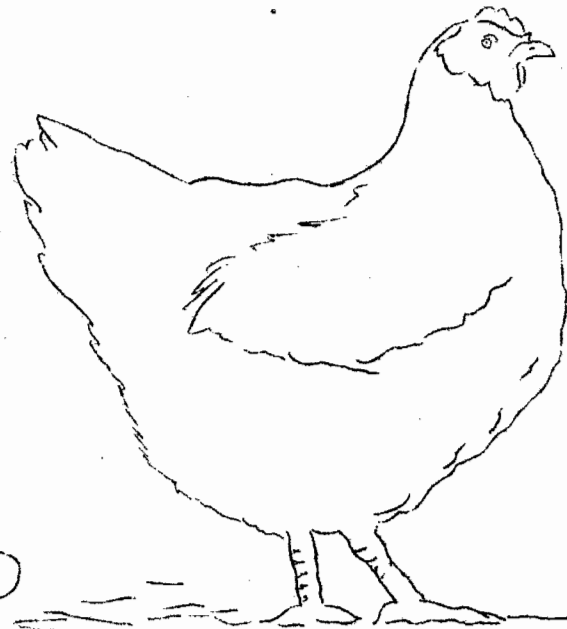
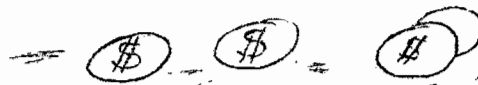


SAN LUIS OBISPO COUNTY POULTRY MANAGEMENT STUDY = 1952



THIRD ANNUAL REPORT
by
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INTRODUCTION 1952

This is the third annual report of the San Luis Obispo Poultry Management Study. Ten records are shown in detail for 1952 and averages for 8 records in 1951 and 11 records in 1950 are shown at the bottom of Table 1.

These few records are a small sample from a large number of poultry farms in this county. They are perhaps fairly representative of local flocks, but should not be considered as average for the local industry. Averages shown are for these flocks only.

Cooperators in this study show rather variable results in production and profit obtained. The purpose of this study is to present comparisons so the reader of this report may see for himself the affect of various profit determining factors. Careful examination will show that no single factor is dominant, but that a favorable combination of several factors is essential to better than average profit.

High egg production per hen and a good egg price result in higher egg income per hen. Good poultry sales depend on low mortality in chicks and hens. Profit is income less cost and the cost side is most important. Heavier replacements than necessary result in high chick and feed costs. Higher feed costs than necessary through choice of kind of feed and proportion of mash can reduce profit.

These three years of this study show a rather low profit or net income in 1950, much better earnings in 1951 and then a poor year for earnings again in 1952.

Arthur Shultis
Extension Economist
Farm Management

But in any year some Poultrymen do much better than others. Managerial decisions in buying of replacement chicks, the source and kinds of feeds used have far-reaching results.

* * * *

OUTLOOK 1952

Consumer demand for eggs is expected to be good during 1953 as a result of high employment and consumer incomes. The national supply of eggs for the first half of 1953 is expected to be a little below that in the corresponding period of 1952 since the number of layers is expected to be lower -- they were down 2% in December. Flock replacement chicks hatched this spring will largely determine whether the number of layers this coming fall will be higher or lower than the previous year. Poultrymen had a rather unprofitable year in 1952, and current egg prices are not too encouraging so hatchings of replacement chicks may be lower and result in a lower egg supply and better prices next fall. Feed prices are currently lower than a year previous and the outlook is favorable for an adequate feed grain supply and slightly lower feed prices. Hence, the outlook for the chicken egg producer is for some improvement in profit in 1953 over 1952. It will not be a high profit year, however, so good management and high efficiency will be important to making a good net income.

* * * *

Dudley C. Ambrose
Farm Advisor
San Luis Obispo

TABLE 1
INCOME AND EXPENSE PER HEN

San Luis Obispo County

Ser. No.	INCOME					CASH AND DEPRECIATION COSTS						NON-CASE COSTS			Management Income
	Egg Sales	Poultry Sales	Manure and Miscel.	Incr. Stock Inv.	Total	Feed	Hired Labor	Chix	Misc.	Depreciation	Total	Farm Inc.	Family Labor	Interest	
3	10.78	2.51	.03	1.34	14.63	9.38	.97	.85	1.18	.23	12.61	2.02	.78	.20	1.04
7	7.30	.09	.05	.01	7.45	4.22	-	.19	.23	.15	4.79	2.66	1.88	.14	.64
8	8.34	.28	-	.59	9.21	6.22	-	.48	.36	.20	7.26	1.95	1.72	.18	.05
10	7.91	.44	.10	-.01	8.44	6.07	-	.40	.43	.42	7.32	1.12	1.15	.20	-.23
12	7.58	.34	.08	.27	8.27	5.76	.01	.54	.55	.15	7.01	1.26	1.48	.16	-.38
6	6.72	.89	-	1.10	8.71	6.25	-	.39	.28	.27	7.19	1.52	2.07	.24	-.79
5	8.08	.10	.02	.78	8.98	7.12	-	.34	.67	.44	8.57	.41	.98	.29	-.86
1	8.03	.55	.07	.42	9.07	6.35	.27	.96	.40	.39	8.37	.70	1.37	.21	-.88
4	8.38	.83	.09	.25	9.55	7.82	-	.50	.20	.30	8.82	.73	1.42	.27	-.96
9	8.85	2.51	.04	1.71	13.11	10.95	.82	1.04	1.27	.76	14.84	-1.73	2.83	.58	- 5.14
'52 Av.	8.79	1.25	.05	.78	10.87	7.67	.40	.67	.66	.33	9.73	1.14	1.43	.32	-.61
'51 Av.	9.88	1.88	.06	.20	12.02	6.98	.51	.61	.53	.46	9.09	2.93	1.20	.21	1.52
'50 Av.	7.66	1.50	.04	.48	9.68	6.34	.46	.84	.50	.23	8.37	1.31	1.90	.26	-.85

Individual 1952 records are listed above in order of management income per hen which appears in the last column. This is the best single measure of overall efficiency since it recognizes the operator's own labor and interest on investment as costs.

The 1951 study averages appear at the bottom of the table below the averages for the ten 1952 records. Egg prices were lower and feed costs higher in 1952 so management income was much lower -- a loss of 61¢ as compared to a profit of \$1.52 in 1951.

Farm income per hen is the amount by which income exceeds cash costs and depreciation. It is the amount left to reimburse the operator for his labor, management and invested capital. Record averages were \$1.14 per hen in 1952 as compared to \$2.93 in 1951 -- less than half as good. All feed based on bulk prices. Sack income has been deducted from feed costs.

Notice the rather wide range in certain figures within the ten individual flocks. Egg sales vary from a low of \$6.72 to a high of \$10.78. Feed costs vary from a low of \$4.22 to a high of \$10.95. Poultry sales vary from a low of .09 to a high of \$2.51

Look at the total cash costs and depreciation above. It varies from \$4.79 in No. 7 to \$14.84 in No. 9. Number 7 didn't have much income but with such low costs still had a fair management income and the highest farm income per hen at \$2.66.

The first 6 records all made over \$1 per hen net farm income. This was in an unfavorable year -- not much better or worse than 1950 which is shown on the last line.

TABLE 2
FLOCK STATISTICS AND PRODUCTION FACTORS

San Luis Obispo County

Ser. No.	Eggs Laid per Hen	Size of Flock*	Breed	Kind of Housing, floor	Percent of Laying Flock			Hours Labor per Hen	Pounds Feed per Hen	% Mash	Cost per Cwt.			% Mortality Chicks	Av. Price Cull Hens
					Died	Culled	Incr. or Decr.				Mash	Grain	Av.		
3	227	D	WL, NH	Litter	17.6	127.8	25.2	1.6	203.7	95.1	4.62	3.78	4.58	40	.77
7	181	C	WL	Litter	25.1	16.3	2.6	1.5	96.8	62.7	4.68	3.74	4.33	2	.51
8	218	B	WL	Litter	13.7	40.0	119.4	1.7	134.2	82.8	4.80	3.61	4.58	4	.62
10	203	B	WL	Wire	24.3	57.5	26.1	1.2	151.6	84.9	4.20	2.94	4.00	7	.76
12	207	C	WL	Litter	25.1	106.1	10.9	1.5	153.3	38.9	4.91	2.95	3.71	9	.56
6	174	A	WL, AW	Cage 2	21.4	73.6	7.7	2.1	135.1	92.1	4.68	3.76	4.61	15	1.09
5	181	C	WL	Cage	15.2	3.9	39.6	1.0	140.4	100.0	5.07	-	5.07	9	1.54
1	208	C	WL	Litter	25.3	94.1	13.9	1.7	139.9	60.7	4.98	3.92	4.54	23	.64
4	226	C	WL, RIR	Lit. & W	26.0	92.7	53.8	1.4	163.7	68.5	5.08	4.03	4.74	15	.70
9	169	C	NH	Litter	28.5	174.2	-.7	3.6	224.6	99.3	4.87	4.42	4.87	21	1.19
1952 Av.	205	1393	---	---	22.2	96.5	24.6	1.8	168.6	82.0	4.75	3.50	4.52	29	.84
1951 Av.	206	1092	---	---	20	81	23	1.7	163	71	4.65	3.67	4.37	8.6	.83

*Size of flock: A - Under 500, B - 500-999, C - 1000-1999, D - 2000 & over

Profit is income less costs. To have a high income it is essential to get high production per hen. Eggs laid per hen are shown above in the first column to vary from 169 to 227. The highest flock No. 3 was also highest in profit, but high production isn't everything since No. 4 also had high production, but a loss because of high costs from heavy raising of replacements and partly heavy birds which used more feed at an above average feed price.

High production depends on good stock and disease prevention with only normal mortality and culling. Ordinarily in a going concern culling will need to be about 70% for the year to keep a young healthy heavily laying flock. Flocks 7 and 5 did too little culling, although 181 eggs per hen is fair production.

Expenses are most important in determining profits. Since feed is the major part of the total expense, the quantity and average price of feed are most important factors. Quantity will vary with kind of stock, heavy or light breeds, and with the number of replacements raised. Highest feed quantity is in Nos. 3 and 9 with heavy birds, a high replacement percent and cocks for hatching egg production.

A higher per cent of total feed mash results in a higher feed cost per hundred-weight and per hen. Highest feed cost per hundred-weight was in flock No. 5 that used all mash.

TABLE 3
EGG PRODUCTION AND SALES

San Luis Obispo County

Ser. No.	Doz Sold Per Hen	Percent of Market Eggs Sold			% Hatching Eggs	% Fall Eggs Sept-Dec	% Fall Hens of Av	Fall Eggs Per Fall Hen	% Added July-Oct.	% Pullets	Av. Price Eggs Sold, cents per dozen			all eggs, ¢ per doz.			Lbs. Mash & Gr. per dozen
		Large	Med.	Small Com'1							Whole-sale	Retail Mkt.	Hatching	Av. Price	Net Cost	Mgt inc.	
3	18.3	33.3	52.9	13.8	40.3	49.9	147.9	76.6	68.0	80	48.1	58.1	75.0	58.9	53.2	5.7	11.1
7	15.9	72.8	18.8	8.4	-	24.5	103.6	42.8	3.7	41	46.0	51.4	-	46.1	42.0	4.1	6.1
8	18.4	52.6	30.2	17.2	-	33.9	118.4	62.2	29.9	29	45.4	41.5	-	45.3	45.0	.3	7.3
10	17.3	61.5	27.8	10.7	-	38.3	109.8	71.0	37.9	92	46.0	38.3	-	45.7	46.9	-1.2	8.7
12	18.2	38.9	31.3	29.8	-	42.6	125.3	70.5	60.6	94	41.2	48.5	-	41.6	43.7	-2.1	8.3
6	14.1	---	---	---	-	34.4	95.0	63.0	36.8	73	46.7	53.9	-	47.6	53.2	-5.6	9.6
5	15.0	68.3	23.9	7.8	-	27.1	122.4	40.4	-0-	65	52.9	66.6	-	53.8	59.5	-5.7	9.3
1	16.9	60.9	28.2	10.9	-	39.5	119.8	68.3	70.4	91	44.7	51.3	-	47.4	52.6	-5.2	8.3
4	18.3	59.7	30.6	9.7	-	38.0	116.7	73.3	63.5	100	45.8	58.3	-	45.9	51.1	-5.2	8.9
9	13.5	14.0	46.4	39.6	62.1	62.4	182.4	57.8	100.0	100	45.7	-	77.4	65.5	103.6	-38.1	16.6
'52																	
AV.	17.0	50.1	34.2	15.7		42.9	133.2	66.1	61.7	84	46.1	51.2	75.8	51.8	55.4	-3.6	9.9
'51																	
AV.	16.9	56	32	12	16.7	35	109	65	60	73	53.8	62.1	76.2	58.4	49.4	9.0	9.6

Egg price is one of the 3 important profit determining factors. Even in a single year it can vary considerably in different flocks because of differences in size, quality, seasonal distribution and channel or method of sale.

The average price each received appears in the third from the last column above. Note that it varies from a low of 41.6¢ to a high of 65.5¢, the latter being in a hatching egg flock with 62% of the total year's eggs being laid in the 4 fall months of Sept. to Dec. inclusive. The more fall eggs usually the higher the average price.

To get a high per cent of the year's eggs in the fall it is necessary to have a high per cent of pullets and to add a high per cent of total pullets added during the months of July to Oct. which means hatching them Jan. to April.

Other things being equal the more dozen eggs sold per hen the lower the cost per dozen and the higher the chance to make a profit. The first column above shows the dozen eggs sold per hen. This varied from a low of 13.5 to a high of 18.4. The 3 columns next to the last show the average price, net cost and management income per dozen eggs sold. Net cost is total cost less income from poultry and miscellaneous sales.

The last column above shows the total feed used to produce a dozen eggs sold. This includes the feed used to raise replacements and to carry the cocks in the two hatching egg flocks. A good Leghorn flock will show around 7 pounds of feed per dozen eggs including the raising of a normal proportion of replacements. The figure of 6.1 in No. 7 is below this with few replacements raised.