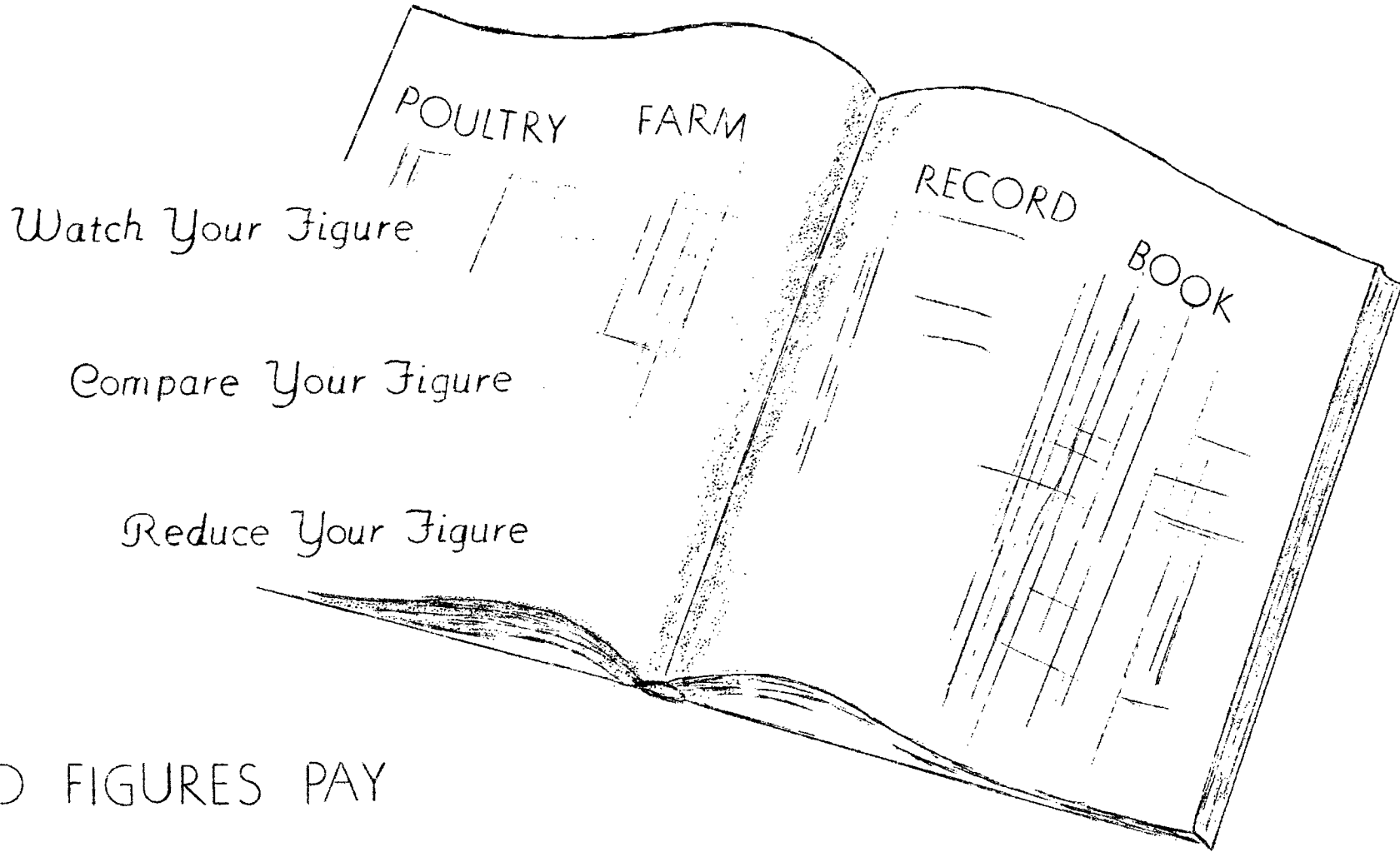


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# Poultry Management Study - 1960



GOOD FIGURES PAY

UNIVERSITY OF CALIFORNIA AGRICULTURAL EXTENSION SERVICE LOS ANGELES COUNTY

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4/61/300

# INTRODUCTION

The data presented in this study was obtained from 9 ranches in Los Angeles County for the year 1960. It must be remembered that these figures do not represent anything but these 9 cooperators.

Poultry cost study results have been used for over 30 years to help cooperators improve their business by keeping and using accurate records. The poultry industry today is in a fast changing period. Technological changes and financing have brought many new and larger operators into the business. They have new plants built for labor efficiency and in most cases are very good record keepers. For this reason, cost study management for those who have not considered it seriously is now one of the most important tools a poultryman must have in order to stay in business.

There are many charts in this report, mainly because the same figures have been used to show management profit per hen, profits per dozen eggs, and cash costs and profits, as well as performance charts. One does not need all these charts to analyze his business, but it is important that every poultryman have some figures kept that will measure his progress over a period of time and that enough records are kept so that weaknesses may be found and corrected.

Figures this year were compared with the 1959 figures, and also, in order to help point out factors which are important for profitable poultry farming, the averages of the top 5 management income ranches were compared with the low 4.

Any poultryman in Los Angeles County wishing further information on this report or about the poultry cost studies may contact the Farm Advisors' Office.

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## Key to Ranch Size

D = Up to 2,500  
E = 2,501 - 5,000  
F = 5,001 - 8,000  
G = 8,001 & Over

# DEFINITION OF TERMS

Costs & Income Per Hen . . . . .	Total units divided by the average number of hens (hen day record) in flock over 24 weeks old
Interest on Investment . . . . .	Is the average investment in land, buildings and equipment, stock, and feed at 5%
Net Farm Income (Chart I). . . . .	Total income minus cash and depreciation costs
Management Income (Chart I). . . . .	Total income minus cash, depreciation, family labor, and interest on investment costs
All Averages . . . . .	Figured on a weighted basis
Family Labor . . . . .	\$1.50 per hour
Feed Conversion. . . . .	Pounds of feed to produce 1 dozen eggs
Change in Stock Inventory. . . . .	Is the value of stock on hand at the end of the year minus the stock on hand at the beginning of the year
Cost Per Dozen Eggs (Chart II). . . . .	Total costs divided by total dozen eggs laid
Net Costs Per Dozen Eggs . . . . .	Total costs minus income not eggs
Cash Costs . . . . .	All cash expenditures only (interest on money borrowed not considered)
Egg - Feed Ratio . . . . .	Number of pounds of feed 1 dozen eggs will buy

## Chart I- INCOME AND EXPENSE PER HEN (\$ PER HEN)

Serial Number	INCOME					CASH AND DEPRECIATION COSTS						Net Farm Income	NONCASH COSTS		Mgt. Income
	Egg Sales	Culls	Misc. Income	Stock Invent. Change	Total Income	Feed	Chicks	Misc.	Hired Labor	Depreciation	Total		Family Labor	Interest on Invest.	
16	7.48	.15	--	-.28	7.35	3.64	.20	.45	.22	.29	4.80	2.55	.51	.16	1.88
13	6.52	.19	.04	.19	6.94	3.79	.39	.32	--	.08	4.58	2.36	.89	.24	1.23
7	7.94	.15	--	.42	8.51	4.29	.36	.53	--	--	5.18	3.33	2.05	.18	1.10
6	7.03	.23	--	-.09	7.17	3.19	.26	.48	.29	.70	4.92	2.25	.81	.43	1.01
1	6.30	.24	.02	.22	6.78	3.50	.27	.66	.43	.50	5.36	1.42	.40	.15	.87
8	6.98	.20	.01	1.24	8.43	4.34	.77	.52	.27	.53	6.43	2.00	1.08	.44	.48
3	6.88	.18	--	-.07	6.99	4.29	.60	.21	.38	.07	5.55	1.44	1.07	.21	.16
18	5.81	.34	--	.53	6.68	3.58	.61	.49	--	.33	5.01	1.67	1.22	.39	.06
9	5.74	.10	--	-.29	5.55	3.74	.22	.31	.29	.36	4.92	.63	.55	.20	-.12
Avg. Hi 5	6.78	.20	.02	.07	7.07	3.63	.31	.45	.18	.30	4.87	2.20	.73	.23	1.24
Avg. Lo 4	6.35	.19	--	.32	6.86	4.00	.52	.37	.25	.35	5.49	1.37	.93	.30	.14
Avg. 1960	6.66	.20	.01	.14	7.01	3.74	.37	.43	.20	.31	5.05	1.96	.78	.25	.93
Avg. 1959	5.94	.22	.09	.10	6.35	4.01	.38	.41	.31	.41	5.52	.83	.83	.27	-.27

Note: The higher income and lower costs for the Hi 5 ranches compared with the Low 4.

# Chart II - COST PER DOZEN EGGS (IN CENTS)

Serial Number	CASH AND DEPRECIATION COSTS					Total C&D	NONCASH COSTS		Total Costs	NONEGG INCOME				Net Cost /Doz.	Avg. Egg Price	Mgmt. Income
	Total Feed	Chick Cost	Misc.	Hired Labor	Depreciation		Family Labor	Interest on Invest.		Culls	Misc.	Stock Invent. Change	Total			
16	16.8	.9	2.1	1.0	1.3	22.1	2.3	.8	25.2	.7	--	-1.3	.6	25.8	34.4	8.6
13	18.2	1.9	1.5	--	.4	22.0	4.3	1.2	27.5	.9	.2	.9	2.0	25.5	31.4	5.9
7	18.8	1.6	2.3	--	--	22.7	8.9	.8	32.4	.6	--	1.9	2.5	29.9	34.7	4.8
6	15.6	1.3	2.3	1.4	3.4	24.0	4.0	2.1	30.1	1.1	--	-.4	.7	29.4	34.3	4.9
1	18.8	1.4	3.6	2.3	2.7	28.8	2.1	.8	31.7	1.3	.1	1.2	2.6	29.1	33.8	4.7
8	20.2	3.7	2.4	1.2	2.4	29.9	5.0	2.1	37.0	.9	--	5.8	6.7	30.3	32.5	2.2
3	23.9	3.3	1.2	2.1	.4	30.9	5.9	1.2	38.0	1.0	--	-.4	.6	37.4	38.3	.9
18	19.8	3.4	2.7	--	1.9	27.8	6.7	2.2	36.7	1.9	--	2.9	4.8	31.9	32.3	.4
9	20.3	1.2	1.7	1.6	2.0	26.8	3.0	1.0	30.8	.5	--	-1.6	-1.1	31.9	31.3	-.6
Avg. Hi 5	17.7	1.5	2.2	.9	1.5	23.8	3.5	1.1	28.4	1.0	.1	.3	1.4	27.0	33.1	6.1
Avg. Lo 4	21.0	2.7	2.0	1.3	1.8	28.8	4.9	1.6	35.3	1.0	--	1.7	2.7	32.6	33.3	.7
Avg. 1960	18.6	1.8	2.2	1.0	1.5	25.1	3.9	1.3	30.3	1.0	--	.7	1.7	28.6	33.2	4.6
Avg. 1959	20.0	1.9	2.0	1.6	2.1	27.6	4.1	1.4	33.1	1.1	.4	.5	2.0	31.1	29.7	-1.4

Note: In figuring cost per dozen of eggs, nonegg income is subtracted from total gross costs to give net cost of eggs. Net costs are then subtracted from average egg income to get management income per dozen eggs.

# Chart III - CASH COSTS

\$ PER HEN

Serial Number	Egg Sales	CASH COSTS					Total	Minus Income Not Egg (Culls, Inventory Diff., Misc)	Total Net Cash Cost	Net Cash Income	NONCASH COSTS Family Labor, & Depreciation, Interest on Investment	Net Total Cost	Mgt. Income
		Total Feed	Chick Cost	Misc.	Hired Labor								
16	7.48	3.64	.20	.45	.22	4.51	- .13	4.64	2.84	.96	5.60	1.88	
13	6.52	3.79	.39	.32	--	4.50	.42	4.08	2.44	1.21	5.29	1.23	
7	7.94	4.29	.36	.53	--	5.18	.57	4.61	3.33	2.23	6.84	1.10	
6	7.03	3.19	.26	.48	.29	4.22	.14	4.08	2.95	1.94	6.02	1.01	
1	6.30	3.50	.27	.66	.43	4.86	.48	4.38	1.92	1.05	5.43	.87	
8	6.98	4.34	.77	.52	.27	5.90	1.45	4.45	2.53	2.05	6.50	.48	
3	6.88	4.29	.60	.21	.38	5.48	.11	5.37	1.51	1.35	6.72	.16	
18	5.81	3.58	.61	.49	--	4.68	.87	3.81	2.00	1.94	5.75	.06	
9	5.74	3.74	.22	.31	.29	4.56	- .19	4.75	.99	1.11	5.86	- .12	
Avg. Hi 5	6.78	3.63	.31	.45	.18	4.57	.29	4.28	2.50	1.26	3.76	1.24	
Avg. Lo 4	6.35	4.00	.52	.37	.25	5.14	.51	4.63	1.72	1.58	6.21	.14	
Avg. 1960	6.66	3.74	.37	.43	.20	4.74	.35	4.39	2.27	1.34	5.73	.93	
Avg. 1959	5.94	4.01	.38	.41	.31	5.11	.41	4.70	1.24	1.51	6.21	- .27	
¢ PER DOZEN													
16	34.4	16.8	.9	2.1	1.0	20.8	- .6	21.4	13.0	4.4	25.8	8.6	
13	31.4	18.2	1.9	1.5	--	21.6	2.0	19.6	11.8	5.9	25.5	5.9	
7	34.7	18.8	1.6	2.3	--	22.7	2.5	20.2	14.5	9.7	29.9	4.8	
6	34.3	15.6	1.3	2.3	1.4	20.6	.7	19.9	14.4	9.5	10.4	4.9	
1	33.8	18.8	1.4	3.6	2.3	26.1	2.6	23.5	10.3	5.6	29.1	4.7	
8	32.5	20.2	3.7	2.4	1.2	27.5	6.7	20.8	11.7	9.5	30.3	2.2	
3	38.3	23.9	3.3	1.2	2.1	30.5	.6	29.9	8.4	7.5	37.4	.9	
18	32.3	19.8	3.4	2.7	--	25.9	4.8	21.1	11.2	10.8	31.9	.4	
9	31.3	20.3	1.2	1.7	1.6	24.8	- 1.1	25.9	5.4	6.0	31.9	- .6	
Avg. Hi 5	33.1	17.7	1.5	2.2	.9	22.3	1.4	20.9	12.2	6.1	27.0	6.1	
Avg. Lo 4	33.3	21.0	2.7	2.0	1.3	27.0	2.7	24.3	9.0	8.3	32.6	.7	
Avg. 1960	33.2	18.6	1.8	2.2	1.0	23.6	1.7	21.9	11.3	6.7	28.6	4.6	
Avg. 1959	29.7	20.0	1.9	2.0	1.6	25.5	2.0	23.5	6.2	7.6	31.1	-1.4	

Note: Cash costs are all cash expenditures (excluding interest payments).  
 Depreciation is then considered a noncash cost with family labor plus interest on investment.  
 Net cash income = All actual money expenditures minus nonegg income subtracted from egg income.



# Chart IV - LABOR COSTS & MANAGEMENT INCOME

Serial Number	MGT. INCOME		Total Hours Per Hen	LABOR				TOTAL LABOR		Total Eggs/Hen
	Per Hen \$	Per Doz. ¢		HIRED		FAMILY		Per Hen \$	Per Doz. ¢	
				Per Hen \$	Per Doz. ¢	Per Hen \$	Per Doz. ¢			
16	1.88	8.6	.5	.22	1.0	.51	2.3	.73	3.3	260.8
13	1.23	5.9	.6	--	--	.89	4.3	.89	4.3	250.7
7	1.10	4.8	1.3	--	--	2.05	8.9	2.05	8.9	274.5
6	1.01	4.9	.8	.29	1.4	.81	4.0	1.10	5.4	245.1
1	.87	4.7	.7	.43	2.3	.40	2.1	.83	4.4	223.7
8	.48	2.2	.9	.27	1.2	1.08	5.0	1.35	6.2	258.0
3	.16	.9	1.1	.38	2.1	1.07	5.9	1.45	8.0	215.8
18	.06	.4	.8	--	--	1.22	6.7	1.22	6.7	216.2
9	- .12	- .6	.7	.29	1.6	.55	3.0	.84	4.6	220.7
Avg. Hi 5	1.24	6.1	.7	.18	.9	.73	3.5	.91	4.4	245.8
Avg. Lo 4	.14	.7	.8	.25	1.3	.93	4.9	1.18	6.2	228.8
Avg. 1960	.93	4.6	.7	.20	1.0	.78	3.9	.98	4.9	241.0
Avg. 1959	- .27	-1.4	.8	.31	1.6	.83	4.1	1.14	5.7	243.0

Note: Differences in total hours per hen are influenced by ranch layout, equipment, and labor efficient practices employed.

# Chart V - FEED & FLOCK PERFORMANCE COMPARISONS

Serial Number	Eggs /Hen	FEED CONSUMPTION			Estimate Feed Conversion per Layer	Total Feed Conversion Per Hen & Replacements	Avg. Feed Cost /Doz. ¢	% Mortality	% Culled	% Added	% Change	Avg. Egg Price ¢	Net Cost of Eggs /Doz.	% Feed Cost of Net Cost	Egg Feed Ratio	Mgmt. Income /Doz. ¢
		Total	Young	Hens												
16	260.8	116.6	23.6	93.0	4.3	5.4	16.8	15	53	95	+ 33	34.4	25.8	65	11.0	8.6
13	250.7	124.7	26.0	98.7	4.7	6.0	18.2	10	71	104	+ 28	31.4	25.5	71	10.4	5.9
7	274.5	130.7	30.4	100.3	4.4	5.7	18.8	10	53	122	+104	34.7	29.9	63	10.6	4.8
6	245.1	112.0	21.8	90.2	4.4	5.5	15.6	16	77	87	- 1	34.3	29.4	53	12.0	4.9
1	223.7	116.7	24.0	92.7	5.0	6.3	18.8	18	72	96	+ 6	33.8	29.1	65	11.3	4.7
8	258.0	136.8	36.3	100.5	4.7	6.4	20.2	13	82	145	+ 70	32.5	30.3	67	10.2	2.2
3	215.8	131.6	20.9	110.7	6.2	7.3	23.9	10	78	84	- 4	38.3	37.4	64	11.9	.9
18	216.2	118.4	31.0	87.4	4.9	6.6	19.8	18	104	124	- 32	32.3	31.9	62	10.7	.4
9	220.7	118.5	27.0	91.5	5.0	6.4	20.3	16	58	108	+ 43	31.3	31.9	64	9.9	- .6
Avg. Hi-5	248.8	119.7	24.6	95.1	4.6	5.8	17.7	14	68	98	+ 20	33.1	27.0	66	10.9	6.1
Avg. Lo-4	228.8	126.5	28.8	97.7	5.1	6.6	21.0	14	77	115	+ 24	33.3	32.6	64	10.5	.7
Avg. 1960	241.0	121.6	25.8	95.8	4.8	6.1	18.6	14	70	103	+ 21	33.2	28.6	65	10.8	4.6
Avg. 1959	243.0	119.6	22.1	97.5	4.9	6.0	20.0	15	73	88	+ .4	29.7	31.1	64	8.9	-1.4

Note: Summaries of flock performances indicate many differences when comparing Hi Five vs. Low Four.  
 Note effect of egg production on feed conversion.

## Chart VI - MISCELLANEOUS COMPARISONS

Serial Number	Price Per Cull	Cost Per Chick	Feed Cost /100#	Price Rec'd / Doz. Eggs	EGG SIZES				% Sold Retail	Total Labor Cost /Bird	Pullet Mortality	Hen Mortality	Avg. No. of Layers
					% Large	% Med.	% Small	% Com'l					
	¢	¢	\$	¢						\$			
16	29.1	36.8	3.12	34.4	63	28	5	4	5	.73	3	15	6,948.1
13	25.6	27.2	3.03	31.4	--	--	--	--	1	.89	20	10	13,850.4
7	27.3	30.9	3.28	34.7	76	20	4	--	4	2.05	8	10	1,062.3
6	30.2	29.4	2.85	34.3	72	24	3	1	3	1.10	9	16	4,798.0
1	33.6	22.1	3.00	33.8	72	20	4	4	4	.83	16	18	8,016.1
8	24.6	35.1	3.18	32.5	61	28	6	5	4	1.35	6	13	3,731.5
3	23.9	38.8	3.20	38.3	--	--	--	--	19	1.45	--	10	3,223.6
18	32.3	31.7	3.02	32.3	59	33	7	1	--	1.22	8	18	2,441.3
9	19.0	37.0	3.15	31.3	51	33	10	6	13	.84	8	16	4,453.9
Avg. Hi-5	28.8	27.2	3.03	33.1	70	23	4	3	3	.91	15	14	6,935.0
Avg. Lo-4	25.0	27.9	3.16	33.3	57	31	8	4	12	1.18	7	14	3,462.6
Avg. 1960	27.6	30.1	3.08	33.2	65	26	6	3	7	.98	13	14	5,391.7
Avg. 1959	30.3	35.7	3.35	29.7	65	25	6	4	5	1.14	17	15	4,397.5

# Chart VII - TEN YEARS OF COST STUDY AVERAGES

## (\$ PER HEN)

Year	INCOME					CASH AND DEPRECIATION COSTS						Net Farm Income	NONCASH COSTS		Mgt. Income
	Egg Sales	Culls	Misc. Income	Stock Invent. Change	Total Income	Feed	Chicks	Misc.	Hired Labor	Deprec.	Total		Family Labor	Interest on Invest.	
1951	10.80	2.71	.15	.66	14.32	7.12	.98	.52	.45	.29	9.36	4.96	1.26	.39	3.31
1952	8.57	1.30	.11	.36	10.34	6.39	.67	.60	.22	.25	8.13	2.21	.97	.27	.97
1953	10.00	.80	.09	.42	11.31	5.65	.63	.55	.27	.28	7.38	3.93	1.05	.28	2.60
1954	7.63	.65	.06	.07	8.41	5.37	.47	.45	.26	.29	6.84	1.57	1.26	.29	.02
1955	8.52	.74	.08	.21	9.55	5.04	.56	.52	.30	.27	6.69	2.86	1.12	.29	1.45
1956	7.34	.38	.04	.00	7.76	4.55	.40	.31	.37	.34	5.97	1.79	.61	.36	.82
1957	7.11	.33	.02	.18	7.64	4.36	.43	.37	.27	.35	5.78	1.86	.65	.32	.89
1958	7.61	.45	.10	.29	8.45	4.06	.62	.43	.50	.43	6.04	2.41	.52	.36	1.53
1959	5.94	.22	.09	.10	6.35	4.01	.38	.41	.31	.41	5.52	.83	.83	.27	-.27
1960	6.66	.20	.01	.14	7.01	3.74	.37	.43	.20	.31	5.05	1.96	.78	.25	.93

TRENDS TO NOTE: Lower Egg Income  
 Lower Cull Income  
 Much Lower Gross Income

Lower Feed Costs  
 Increased Depreciation Costs (possibly due to equipment or quicker write off).  
 Total Cost of Production Getting Lower  
 Labor Costs Slowly Going Down (total hours per bird reduced, cost of labor increasing).