

1969 POULTRY EGG COST STUDY

This study includes 5 ranches using Started Pullets and 14 ranches using Day-old Pullet Replacements and a 20-year Summary of Cost Study Results in San Diego County, California

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Cooperation with San Diego County Poultry Egg Industry
San Diego County

The San Diego County Poultry Egg Cost Study is conducted by the Agricultural Extension Service, University of California, in San Diego County. The results of this study cannot be considered as representative of this county or area. It may be considered as representative of a group of specialized egg-producing ranches with flock sizes varying from 5,000 to over 100,000 layers and averaging 40,000 to 50,000 layers for the last four years.

Cooperators report results from their own ranch with the specific purpose of comparing their results on the same basis with others in the study. The object is to determine management programs which will improve their own ranch operation efficiency.

The overall average results are published so that former cooperators and others in San Diego County, under similar procedures may also compare and develop management programs which will enable them to become more efficient on their own poultry egg-producing ranches.

Housing: Mostly open type, truss construction, metal roof with lath or plastic curtain siding. The usual 30-foot wide house holds four double rows of back-to-back cages with water system between and feed hoppers on the front of cages. The usual housing rate of 4 inches frontage prevails in 8, 12, 24-inch wide cages. However, some producers house an extra bird per cage at the initial housing time prior to the birds coming into egg production.

Feeding: Mostly with electric cart. Some producers have mechanical feeders. Birds are usually fed once daily,

followed by a second feeding or stirring for a more even distribution of the feed in the hoppers.

Replacement: This year's report includes 5 ranches using started pullets and 14 ranches using day-old pullets for replacement. None of the ranches included use "all in-all out" replacement of the ranch. Usually 3 to 4 replacement groups are added each year.

Labor cost: As reported here includes hired labor, at cost, home chore labor at \$2.00 per hour. Workman's compensation, Social Security and all contract labor for manure cleanout, debeaking, and vaccination labor cost are included as labor cost.

Management cost: It has been estimated that ranches using day-old pullet replacement use one half of their management efforts in growing replacement pullets. A 2¢ per dozen charge is charged for those ranches and a 1¢ per dozen rate is used for those ranches buying started pullets for replacement.

Production rate lowest since 1953 study year: Due to the low rate of replacement, the average rate of lay for the 1969 study was 232 eggs per hen, the lowest since 1953 of 228 eggs per hen.

Marek's disease: Marek's disease may be cited as the major cause for the lower replacement rate due to a 20% mortality loss to 6 months of age and the 2% mortality per month in the laying flock during the study year. Producers simply kept layers over a longer period in housing where replacement pullets would have been housed.

(over)

Force Molting: Favorable egg prices, particularly during the latter part of 1969, contributed to many producers experimenting with force molting of hens. Birds during force molt were included in the hen day count of the laying flocks.

Twenty-year comparison: Tables A and B provide a comparison of the major factors contributing to costs and production results for the last 20 years.

Compare Your Results: A detailed analysis of those ranches using the difference replacement program are included as well as 1968 and 1969 averages of results. Space is provided for the producer to compare data he has available with those averages from the San Diego County egg cost study. Generally, these results have been used as a goal which many poultrymen in this area could attain under proper management.

Costs-Per-Dozen-Eggs Results: During previous study years usually the ranches with the higher rate of production tended to have the lower cost of production per dozen eggs. This criteria no longer appears to be a determining factor. The rate of production varied between 220 to 263 eggs per 365 hen days in the 5 lowest per-dozen-cost egg-producing ranches. Even with this wide variation in rate of lay, there was little difference in the cost of egg production per dozen. The higher rate egg-producing ranch does produce more egg income per hen. This analysis indicates

that costs per dozen eggs produced from older birds (which have a lower rate of lay) are no more costly to produce than eggs from pullet year performance. Apparently, the lower costs of replacement in older flocks is offset by higher costs of feed and fixed costs so that the net overall cost results are about the same per dozen. There are some differences in the egg product sold which may also be a factor. The older birds lay a larger egg but with some problems of egg shell quality which may or may not bring in the same return per dozen on sales.

The effect of these results indicate that the producer now has an alternative choice in management program. He is also confronted with which program will best fit his own operation and his sales. Heavy mortality losses tended to force producers towards the older hen production program this last year.

Started Pullet Replacement Producers have an additional cost of management and profit to the operator selling these birds which is not included as a cost where the producer grows his replacements from day-old pullets. The rancher producing eggs from started pullets is a further specialization of egg production. The two different types of operations require a complete evaluation of total investment involved and management skills.

Included in this study are the results from ranches using started pullets and those using day-old pullet replacements. Here again an alternative opportunity is presented to the poultry egg producer to make a decision on his replacement management.



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COMPARE YOUR RESULTS WITH SAN DIEGO EGG COST STUDY COOPERATORS, 1968 and 1969

1. RESULTS PER DOZEN EGGS PRODUCED

	1968 Av. All Cents	1969 Av. All Cents	1969 Started Pullet Ranches	1969 Pullet Chick Rplmt	Compare Your Results
Feed Layers Only	13.2¢	14.4¢	14.6¢	14.3¢	_____
Feed Cost for Replacements	3.6	2.7	1.0	3.3	_____
Replacement Chicks & Started Pullets	2.1	1.9	3.7	1.3	_____
Supplies, Taxes, Utilities, Misc.	1.1	1.7	2.0	1.5	_____
Hired Labor Costs	1.7	1.8	1.6	2.0	_____
Home Chore Labor	.1	.2	.3	.2	_____
Stock Inventory Value + Charge - Credit	.0	-.1	+1.2	-.5	_____
Cull Sales - Credit	-.7	-.7	-.6	-.7	_____
Net Cash and Labor Cost	21.1¢	21.9¢	23.8¢	21.4¢	_____
Depreciation 10% Average Value of Buildings and Equipment	.6	.7	.5	.7	_____
Interest 8% on Land Stock and Average Value of Buildings and Equipment	1.1	1.1	1.0	1.2	_____
Management of Cost Per Dozen	2.0	1.8	1.0	2.0	_____
Net Cost of Production Per Doz. Eggs	24.8¢	25.5¢	26.3¢	25.3¢	_____

2. RESULTS PER AVERAGE LAYER (365 hen days)

Feed Layers Only	\$2.71	\$2.78	\$2.77	\$2.78	_____
Feed for Replacements	.74	.52	.19	.64	_____
Replacement Chicks, Started Pullets	.42	.36	.69	.26	_____
Supplies, Taxes, Utilities, Misc.	.23	.32	.37	.30	_____
Hired Labor	.36	.36	.30	.38	_____
Home Chore Labor	.02	.03	.06	.03	_____
Stock Inventory Value + Charge - Credit	+.01	-.02	+.24	-.11	_____
Cull Sales - Credit	-.16	-.13	-.12	-.13	_____
Net Cash Cost Incl. Home Chore Labor	4.33	4.22	4.50	4.15	_____
Depreciation 10% Average Value of Buildings and Equipment	.14	.14	.10	.14	_____
Interest 8% On Land, Stock and Average Value of Buildings and Equipment	.21	.22	.18	.24	_____
Management Per Charge Per Hen	.41	.34	.19	.39	_____
Total Cost Per Hen	\$5.09	\$4.92	\$4.97	\$4.92	_____

COMPARE YOUR RESULTS WITH SAN DIEGO EGG COST STUDY COOPERATORS, 1968 and 1969

3. LAYING FLOCK, FEED AND OTHER DATA

	1968 Av. All	1969 Av. All	1969 Started Pullet Rplmt	1969 Day-old Pullet Chick Rplmt	Compare Your Results
Died (% layers during year)	20	23	21	24	_____
Culled (% layers during year)	58	36	34	36	_____
Total % to Replace During Year	78	59	55	60	_____
% Added of Av. Number Layers During Year	85	66	58	68	_____
Net Replacement Rate Total of Replaced and Added Divided by 2	82%	63%	57%	64%	_____
Loss of Chicks to 6 months of Age	12	20	N.A.	20	_____
Cull Income Each	\$.20	\$.34	\$.33	\$.35	_____
Average Number Birds Per Flock	43,105	45,636	40,225	47,569	_____
Dozen Eggs Produced Per Hen	20.5	19.3	18.9	19.5	_____
All Egg Produced Per 365 Hen Days Less: Estimate of Eggs Produced By Pullets Added Before Being Added To Flock	246 4	232 3	227 3	233 3	_____
Estimated Production All Eggs Per 365 Hen Days After 6 Months of Age	242	229	224	230	_____
Average Rate of Production (including eggs laid by hens under 6 mos. of age)	67%	64%	62%	64%	_____
Eggs Sold Wholesale; A,AA,Lrg.&Xlrg.	70	69	68	70	_____
Pounds of Feed For Layers Only	91	89	88	89	_____
Feed Ratio For Layers Only	4.5	4.6	4.7	4.6	_____
Feed Cost Per Dozen, Layers Only	13.2¢	14.4¢	14.7¢	14.3¢	_____
All Feed Used, Replacements & Layers	112	105	94	108	_____
Feed Ratio, Replacements & Layers	5.5	5.4	5.0	5.6	_____
Cost of Feed Per 100 Pounds	\$3.07	\$3.15	\$3.15	\$3.16	_____
Feed Cost For Layers Only	\$2.71	\$2.78	\$2.77	\$2.78	_____
Replacements As Started Pullets	11%	21%	100%	0	_____
Average Cost of Day-old Pullets or Started Pullet Each Purchased	\$.30	\$.30	(S.P.) \$1.58	\$.30	_____
Average Price Received Per Dozen	24.7¢	31.7¢	32.3¢	31.6¢	_____

TABLE A - POULTRY EGG COST STUDY, SAN DIEGO COUNTY - 20 - YEAR SUMMARY 1950 - 1969 Inclusive
Agricultural Extension Service, University of California - San Diego County

Year	Eggs per Hen	% Lrg	% Died	% Culls	% Added	% Increase	Cull Income Each	Lbs. Feed per Layer only	Feed Ratio per Layers only*	Feed Cost			Hired Labor Cost perDoz.	Pullet Chick Cost Each
										per cwt.	per Doz. **	Layers only per Doz.		
1969	232	69	23	36	66	7	\$.34	89	4.6	\$3.15	17.1¢	14.4¢	1.8¢	\$.30
1968	246	70	20	58	85	7	.20	91	4.5	3.07	16.8	13.2	1.7	.30
1967	243	69	18	65	86	3	.20	87	4.3	3.24	17.7	13.5	1.9	.31
1966	247	70	15	66	96	15	.31	90	4.4	3.17	17.6	13.4	1.9	.31
1965	246	70	16	68	95	11	.18	89	4.4	3.12	17.1	13.1	1.7	.31
1964	242	72	15	76	98	7	.21	89	4.4	3.10	17.6	13.5	1.8	.32
1963	243	69	14	63	94	17	.25	88	4.3	3.12	17.2	13.1	1.8	.33
1962	245	72	13	68	106	15	.23	90	4.4	3.08	17.4	13.1	2.2	.35
1961	246	71	13	75	105	17	.29	91	4.4	3.02	16.9	12.9	2.2	.36
1960	241	70	13	71	96	12	.27	89	4.5	2.90	16.6	12.5	2.1	.39
1959	243	68	14	82	107	11	.30	90	4.5	3.23	18.5	14.1	2.1	.43
1958	239	68	14	79	105	12	.46	91	4.6	3.31	19.3	14.8	2.6	.40
1957	235	70	14	68	100	18	.40	91	4.6	3.45	20.2	16.0	1.9	.40
1956	236	69	14	88	102	14	.52	93	4.8	3.63	21.8	16.9	2.5	.40
1955	234	66	17	70	103	16	.56	92	4.8	3.84	24.4	18.0	2.2	.40
1954	235	61	14	86	114	14	.52	94	4.9	3.95	25.2	18.9	2.1	N.A.
1953	228	60	15	76	107	16	.75	95	5.1	4.06	26.5	20.2	2.5	N.A.
1952	231	61	14	82	118	22	.61	96	5.1	4.53	29.7	22.2	2.4	N.A.
1951	222	68	13	74	102	15	.75	100	5.4	4.06	28.5	21.5	2.3	N.A.
1950	217	65	15	64	108	29	.70	98	5.4	3.65	26.3	19.2	1.8	N.A.

* Pounds Feed To One Dozen Eggs.

** Includes Feed Used For Replacement and Layers.

N.A. Not Available.

TABLE B - POULTRY EGG COST STUDY, SAN DIEGO COUNTY - 20-YEAR SUMMARY 1950 - 1969 Inclusive
Agricultural Extension Service, University of California - San Diego County

Year	Av. Flock Size (1000)	Egg Income Per Doz.	Per Doz. Net* Cost Eggs	+Profit -Loss Per Doz.	Egg Income Per Hen	Net Cost Eggs Per Hen	Profit Per Hen	Costs Labor Per Hen	Int. on Invest-ment	Per Deprec. Allow.	Average Misc. Cash Costs	Hen All Feed Cost
1969	46	31.7¢	25.5¢	+ 6.2¢	\$6.13	\$4.92	+\$1.21	\$.36 \$.03	\$.22	\$.14	\$.32	\$3.30
1968	43	24.7	24.8	- 0.1	5.07	5.09	- .02	.36 .01	.21	.14	.23	3.45
1967	44	24.5	26.2	- 1.7	5.00	5.38	- .38	.39 .02	.19	.16	.31	3.57
1966	42	33.2	25.4	+ 7.8	6.84	5.29	+1.55	.40 .02	.20	.15	.30	3.62
1965	29	26.9	25.6	+ 1.3	5.52	5.34	+ .18	.34 .06	.20	.20	.33	3.52
1964	25	27.9	26.2	+ 1.7	5.62	5.35	+ .27	.37 .08	.21	.19	.30	3.55
1963	21	28.4	26.4	+ 2.0	5.73	5.33	+ .40	.36 .07	.23	.23	.34	3.47
1962	16	28.9	27.8	+ 1.1	5.90	5.66	+ .24	.35 .23	.23	.23	.44	3.55
1961	13	31.5	27.5	+ 4.0	6.45	5.65	+ .80	.45 .21	.21	.25	.38	3.47
1960	.9	33.3	28.7	+ 4.6	6.61	5.72	+ .89	.42 .31	.27	.30	.43	3.30
1959	7	29.8	30.9	- 1.1	5.97	6.20	- .23	.38 .44	.26	.29	.42	3.72
1958	6	37.0	31.1	+ 5.9	7.32	6.15	+1.17	.48 .38	.25	.29	.52	3.80
1957	6	36.3	30.8	+ 5.5	7.00	5.95	+1.05	.47 .60	.26	.34	.45	3.91
1956	5	38.4	32.1	+ 6.3	7.45	6.23	+1.22	.49 .64	.26	.35	.43	4.22
1955	4	41.3	32.1	+ 9.3	8.00	6.15	+1.85	.43 .59	.20	.33	.41	4.52
1954	4	36.8	34.1	+ 2.7	7.12	6.59	+ .53	.40 .54	.20	.34	.40	4.86
1953	4	51.5	36.3	+15.2	9.64	6.80	+2.84	.46 .85	.21	.37	.41	4.96
1952	3	46.0	40.8	+ 5.2	8.74	7.75	+ .99	.47 1.04	.24	.38	.35	5.71
1951	3	55.2	40.3	+14.9	9.90	7.20	+2.70	.42 1.34	.25	.38	.41	5.16
1950	2	43.6	35.6	+ 8.0	7.73	6.32	+1.41	.33 .94	.23	.31	.34	4.65

*Total net cost of eggs per dozen and per hen includes all costs: feed, replacement stock, all labor, misc. cash cost of supplies, taxes, and utilities, interest at prevailing rates (i.e. 1969-8%), depreciation at 10% of average bldgs. & equipm't. Cull income and stock value increase are subtracted from costs to give net cost of egg production.

Management costs were considered at 2 cents per dozen during 1964 to 1968. Management cost charged 1 cent per dozen on ranches buying started pullets and 2 cents per dozen buying day-old baby pullets for replacement. During 1959-1963 management cost was considered at 10% of costs. There was no management charge made during the years 1949 to 1958 because flock sizes were smaller and most of the labor used was home supplied rather than hired.