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Animal Science Reports

1971

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Recommended Citation

Plumart, Phillip E. and Banzer, Boyd J., "The Cost of Producing Eggs" (1971). *South Dakota Poultry Field Day Proceedings and Research Reports, 1971*. Paper 3.
http://openprairie.sdstate.edu/sd_poultry_1971/3

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A.S. Series 71-2

THE COST OF PRODUCING EGGS

Phillip E. Plumart¹ and Boyd J. Bonzer²

A computerized flock record keeping system has been developed at South Dakota State University. A report is computed monthly from data received from about 60 flockowners. The report is published so that cooperators and others may improve their own efficiency by comparing and evaluating their production costs and flock performance with other flocks on the report.

Utilizing these data and other data available we have calculated the cost of producing eggs in this area for the first five months of 1971 and compared them to similar data available from 19 ranches totaling 883,644 laying hens in San Diego County, California. These figures are shown in Table 1.

According to our data, the average cost of producing a dozen of eggs for the first 5 months of 1971 in our area was 27.67 cents, excluding management and labor. Feed costs were up to an average of \$71.17 per ton as compared to \$66.84 for the flock record participants in 1970. Using an average feed conversion of 4.3 pounds of feed per dozen eggs, as per our 1971 data, the total cost of feed was 15.31 cents per dozen eggs produced.

Interest is included as a separate cost of production because, to a poultryman making mortgage payments, these become real cash costs.

According to Robert Adolph, farm advisor for San Diego, California, management and labor costs are reported seperately. In actual practice, the South Dakota poultryman is usually doing his own management so that management and labor return are combined in one figure.

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TABLE 1. SUMMARY OF EGG PRODUCTION COSTS FOR THE FIRST 5 MONTHS OF 1971

SOUTH DAKOTA		SAN DIEGO COUNTY, CALIFORNIA	
	COST PER DOZ. EGGS (CENTS)		COST PER DOZ. EGGS (CENTS)
FEED (4.3 lbs. per dozen eggs @ 3.558 cents per lb.)	15.31	FEED (4.6 lbs. per dozen eggs @ 3.7 cents per lb.)	17.0
NET PULLET REPLACEMENT (\$1.75 for 20.5 dozen eggs per pullet housed less salvage income)	7.79	NET PULLET REPLACEMENT (\$1.88 for 25 dozen eggs per pullet housed less salvage income)	7.5
DEPRECIATION (@ \$3.50 - 10% on buildings and equipment)	1.70	DEPRECIATION (@ \$1.90 - 10% rate on buildings and equipment)	1.0
INTEREST (\$2.76 investment @ 8% and 19 dozen eggs per layer per year)	1.16	INTEREST (\$3.60 investment @ 8% and 19 dozen eggs per layer per year)	1.5
CASH COSTS (Utilities, repairs, taxes and insurance)	1.71	CASH COSTS (Utilities, taxes, and all other cash costs)	1.0
TOTAL COSTS, EXCLUDING LABOR AND MANAGEMENT	27.67	TOTAL COSTS, EXCLUDING LABOR AND MANAGEMENT	28.0
LABOR AND MANAGEMENT	3.00	(Labor 2.0 cents, and management 1.0 cents)	3.0
TOTAL ALL COSTS	30.67		31.0