

1970 POULTRY EGG COST STUDY

This study includes production from 883,644 average laying hens on 19 ranches. Five of these ranches purchased 20- to 22-week-old started pullets for replacement while the balance raised their own pullets.

Prepared and Compiled by Robert H. Adolph, Farm Advisor
In 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. The results may be considered as representative of a group of specialized egg-producing ranches with flock sizes varying from over 10,000 layers per ranch to less than 150,000 layers with an average of 46,508 layers per ranch.

The 17 cooperators operating the 19 ranches in this study report results from their own ranch with the purpose of comparing and evaluating their production costs with others on the same record keeping basis.

The overall average results are published so that former cooperators and others in San Diego County may improve their own efficiency by comparing their records with that of the study results.

Housing: Mostly open type, truss construction, metal roof with lath or plastic curtain siding. All of the birds were housed in cages mostly at the rate of 4 inches feed space frontage per bird in 8-, 12-, 24-inch wide cages. Electrical carts and mechanical feeders are generally used for feeding.

Replacement: None of the ranches operated on an all in and out basis. The usual year around 3 to 4 times a year replacement prevailed. The average replacement rate of 70% indicates that a major part of surviving laying hens are still kept for two years of production. The 70%

added replacement is higher than the 1969 rate of 66% added. Also, birds culled increased from 36 to a 50% rate in 1970 over 1969. Mortality rate is about the same of 22% compared to a 23% in 1969. This overall lower rate of lay of 63 and 64% is directly related to lower replacement rates. The replacement rates for 1966-1968 were 10 to 25% greater and laying results were up in the 67 to 68% rates, also.

Feed cost: Higher feed costs were the major cause of higher costs of egg production in 1970. The major change in feed price occurred in the fall so that 1971 costs will still be even higher.

Labor cost: There has been an increase in labor costs part of which is compensated for by more efficient use of labor.

Labor cost of handling chicken manure for fly control will increase costs of labor on poultry farms.

Management as a cost of production: All eggs produced were charged 1¢ per dozen for management costs.

Ranches that raise their own pullets also have a 30¢ per pullet housed management allowance added for the extra management and risks involved of raising replacement pullets.

Interest was figured at 8% based on 65 cents per average layer for land, average inventory value of stock, \$1.75 per layer for buildings and equipment where pullets were raised or \$1.25 per layer if started pullets were purchased.

Depreciation was figured at 10% of the \$1.75 or \$1.25 value used for buildings and equipment.

Costs-per-dozen-eggs: Results from the study indicate that costs per dozen eggs are about the same for pullet and older bird production. The balancing factor involved is that older birds require more pounds of feed per dozen eggs with low replacement cost. Pullets have less feed per dozen eggs but they have a greater replacement cost. It may be that with higher feed costs in prospect that extra cost of feed may make it less profitable to keep birds over 18 months of production.

Outside of the egg quality problem from an old hen, the problem of keeping old hens is that production potential is only about 2/3 to 3/4 that which pullets could produce. The main advantage of old hens is that it does cut down on the average stock investment.

Cost versus income: Interest is a cost of production. A banker would not necessarily consider interest as a cost but rather a source of income. In this study cash cost does not include interest and depreciation but to a rancher making mortgage payments these costs become cash costs. In this study, management is reported as a cost, but in actual practice the poultryman is doing his own management so that management to him is an income. Management is a required service

to egg production and as such some type of cost should be considered in total costs of production.

Eggs produced pay the bills: If it is assumed that eggs can be produced for about the same cost from either old hens or pullets, it could then be considered that a 20,000 flock of pullets may be just as profitable as a flock of 30,000 second year production hens.

It is the purpose of this study to provide data on costs and income which will assist the individual poultryman in making better decisions of management in the poultry egg production business.

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



Robert H. Adolph
Farm Advisor

RHA:s:d

COMPARE YOUR RESULTS WITH SAN DIEGO EGG COST STUDY COOPERATORS, 1968, 1969, and 1970

1. RESULTS PER DOZEN EGGS PRODUCED

	1968 Average All Cents	1969 Average All Cents	1970 Average All Cents	Compare Your Results
Feed Layers Only	13.2¢	14.4¢	15.7¢	_____
Feed Cost for Replacements	3.6	2.7	3.0	_____
Replacement Chicks & Started Pullets	2.1	1.9	2.6	_____
Supplies, Taxes, Utilities, Misc.	1.1	1.7	1.7	_____
Hired Labor Costs	1.7	1.8	2.0	_____
Home Chore Labor	.1	.2	.1	_____
Stock Inventory Value + Charge - Credit	.0	-.1	-.4	_____
Cull Sales - Credit	-.7	-.7	-.6	_____
Net Cash and Labor Cost	21.1¢	21.9¢	24.1¢	_____
Depreciation 10% Average Value of Buildings and Equipment	.6	.7	.9	_____
Interest 8% on Land Stock and Average Value of Buildings and Equipment	1.1	1.1	1.3	_____
Management of Cost Per Dozen	2.0	1.8	1.8	_____
Net Cost of Production Per Doz. Eggs	24.8¢	25.5¢	28.1¢	_____

2. RESULTS PER AVERAGE LAYER (365 hen days)

Feed Layers Only	\$2.71	\$2.78	\$3.01	_____
Feed for Replacements	.74	.52	.57	_____
Replacement Chicks, Started Pullets	.42	.36	.50	_____
Supplies, Taxes, Utilities, Misc.	.23	.32	.32	_____
Hired Labor	.36	.36	.39	_____
Home Chore Labor	.02	.03	.02	_____
Stock Inventory Value + Charge - Credit	+.01	-.02	-.07	_____
Cull Sales - Credit	-.16	-.13	-.12	_____
Net Cash Cost Incl. Home Chore Labor	4.33	4.22	4.62	_____
Depreciation 10% Average Value of Buildings and Equipment	.14	.14	.17	_____
Interest 8% On Land, Stock and Average Value of Buildings and Equipment	.21	.22	.26	_____
Management Per Charge Per Hen	.41	.34	.35	_____
Total Cost Per Hen	\$5.09	\$4.92	\$5.40	_____

COMPARE YOUR RESULTS WITH SAN DIEGO EGG COST STUDY COOPERATORS, 1968, 1969 and 1970

3. LAYING FLOCK, FEED AND OTHER DATA

	1968 Average All	1969 Average All	1970 Average All	Compare Your Results
Died (% layers during year)	20	23	22	_____
Culled (% layers during year)	58	36	50	_____
Total % to Replace During Year	78	59	72	_____
% Added of Av. Number Layers During Year	85	66	70	_____
Net Replacement Rate Total of Replaced and Added Divided by 2	82%	63%	71%	_____
Loss of Chicks to 6 months of Age	12	20	19	_____
Cull Income Each	\$.20	\$.34	\$.25	_____
Average Number Birds Per Flock	43,105	45,636	46,508	_____
Dozen Eggs Produced Per Hen	20.5	19.3	19.2	_____
All Egg Produced Per 365 Hen Days Less: Estimate of Eggs Produced by Pullets Added Before Being Added to Flock	246 4	232 3	230 3	_____
Estimated Production All Eggs Per 365 Hen Days After 6 months of Age	242	229	227	_____
Average Rate of Production (including eggs laid by hens under 6 mos. of age)	67%	64%	63%	_____
Eggs Sold Wholesale: A, AA, Lrg. & XLrg.	70	69	69	_____
Pounds of Feed For Layers Only	91	89	89	_____
Feed Ratio For Layers Only	4.5	4.6	4.6	_____
Feed Cost Per Dozen, Layers Only	13.2¢	14.4¢	15.7¢	_____
All Feed Used, Replacements & Layers	112	105	105	_____
Feed Ratio, Replacements & Layers	5.5	5.4	5.5	_____
Cost of Feed Per 100 Pounds	\$3.07	\$3.15	\$3.43	_____
Feed Cost For Layers Only	\$2.71	\$2.78	\$3.01	_____
Replacements As Started Pullets	11%	21%	26%	_____
Average Cost of Day-old Pullets or Started Pullet Each Purchased	\$.30	\$.30	\$.29	_____
Average Price Received Per Dozen	24.7¢	31.7¢	29.7¢	_____