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A Five-Year Summary of Egg Production Costs and Income
of Layer Flocks on the SDSU Flock Record Program

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Flockowners cooperating in the South Dakota State University Flock Record Program submitted operating and fixed cost figures after their flocks were closed out. These data and their income data are summarized for the 5 years 1971-72 through 1975-76. The data years run from 1 July to 30 June.

The summarized data are presented in table 1. The average flock size has increased slightly from 8,581 to 9,409. Net Pullet Cost shows a 16% increase from \$1.53 in 1971 to \$1.78 in 1975.

Note that the feed cost increased 88% from 13.68 to 25.70 cents per dozen. Feed accounted for 70% of the total cost of production in 1975 as compared to 56% in 1971-72. Other operating costs including maintenance, utilities, insurance on buildings and equipment and miscellaneous rose from 0.86 to 0.92 cents per dozen. Medication was not listed as a separate cost for most of these flocks.

Total operating costs as a percent of the total cost of producing a dozen eggs, excluding labor and management, increased from 90 to 96% (22.14 cents in 1971 to 34.92 cents in 1975).

Note that the data as shown in table 1 indicate that fixed costs have gone down. This seems to be due to less depreciation now being charged to flocks as the buildings and equipment increase in age. Fixed costs per dozen eggs were cut in half percentagewise. They were reduced from 10% to 4% of the total cost of production over the 5-year period.

The average cost of producing a dozen eggs, excluding labor and management, increased 48.6% from 24.54 cents in 1971-72 to 36.47 cents in 1975-76. The average income per dozen during the same time increased 72% from 24.3 to 41.78 cents. Percentagewise, income was only 99% of the cost of production in 1971, 97.3% in 1972 and then rose to 144% of the cost of production in 1973-74. It was 134% in 1974-75 and 115% in 1975-76. It appears that increased costs of production during this period have been more than offset by increased income.

Return to labor and management varied from a negative 0.63 cents per dozen in 1972-73 to a high of 13.74 cents in 1973-74 and was 5.31 cents in 1975-76.

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Table 1. Operating and Fixed Costs for Layer Flocks on the South Dakota State University Flock Record Program, 1971-1976

Factor	1971-72	1972-73	1973-74	1974-75	1975-76
Flock size	8581	9101	9409	8932	9409
OPERATING COSTS	\$	\$	\$	\$	\$
Initial cost per pullet	1.70	1.67	1.62	1.80	1.96
Insurance and interest/pullet	0.06	0.09	0.07	0.06	0.06
Less salvage value/pullet	<u>0.23</u>	<u>0.34</u>	<u>0.33</u>	<u>0.18</u>	<u>0.23</u>
Net pullet cost	1.53	1.42	1.36	1.68	1.78
	Average cost per dozen	Average cost per dozen	Average cost per dozen	Average cost per dozen	Average cost per dozen
	Cents	Cents	Cents	Cents	Cents
Net pullet cost	7.60	6.53	6.18	7.31	8.30
Feed cost	13.68	14.08	22.25	23.63	25.70
Medication cost	0.03	0.02	0.00	0.04	0.00
Maintenance cost	0.17	0.11	0.24	0.29	0.13
Utilities cost	0.48	0.40	0.46	0.51	0.63
Insurance on bldg. and equip.	0.11	0.11	0.14	0.12	0.12
Miscellaneous costs	<u>0.07</u>	<u>0.02</u>	<u>0.16</u>	<u>0.04</u>	<u>0.04</u>
Total operating costs	22.14	21.26	29.43	31.94	34.92
FIXED COSTS					
Building depreciation	0.61	0.77	0.56	0.41	0.59
Equipment depreciation	0.88	0.82	0.72	0.41	0.40
Interest on investment	0.69	0.65	0.53	0.55	0.48
Taxes	<u>0.23</u>	<u>0.08</u>	<u>0.11</u>	<u>0.10</u>	<u>0.08</u>
Total fixed costs per dozen	2.40	2.32	1.92	1.47	1.55
TOTAL PRODUCTION COSTS	24.54	23.58	31.35	33.41	36.47
(excluding labor and mgmt.)					
Average income	24.30	22.95	45.09	44.81	41.78
Return to labor and management	-0.24	-0.63	13.74	11.40	5.31