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Entering the egg industry with laying cages

W Ward

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ENTERING THE EGG INDUSTRY WITH LAYING CAGES

DEPARTMENT of Agriculture Bulletin 3579, "Entering the Egg Industry with Laying Cages", by W. Ward, examines various aspects of the cage system of housing laying hens. This system is by far the most popular method of housing layers, with 90 per cent. of new farms using cages and many deep litter farms now converting to cages.

The bulletin gives prospective farmers a good indication of the considerable amount of money involved in establishing a 3,000 bird farm, which is a size suitable for one full time unit of labour.

Subjects covered include choosing the site for the farm, its relation to markets, electricity, water supply and other amenities. It also covers the cost of erecting a laying shed, brooding and rearing facilities, as well as the running costs and the expected returns to the farmer.

Establishment costs

The capital required to purchase the land (without a residence), and build and equip the laying shed for 3,000 layers with two birds to a cage is about $14,000 with an additional $3,000 to $9,000 for the brooder and rearing sheds and equipment, depending on which rearing method is adopted. A semi-intensive system of rearing requires much less capital than the all-wire system of rearing.
Up to this stage a minimum of $17,000 or a possible $23,000 capital investment has occurred if the farm buildings and equipment are erected and assembled by contract. Considerable savings are possible if the farmer can do the building himself with a little outside help.

Rearing costs

The bulletin points out that a farmer should anticipate an average of 30 per cent. wastage from day old to the end of the laying year through deaths from disease and culling backward or unproductive birds. With this in view the farmer would be well advised to purchase 3,800 day-olds to ensure that the best use is made of the capital invested in the laying shed keeping as close to 3,000 layers throughout the year as possible.

The cost of rearing the pullets from day old to 22 weeks old using commercial feed has been estimated at $4,882 for an average of 3,500 pullets during the rearing stage.

Laying cost

Expenditure during the laying stage, using commercial feeds, has been estimated at $11,096 for an average of 3,040 birds. This figure includes the running costs of artificial lights, medication and insoluble grit. Each bird is anticipated to have eaten about 93 lb. of feed during the laying period.

A further $2,000 has been allowed for sundry items such as rates and taxes, vehicle charge, and interest.

If commercial feed is used throughout the rearing and laying stage a total annual running cost of about $18,000 is incurred. The bulletin points out that several farmers are able to make a considerable saving on feed costs by mixing their own rations for layers and growing stock from six or eight weeks old. Savings as high as 10 per cent. have been mentioned for layers’ feed. On a 3,000 bird flock, this amounts to $1,170 annually, or one-third as much again as the estimated profit returned by 3,000 layers in a year. However, it must be stressed that the use of good quality feeds should always be made as ill-directed savings in feeding can seriously affect production.

Revenue

The level of egg production and the net return for the eggs are the two main factors influencing returns. Good production throughout the year must be maintained if the farm is to pay. Sale of cull hens, and of old hens and manure, are important subsidiaries to the main income and profit, as can be seen from the following tables.

<table>
<thead>
<tr>
<th>RETURNS</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average 16 dozen eggs from each of 3,040 pullets at 40 cents a dozen net (i.e., 40 cents includes an allowance for hen levy)</td>
<td>19,456</td>
</tr>
<tr>
<td>Sale of manure</td>
<td>500</td>
</tr>
<tr>
<td>Sale of hens at 42 cents each</td>
<td>1,277</td>
</tr>
<tr>
<td><strong>Total Returns</strong></td>
<td><strong>$21,233</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURE</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost during laying period</td>
<td>11,096</td>
</tr>
<tr>
<td>Cost during rearing period</td>
<td>4,882</td>
</tr>
<tr>
<td>Sundry costs</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>$17,978</strong></td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td><strong>$3,255</strong></td>
</tr>
</tbody>
</table>

A farmer employing no hired help but with occasional help from the family would on this basis have an annual income of $3,255 or 97 cents a bird housed at 22 weeks or $1-07 a bird on the average number of birds on hand throughout the year.

In broad terms, $17,000 to $23,000 is required for the establishment of a 3,000 bird laying farm with a further $18,000 for running expenses to secure an annual net income of about $1-00 per layer.