

South Dakota State University
**Open PRAIRIE: Open Public Research Access Institutional
Repository and Information Exchange**

South Dakota Poultry Field Day Proceedings and
Research Reports, 1974

Animal Science Reports

1974

Summary of Costs and Income of Layer Flocks on the SDSU Record Program

Phillip E. Plumart
South Dakota State University

Follow this and additional works at: http://openprairie.sdstate.edu/sd_poultry_1974

Recommended Citation

Plumart, Phillip E., "Summary of Costs and Income of Layer Flocks on the SDSU Record Program" (1974). *South Dakota Poultry Field Day Proceedings and Research Reports, 1974*. Paper 17.
http://openprairie.sdstate.edu/sd_poultry_1974/17

This Report is brought to you for free and open access by the Animal Science Reports at Open PRAIRIE: Open Public Research Access Institutional Repository and Information Exchange. It has been accepted for inclusion in South Dakota Poultry Field Day Proceedings and Research Reports, 1974 by an authorized administrator of Open PRAIRIE: Open Public Research Access Institutional Repository and Information Exchange. For more information, please contact michael.biondo@sdstate.edu.

South Dakota State University
Brookings, South Dakota

Department of Animal Science
Poultry Section

A.S. Series 74-24

Summary of Costs and Income of Layer Flocks on the SDSU Record Program

Phillip E. Plumart¹

Nine flockowners cooperating in the South Dakota State University Computerized Flock Record Keeping Program submitted operating costs, fixed costs and hired labor figures after their flocks were closed between July, 1973, and June, 1974.

The figures were submitted to the computer and a business analysis report for each flock was prepared for the flockowner. The report was divided into four sections--income, egg production costs, return to labor and management and flock performance. Summaries of the income and flock performance of all 25 flocks closed on the program for this year are included in A.S. Series No. 74-14 entitled "Flock Record Summary." Only those flocks for which the additional records were received will be covered in this report.

The egg production costs section was divided into two parts--operating costs and fixed costs. The average figures and the range for the nine flocks are recorded in Tables 1, 3 and 4. The summarized data are compared to the data of 16 other flocks closed out between October, 1971, and April, 1972, and 16 flocks closed out between March, 1972, and June, 1973, as reported in A.S. Series 72-11 (September, 1972) and A.S. Series 73-13 (October, 1973). However, the discussion here will pertain only to the 1973-74 flocks. The size of each flock for 1973-74 averaged 9,409 birds. The average cost of producing a dozen eggs, excluding labor and management, was 31.35 cents. The average income per dozen for all eggs sold was 45.09 cents, which left the flockowners with a return of 13.74 cents per dozen for labor and management.

The operating costs of 29.43 cents per dozen were about 94% of the total cost for producing a dozen eggs excluding labor and management. The net cost of the pullet was 6.18 cents or about 20%. The initial pullet cost averaged \$1.63, insurance and interest on pullets amounted to another 7.6 cents per pullet and salvage value for the old hens decreased the cost by an average of 34.0 cents per pullet, so that the net cost per pullet was \$1.365.

Feed accounted for about 71.0% of the cost of production. Each dozen eggs took an average of 22.25 cents worth of feed that averaged 5.28 cents per pound, with a range from 4.23 to 7.01 cents per pound. This represents a new high, in 1972-73 feed costs were 59% of the total.

The rest of the operating costs were maintenance, utilities, insurance on buildings and equipment and miscellaneous items that averaged 0.24, 0.46, 0.14 and 0.16 cents, respectively. Medication was not listed as a separate cost for any of these flocks.

¹Assistant Professor and Extension Poultryman.

Fixed costs are high first costs but represent a very small part of the total cost of producing a dozen eggs. In this sample, fixed costs amounted to 1.92 cents per dozen, about 6.1% of the total operating and fixed costs for the flocks. Building depreciation averaged 0.56 cents, equipment depreciation averaged 0.72 cents, interest on investment averaged 0.53 cents, and taxes averaged 0.11 cents per dozen eggs.

Return to labor and management varied from a profit of 6.20 to 17.87 cents per dozen for all eggs sold (Table 2). The high income flock used feed costing \$90.73 per ton and averaged 61.64% hen-day production with an income of 50.59 cents for all eggs sold. The lowest income flock had a \$84.78 per ton feed cost, 67.46% hen-day production and received 29.32 cents per dozen for all eggs sold.

Table 1. Operating and Fixed Costs for Layer Flocks on the South Dakota State University Flock Record Program, 1971-72¹, 1972-73¹ and 1973-74²

Factor	Average 1971-72	Average 1972-73	Average 1973-74	Range 1973-74
Flock size	8,581	9,101	9,409	4,500 - 15,150
	¢/doz.	¢/doz.	¢/doz.	¢/doz.
Total operating cost	22.14	21.26	29.43	21.01 - 37.16
Total fixed costs	2.40	2.32	1.92	0.67 - 3.72
Total production costs (excluding labor and mgmt.)	24.54	23.58	31.35	23.12 - 39.11
Average income	24.30	22.95	45.09	29.32 - 50.59
Return to labor and management	-0.24	-0.63	13.74	6.20 - 17.87

¹Sixteen different flocks in each period.

²Nine different flocks.

Table 2. Range of Return Per Dozen to Labor and Management for Layer Flocks, 1971-72¹, 1972-73¹ and 1973-74²

Return 1971-72	Return 1972-73	Return 1973-74
cents/dozen	cents/dozen	cents/dozen
-6.34 to +3.75	-4.40 to +6.06	6.20 to 17.87

¹Sixteen different flocks in each period.

²Nine different flocks.

Table 3. Operating Costs of Layer Flocks on the South Dakota State University Flock Record Program, 1971-72¹, 1972-73¹ and 1974²

Factor	Average cost	Average cost	Average cost	Range
	1971-72	1972-73	1973-74	1973-74
	cents	cents	cents	cents
Initial cost per pullet	170.00	167.00	162.78	150.00 - 172.00
Insurance and interest/pullet	6.00	8.72	7.62	0.00 - 14.99
Less salvage value/pullet	22.60	34.00	33.90	16.40 - 86.95
Net pullet cost	153.40	141.72	136.50	92.22 - 154.63
	¢/doz.	¢/doz.	¢/doz.	¢/doz.
Net pullet cost	7.60	6.53	6.18	4.06 - 7.72
Feed cost	13.68	14.08	22.25	15.51 - 28.66
Medication cost	0.03	0.02	0.00	0.00 - 0.00
Maintenance cost	0.17	0.11	0.24	0.04 - 0.72
Utilities cost	0.48	0.40	0.46	0.33 - 0.60
Insurance on bldg. and equip.	0.11	0.11	0.14	0.05 - 0.37
Miscellaneous costs	0.07	0.02	0.16	0.00 - 0.82
Total operating costs	22.14	21.26	29.43	21.01 - 37.16

¹Sixteen different flocks in each period.

²Nine different flocks.

Table 4. Fixed Costs of Layer Flocks on the South Dakota State University Flock Record Program, 1971-72¹, 1972-73¹ and 1973-74²

Factor	Average cost	Average cost	Average cost	Range
	per dozen	per dozen	per dozen	per dozen
	1971-72	1972-73	1973-74	1973-74
	cents	cents	cents	cents
Building depreciation	0.61	0.77	0.56	0.22 - 1.12
Equipment depreciation	0.88	0.82	0.72	0.00 - 1.23
Interest on investment	0.69	0.65	0.53	0.12 - 1.25
Taxes	0.23	0.08	0.11	0.04 - 0.43
Total fixed costs per dozen	2.40	2.32	1.92	0.67 - 3.72

¹Sixteen different flocks in each period.

²Nine different flocks.