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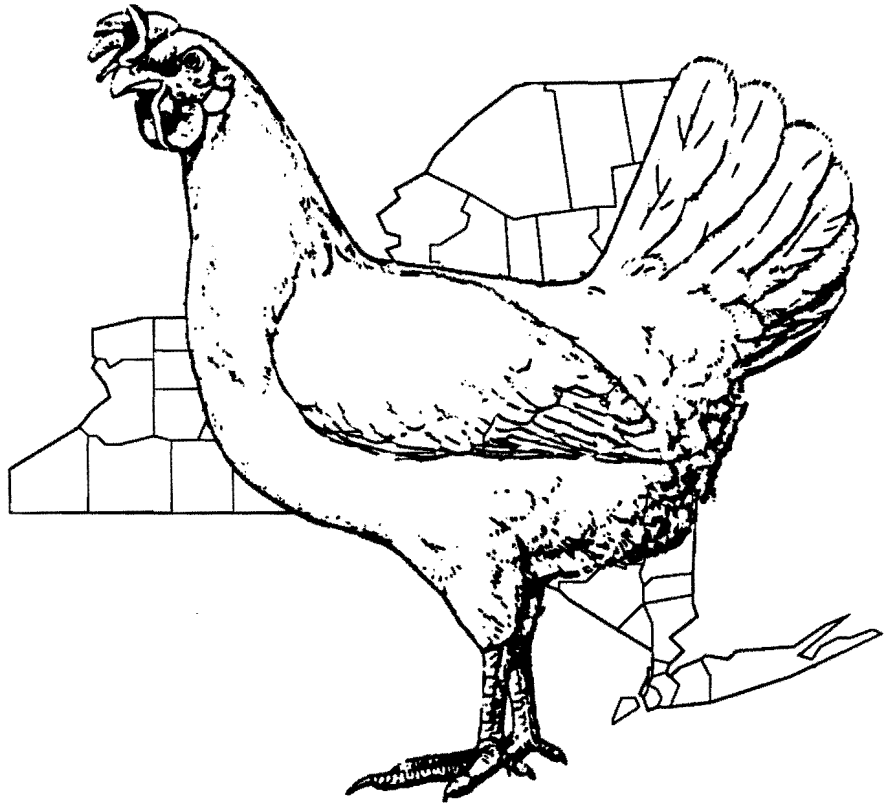
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January 1990

A.E. Ext. 90-2

# POULTRY FARM BUSINESS SUMMARY

## POULTRY FARM BUSINESS SUMMARY NEW YORK 1988



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1988 POULTRY FARM BUSINESS SUMMARY  
NEW YORK STATE

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ABSTRACT

This report is a summary of 1988 farm business data collected from 11 poultry farm businesses located throughout New York State. Egg sales comprised 94 percent of total receipts. The data are presented as averages for the 11 farms. The business analysis includes a balance sheet, income statement, poultry analysis, and several financial and production analyses for the farms. Blank columns are included in the tables for the user to enter his or her own farm data for comparison purposes.

**Acknowledgements** - The authors are research associate and regional poultry specialists respectively. Appreciation is expressed to the cooperating poultry farmers who provided the data summarized in this report. Also, the authors appreciate reviews of this report and helpful comments by Professors G. L. Casler and E. L. LaDue of the Department of Agricultural Economics.

1988 NEW YORK  
POULTRY FARM BUSINESS SUMMARY

INTRODUCTION

For many years, poultry farmers throughout New York State have been invited to participate in Cornell Cooperative Extension's poultry farm business summary program. Each participating farmer receives a comprehensive business summary and analysis of his or her farm business. This report presents averages for the data submitted from 11 farms located throughout New York State. Summaries received by farmers participating in the program provide data that may be entered in blanks provided in this report for comparison.

The primary objective of the poultry farm business summary, PFBS, program is to help farm managers improve the financial management of their business through appropriate use of historical farm data and the application of modern farm business analysis techniques. The PFBS identifies the business and financial information farmers need and provides a framework for use in identifying and evaluating the strengths and weaknesses of the farm business for making plans for the future.

A computer program is used in the field by the Cornell Cooperative Extension poultry specialists. This program enables an analysis to be produced on the farm as soon as the farmer's data are entered. This provides rapid processing of the information for timely use in the management of the farm business.

The 11 farms in this study received an average of 94 percent of their 1988 receipts from the sale of eggs. The businesses included various combinations of egg production, processing, marketing and pullet raising. Five farms engaged in grain production, mostly corn for feed to be milled on the farm. The data were not obtained by using a random sample of all poultry farms in New York. Therefore, the analysis should not be used to represent the New York poultry industry.

Format Features  
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This report provides a set of tables which comprise a comprehensive analysis of the participating poultry farms. Worksheets are included to give poultry farmers an opportunity to summarize their business. The analysis tables have a blank column or section labeled "My Farm". That section or column may be used by an individual to compare his or her business with the average data presented.

This report features:

- (1) a complete BALANCE SHEET including financial ratios,
- (2) an INCOME STATEMENT including accrual accounting adjustments for farm business expenses and receipts, as well as measures of profitability with and without appreciation,
- (3) a CASH FLOW STATEMENT and REPAYMENT ANALYSIS,
- (4) analyses of CAPITAL EFFICIENCY, EQUIPMENT, and LABOR,
- (5) a POULTRY ANALYSIS with various cost factors, and
- (6) a THREE YEAR COMPARISON of selected business factors.

Poultry Trends in Recent Years

Layer numbers and egg production continue to decline in New York State. Both factors are about 55 percent of their levels for a decade ago. Over the same period, egg production per layer has increased gradually by about six percent. Egg prices and layer feed costs have varied widely. Egg prices have ranged from a high of 70 cents per dozen for 1984 to a low of 46 cents for 1988. Feed prices increased during the first half of the decade to a high of \$227 per ton for 1983; then prices declined to a low of \$164 per ton for 1987. In 1988, feed prices increased substantially due to drought effects on feed grain yields.

The price received for eggs has a major effect on farm profitability. This price may be influenced by the marketing efforts of the farmer but it is also affected by factors outside the farmer's control. These may include the supply of layers, the economy, government policies, and consumer demand.

Table 1. EGG PRODUCTION AND PRICES AND FEED PRICES  
New York State, 1979-1988

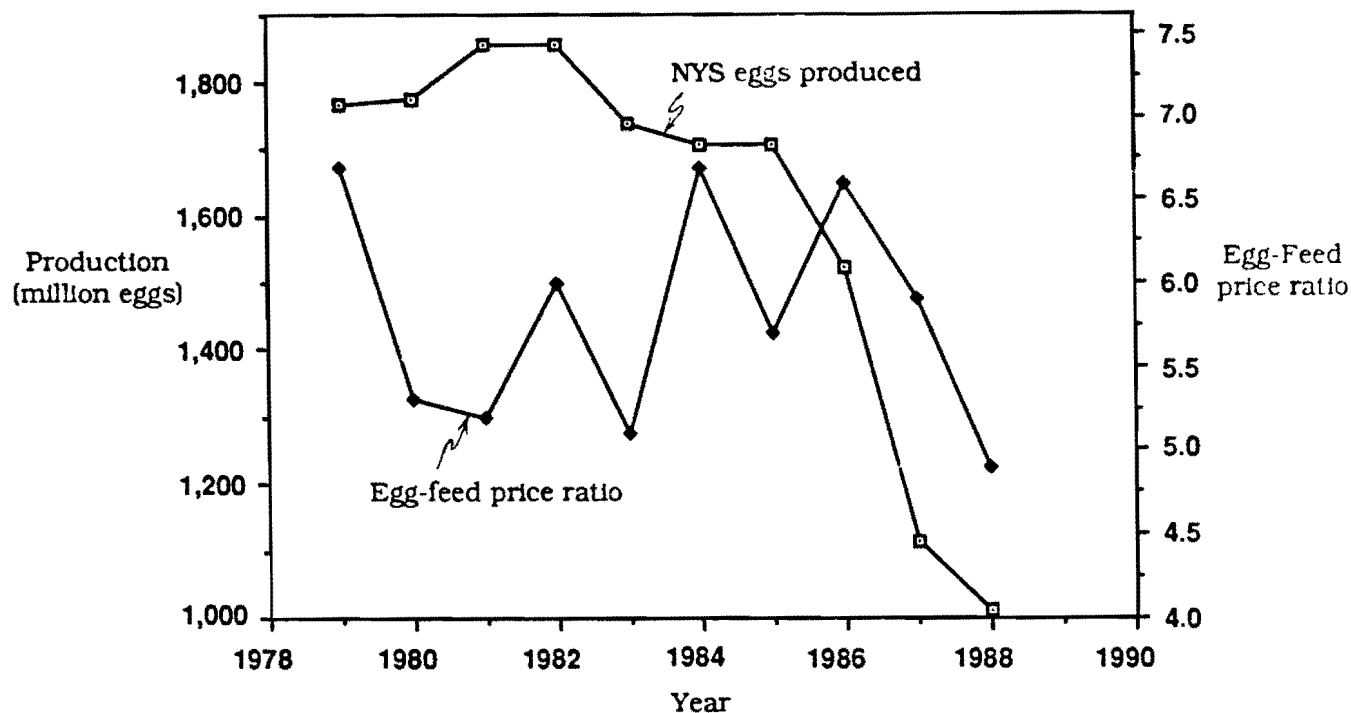
Year	Number of layers (thous)	Eggs produced (million)	Eggs per layer (number)	Farm egg price per doz (cents)	Farm feed price per ton \$	Egg-feed price ratio *
1979	7,158	1,767	247	54.4	165	6.7
1980	7,112	1,776	250	50.3	193	5.3
1981	7,402	1,858	251	56.7	215	5.2
1982	7,394	1,859	251	54.6	192	6.0
1983	6,899	1,741	252	56.7	227	5.1
1984	6,692	1,710	256	70.0	216	6.7
1985	6,712	1,710	255	55.0	190	5.7
1986	6,125	1,523	249	58.2	175	6.6
1987	4,367	1,115	255	48.6	164	5.9
1988	3,878	1,013	261	45.6	195	4.9

\* Pounds of feed equal in value to one dozen eggs, quarterly averages.

Source: New York Agricultural Statistics, 1988-1989;  
New York Agricultural Statistics Service

The egg-feed price ratio relates egg prices and feed prices. Feed costs are the single most important cost of egg production and comprise nearly half of the cost of production. The ratio indicates the pounds of feed equal in value to one dozen eggs. Higher ratios are generally indicative of more favorable economic circumstances for the egg producer. Figure 1 shows the trend in egg production and the volatility of the egg-feed price ratio over the past decade.

**Figure 1. New York State Egg Production and Egg-Feed Price Ratio, 1979-1988**



Source: New York Agricultural Statistics, 1988-1989;  
New York Agricultural Statistics Service

**SUMMARY AND ANALYSIS OF THE FARM BUSINESS**

**Business Characteristics**

Finding the right management strategies is an important part of operating a successful farm business. Various combinations of farm resources, enterprises, business arrangements, and management techniques are used by poultry farmers in New York. The following table shows important farm business characteristics and the number of farmers reporting these characteristics.

Table 2. **BUSINESS CHARACTERISTICS**  
11 Poultry Farms, New York, 1988

Type of Business:	No.	Business Record System:	No.
Proprietors	4	ELFAC	1
Partnerships	4	Account Book	2
Corporations	3	On-Farm Computer	8
<b>Business Composition:</b>		<b>No.</b>	
Egg production		11	
with: Processing and marketing		9	
Pullets raised		7	
Crops raised		5	

## Farm Financial Status

The first step in evaluating the financial status of the farm business is to construct a balance sheet which identifies all the assets and liabilities of the business. The second step is to evaluate the relationship between assets, liabilities, and net worth and changes that occurred during the year.

Financial lease obligations are included in the balance sheet. The present value of all future payments is listed as a liability since the farmer is committed to make the payments by signing the lease. The present value is also listed as an asset, representing the future value

Table 3. 1988 FARM BUSINESS BALANCE SHEET  
11 New York Poultry Farms, December 31

Farm Assets	1987		1988		Farm Liabilities & Net Worth	1987		1988	
		\$		\$			\$		\$
<b>Current</b>					<b>Current: &lt; 1 yr</b>				
Cash, checking, sav	2,201	35,269			Accounts payable	21,355	84,817		
Accounts receivable	55,433	89,238			Operating debt	16,297	7,510		
Prepaid expenses	614	614			Short term	66,919	106,891		
Feed & supplies	131,613	176,347			Advanced govt recpts	0	0		
					Accrued interest	0	0		
<b>Total current</b>	<b>189,861</b>	<b>301,468</b>			<b>Total current</b>	<b>104,571</b>	<b>199,218</b>		
<b>Intermediate</b>					<b>Intermediate: &gt; 1 to &lt; 10 yr</b>				
Poultry- Layers	185,336	220,986			Structured debt	204,462	262,685		
Pullets	42,916	68,848							
Other livestock	0	1,871			Fin lease- Lvstk, Eq	7,704	4,604		
Livestock leased	0	0							
Equipment owned	894,870	945,534			FLB/PCA stock	12,772	17,870		
Equipment leased	7,704	4,604							
FLB/PCA stock	12,772	17,870							
Other stock, certs	91	91							
<b>Total intermediate</b>	<b>1,143,690</b>	<b>1,259,804</b>			<b>Total intermediate</b>	<b>224,937</b>	<b>285,159</b>		
<b>Long Term</b>					<b>Long Term: &gt; 10 yr</b>				
<b>Land/buildings:</b>					Structured debt	127,768	186,345		
Owned	979,518	1,074,162			Fin lease-structures	2,031	1,059		
Structures leased	2,031	1,059							
<b>Total long term</b>	<b>981,549</b>	<b>1,075,221</b>			<b>Total long term</b>	<b>129,799</b>	<b>187,404</b>		
<b>Total Farm:</b>					<b>Total Farm:</b>				
<b>Assets</b>	<b>2,315,099</b>	<b>2,636,493</b>			Liabilities	459,307	671,781		
					Net Worth	1,855,792	1,964,712		
					Liab & Net Worth	2,315,099	2,636,493		

the item has to the business.

Some poultry farmers who participate in the feed grain program may receive early payments. These advanced government receipts are included as current liabilities if they represent income that has been received but will not be earned until the next year. Payments received in 1988 that are for participation in the 1989 program are the year end balance and payments received in 1987 for participation in the 1988 program are the beginning year balance.

The table below provides a format for the reader to use to develop a balance sheet for an individual's farm business.

Table 4.		1988 FARM BUSINESS BALANCE SHEET		Date _____	
		My Farm, December 31			
Farm Assets	1987	1988	Farm Liabilities & Net Worth	1987	1988
Current			Current: < 1 yr		
-----	\$	\$	-----	\$	\$
Cash, checking, sav	_____	_____	Accounts payable	_____	_____
Accounts receivable	_____	_____	Operating debt	_____	_____
Prepaid expenses	_____	_____	Short term	_____	_____
Feed & supplies	_____	_____	Advanced govt recpts	_____	_____
			Accrued interest	_____	_____
Total current	_____	_____	Total current	_____	_____
Intermediate			Intermediate: > 1 to < 10 yr		
-----			-----		
Poultry- Layers	_____	_____	Structured debt	_____	_____
Pullets	_____	_____			
Other livestock	_____	_____	Fin lease- Lvstk, Eq	_____	_____
Livestock leased	_____	_____			
Equipment owned	_____	_____	FLB/PCA stock	_____	_____
Equipment leased	_____	_____			
FLB/PCA stock	_____	_____			
Other stock, certs	_____	_____			
Total intermediate	_____	_____	Total intermediate	_____	_____
Long Term			Long Term: -> 10 yr		
-----			-----		
Land/buildings:			Structured debt	_____	_____
Owned	_____	_____			
Structures leased	_____	_____	Fin lease-structures	_____	_____
Total long term	_____	_____	Total long term	_____	_____
Total Farm:			Total Farm:		
Assets	_____	_____	Liabilities	_____	_____
			Net Worth	_____	_____
			Liab & Net Worth	_____	_____



The balance sheet analysis involves an examination of financial and debt ratios measuring levels of debt. Percent equity is calculated by dividing end of year net worth by end of year assets. The debt to asset ratio is compiled by dividing liabilities by assets. Low debt to asset ratios reflect strength in solvency and the potential capacity to borrow. Debt levels per unit of production include some old standards that are still useful if used with measures of cash flow and repayment ability. The change in farm net worth without appreciation is an excellent indicator of financial progress.

Table 5. FARM BUSINESS BALANCE SHEET ANALYSIS  
11 New York Poultry Farms, December 31, 1988

Item	6 farms Poultry only	5 farms Poultry & crops	All 11 farms	My Farm
Average number of layers	92,181	188,248	135,848	_____
Financial Ratios - end of year				
Percent equity	55%	81%	75%	_____ %
Debt to asset ratios				
Total debt	0.45	0.19	0.25	_____
Long term	0.46	0.07	0.17	_____
Current & intermediate	0.44	0.27	0.31	_____
Change in Net Worth				
Without appreciation	\$ 1,718	\$ 177,039	\$ 82,402	\$ _____
With appreciation	\$ 7,090	\$ 231,115	\$ 108,920	\$ _____
Debt Analysis - end of year				
Percent of total farm debt that is:				
Long term	46%	14%	28%	_____ %
Current & intermediate (incl A/P)	54%	86%	72%	_____ %
Accounts payable	7%	17%	13%	_____ %
Debt Levels - end of year				
	Per layer	Per layer	Per layer	Per layer
Total farm debt	\$5.32	\$4.02	\$4.50	\$ _____
Long term	2.46	0.55	1.26	_____
Current & intermediate	2.85	3.47	3.25	_____

The farm inventory balance (next page) is an accounting of the value of assets used on the balance sheet and the changes that occur from the beginning to end of year. Net investment indicates whether the capital stock is being expanded (positive) or depleted (negative).

Table 6.

FARM INVENTORY BALANCE  
11 New York Poultry Farms, 1988

Item	Average		My Farm	
	Real Estate	Equipment	Real Estate	Equipment
Value- beginning of year	(1) \$ 981,549	\$ 894,870	\$ _____	\$ _____
Purchases	\$ 138,890 a	\$ 156,519	\$ _____	\$ _____
+ Nonfarm noncash transfers	0	0	_____	_____
- Lost capital	0		_____	_____
- Sales	0	2,697	_____	_____
- Depreciation	48,901	96,208	_____	_____
- Net investment	(2) \$ 89,989	\$ 57,613	\$ _____	\$ _____
Appreciation	(3-1-2) 3,683 b	(6,950)	_____	_____
Value- end of year	(3) \$ 1,075,221	\$ 945,534	\$ _____	\$ _____

a These purchases include \$0 for land and \$138,890 for buildings.  
b RE appreciation excludes \$0 of appreciation on assets sold during the year.

Income Statement

On the following pages the accrual adjusted income statement begins with an accounting of all farm business expenses.

CASH PAID is the actual amount of money paid out during the year and does not necessarily represent the cost of goods and services actually used.

CHANGE IN INVENTORY adjusts expenses for the actual level of inputs used. An increase in inventory is subtracted in computing accrual expenses because it represents purchased inputs not actually used during the year. A decrease in inventory is added to expenses because it represents the cost of inputs purchased in a prior year and used this year.

CHANGES IN PREPAID EXPENSES apply to non-inventory categories. Included are expenses that have been paid in advance of their use, for example, next year's rent paid this year. A positive change is an amount paid in a previous year that is an expense for this year; a negative change indicates an amount paid this year that is an expense for a future year.

For CHANGE IN ACCOUNTS PAYABLE, an increase in payables is an expense chargeable to this year but not paid at the end of the year. A decrease in payables is an expense for a previous year that was paid this year.

ACCRUAL EXPENSES are the costs of inputs actually used in this year's production.

The worksheet on page 9 is provided to enable any poultry farmer to compare his or her expenses and receipts with the group averages in the corresponding tables.

Table 7. CASH AND ACCRUAL FARM EXPENSES  
 11 New York Poultry Farms, 1988

EXPENSES	Cash amount paid	Change in inventory or prepaid + expense	Change in accounts payable +	Accrual expenses =
Hired Labor (excl oper) \$	181,319	\$ 0	\$ 0	\$ 181,319
<b>Feed</b>				
Layer	683,109	(2,690)	61,558	741,977
Grower	121,613	0	1,905	123,517
Other	0	0	0	0
<b>Equipment</b>				
Machine hire, eq rent	23,659	0	0	23,659
Leased equipment	3,497	0	0	3,497
Repairs & parts	17,515	0	0	17,515
Auto exp - farm share	585	0	0	585
Fuel, oil & grease	14,337	(75)	0	14,261
<b>Livestock</b>				
Replacements - chicks	73,687	0	0	73,687
pullets	37,280	0	0	37,280
Poultry vet & medicine	9,176	0	0	9,176
Production supplies	9,166	390	0	9,556
Proc & marketing suppl	207,148	(43,772)	0	163,376
Nonpoultry expenses	5,401	(576)	0	4,825
<b>Crops</b>				
Fertilizer & lime	5,061	0	0	5,061
Seeds & plants	5,215	0	0	5,215
Spray, other crop exp	4,056	0	0	4,056
<b>Real Estate</b>				
Repair- land,bldg,fence	4,440	0	0	4,440
Taxes	14,250	0	0	14,250
Rent	7,246	0	0	7,246
Leased structures	1,170	0	0	1,170
<b>Other Expenses</b>				
Insurance	31,749	0	0	31,749
Telephone- farm share	3,594	0	0	3,594
Electricity- farm share	42,293	0	0	42,293
Eggs purch for resale	260,446	0	0	260,446
Interest paid	46,063	0	0	46,063
Miscellaneous	15,631	0	0	15,631
TOTAL OPERATING EXPENSES \$	1,828,706	\$ (46,723)	\$ 63,462	\$ 1,845,445
Expansion poultry \$	54,085	0	0	54,085
Deprec- Equipment				96,208
Buildings				48,901
TOTAL ACCRUAL EXPENSES				\$ 2,044,639

Table 8.

CASH AND ACCRUAL FARM EXPENSES  
My Farm, 1988

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EXPENSES	Cash amount paid	Change in inventory or prepaid + expense	Change in accounts payable	= Accrual expenses
Hired Labor (excl oper)	\$ _____	\$ _____	\$ _____	\$ _____
Feed				
Layer	_____	_____	_____	_____
Grower	_____	_____	_____	_____
Other	_____	_____	_____	_____
Equipment				
Machine hire, eq rent	_____	_____	_____	_____
Leased equipment	_____	_____	_____	_____
Repairs & parts	_____	_____	_____	_____
Auto exp - farm share	_____	_____	_____	_____
Fuel, oil & grease	_____	_____	_____	_____
Livestock				
Replacements - chicks	_____	_____	_____	_____
pullets	_____	_____	_____	_____
Poultry vet & medicine	_____	_____	_____	_____
Production supplies	_____	_____	_____	_____
Proc & marketing suppl	_____	_____	_____	_____
Nonpoultry expenses	_____	_____	_____	_____
Crops				
Fertilizer & lime	_____	_____	_____	_____
Seeds & plants	_____	_____	_____	_____
Spray, other crop exp	_____	_____	_____	_____
Real Estate				
Repair- land, bldg, fence	_____	_____	_____	_____
Taxes	_____	_____	_____	_____
Rent	_____	_____	_____	_____
Leased structures	_____	_____	_____	_____
Other Expenses				
Insurance	_____	_____	_____	_____
Telephone- farm share	_____	_____	_____	_____
Electricity- farm share	_____	_____	_____	_____
Eggs purch for resale	_____	_____	_____	_____
Interest paid	_____	_____	_____	_____
Miscellaneous	_____	_____	_____	_____
TOTAL OPERATING EXPENSES	\$ _____	\$ _____	\$ _____	\$ _____
Expansion poultry	\$ _____	_____	_____	_____
Deprec- Equipment	_____	_____	_____	_____
Buildings	_____	_____	_____	_____
TOTAL ACCRUAL EXPENSES				\$ _____

---

Table 9. CASH AND ACCRUAL FARM RECEIPTS  
11 New York Poultry Farms, 1988

RECEIPTS	Cash receipts +	Change in inventory a +	Change in accounts recvble	Accrual receipts =
Egg sales	\$ 1,898,937	\$ 105	\$ 33,805	\$ 1,932,848
Fowl	27,165	24,810	0	51,975
Pullets	19,637	8,859	0	28,496
Other lvstk & products	0	0	0	0
Crops	15,881	(2,095)	0	13,786
Gov't program receipts	15,213	0 b	0	15,213
Custom machine work	1,221		0	1,221
Other	23,851		0	23,851
- Nonfarm noncash capital		(412) c		(412)
<b>TOTAL OPERATING RECEIPTS</b>	<b>\$ 2,001,905</b>	<b>\$ 31,267</b>	<b>\$ 33,805</b>	<b>\$ 2,066,977</b>

a Change in egg inventory, livestock inventory w/o appreciation and total change in crops inventory.

b Change in advanced government receipts.

c Gifts & inheritances of livestock and crops.

CASH RECEIPTS include the amount received during the year from the sale of farm products, services and government programs.

CHANGES IN INVENTORY are calculated by subtracting beginning of year values from end of year values excluding appreciation. Changes in both crop and livestock inventories are calculated. Changes in advanced government receipts are calculated by subtracting the end year balance from the beginning year balance.

CHANGES IN ACCOUNTS RECEIVABLE are calculated by subtracting beginning year balances from end year balances.

ACCRUAL RECEIPTS represent the value of all farm commodities and services generated by the farm business during the year.

Table 10. CASH AND ACCRUAL FARM RECEIPTS - My Farm

RECEIPTS	Cash receipts +	Change in inventory +	Change in accounts recvble	Accrual receipts =
Egg sales	\$ _____	\$ _____	\$ _____	\$ _____
Fowl	_____	_____	_____	_____
Pullets	_____	_____	_____	_____
Other lvstk & products	_____	_____	_____	_____
Crops	_____	_____	_____	_____
Gov't program receipts	_____	_____	_____	_____
Custom machine work	_____	_____	_____	_____
Other	_____	_____	_____	_____
- Nonfarm noncash capital	_____	_____	_____	_____
<b>TOTAL OPERATING RECEIPTS</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

Profitability Analysis

Farm owner-operators contribute labor, management, and capital to their businesses. The best combination of these resources maximizes net income. Farm profitability can be measured as the return to all family resources or as the return to one or more individual resources such as labor and management.

NET FARM INCOME is the total combined return to the farm owner/operators and unpaid family members for their labor, management, and equity capital. It is the farm family's or management's net annual return from working, managing, financing, and owning the farm business.

Net farm income is computed both with and without appreciation. Appreciation represents the change in values caused by annual changes in prices of livestock, equipment, real estate inventory, and stocks and certificates (other than FLB and PCA). Appreciation is a major factor contributing to changes in farm net worth and must be included for a complete profitability analysis.

Table 11 shows a lower average net farm income for "Poultry only" farms than for farms with "Poultry and crops". This can be attributed to several factors including fewer eggs sold, a lower average price per dozen, and higher feed costs per dozen eggs produced. (Tables 24 & 25)

Table 11. NET FARM INCOME  
11 New York Poultry Farms, 1988

Item	6 farms Poultry only	5 farms Poultry & crops	All 11 farms	My farm
Total accrual receipts	\$1,232,776	\$3,065,835	\$2,066,977	\$ _____
+ Appreciation:				
Livestock	15,133	49,549	29,784	_____
Equipment	(12,338)	(484)	(6,950)	_____
Real estate	2,578	5,010	3,683	_____
Other- Stock & cert	+ 0	+ 0	+ 0	+ _____
= Total accrual receipts with appreciation	\$1,238,149	\$3,119,910	\$2,093,494	\$ _____
- Total accrual expenses	-1,330,161	-2,902,013	-2,044,639	- _____
= Net Farm Income				
with appreciation	\$ (92,012)	\$ 217,897	\$ 48,855	\$ _____
				\$ _____
Net Farm Income without appreciation	\$ (97,385)	\$ 163,822	\$ 22,338	\$ _____

RETURN TO OPERATORS' LABOR, MANAGEMENT, AND EQUITY CAPITAL measures the total business profits for the farm operator(s). It is calculated by deducting a charge for unpaid family labor from net farm income. Operators' labor is not included in unpaid family labor. Return to operators' labor, management, and equity capital has been calculated both with and without appreciation. Appreciation is considered an important part of the return to ownership of farm assets.

Table 12. RETURN TO OPERATORS' LABOR, MANAGEMENT AND EQUITY CAPITAL  
11 New York Poultry Farms, 1988

Item	6 farms Poultry only	5 farms Poultry & crops	All 11 farms	My Farm
With appreciation:				
Net farm income	\$ (92,013)	\$ 217,897	\$ 48,855	\$ _____
- Family unpaid labor @ \$700 per month	- 1,633	- 1,540	- 1,591	- _____
= Return to operators' labor management, & equity	\$ (93,646)	\$ 216,357	\$ 47,264	\$ _____
Without appreciation:				
Net farm income	\$ (97,385)	\$ 163,822	\$ 22,338	\$ _____
- Family unpaid labor @ \$700 per month	- 1,633	- 1,540	- 1,591	- _____
= Return to operators' labor management, & equity	\$ (99,018)	\$ 162,282	\$ 20,747	\$ _____

LABOR AND MANAGEMENT INCOME is the return which farm operators receive for their labor and management used in operating the farm business. Appreciation is not included as part of the return to labor and management because it results from ownership of assets rather than management of the farm business. Labor and management income is calculated by deducting the opportunity cost of using equity capital, at a real interest rate of five percent, from the return to operators' labor, management, and equity capital excluding appreciation. The interest charge of five percent reflects the long-term average rate of return above inflation that a farmer might expect to earn in investments of comparable risk.

Table 13. LABOR AND MANAGEMENT INCOME  
11 New York Poultry Farms, 1988

Item	6 farms Poultry only	5 farms Poultry & crops	All 11 farms	My Farm
Without appreciation:				
Return to operators' labor, management, & equity	\$ (99,018)	\$ 162,282	\$ 20,747	\$ _____
- Real interest @ 5% on average equity capital	- 32,944	- 170,595	- 95,513	- _____
= Labor & Management Income per Farm	\$ (131,962)	\$ (8,313)	\$ (74,766)	\$ _____
Labor & Management Income per Operator	\$ (104,409)	\$ (3,118)	\$ (39,319)	\$ _____

RETURN ON EQUITY CAPITAL measures the net return remaining for the farmer's equity or owned capital after a charge has been made for the owner-operator's labor and management as well as interest on borrowed

capital. The earnings or amount of net farm income allocated to labor and management is the opportunity cost of operators' labor and management estimated by the cooperators. Return on equity capital is calculated with and without appreciation. The rate of return on equity capital is determined by dividing the amount returned by the average farm net worth or equity capital.

RETURN ON TOTAL CAPITAL is calculated by adding interest paid to the return on equity capital and then dividing by average farm assets to calculate the rate of return on total capital. It indicates the rate of return earned by this business on all of the funds used in the business.

Table 14. RETURN ON EQUITY CAPITAL AND TOTAL CAPITAL  
11 New York Poultry Farms, 1988

Item	6 farms Poultry only	5 farms Poultry & crops	All 11 farms	My Farm
Average number of layers	92,181	188,248	135,848	_____
Average EQUITY capital	\$ 658,874	\$3,411,906	\$1,910,252	\$ _____
Average TOTAL capital	\$1,098,373	\$4,128,703	\$2,475,796	\$ _____
Returns WITH appreciation:				
Return to operators' labor, management & equity capital	\$ (93,646)	\$ 216,357	\$ 47,265	\$ _____
- Value of ops' lab & mgmt	- 32,500	- 56,200	- 43,273	- _____
= Return on avg. EQUITY capital	\$ (126,146)	\$ 160,157	\$ 3,992	\$ _____
+ Interest paid	+ 38,688	+ 54,912	+ 46,063	+ _____
= Return on avg. TOTAL capital	\$ (87,458)	\$ 215,069	\$ 50,055	\$ _____
Rates of return on:				
Average EQUITY capital	-19.1%	4.7%	0.2%	_____ %
Average TOTAL capital	-8.0%	5.2%	2.0%	_____ %
Returns WITHOUT appreciation:				
Return on avg. equity capital with appreciation	\$ (126,146)	\$ 160,157	\$ 3,992	\$ _____
- Total appreciation	- 5,373	- 54,075	- 26,517	- _____
= Return on avg. EQUITY capital	\$ (131,519)	\$ 106,082	\$ (22,525)	\$ _____
+ Interest paid	+ 38,688	+ 54,912	+ 46,063	+ _____
= Return on avg. TOTAL capital	\$ (92,831)	\$ 160,994	\$ 23,538	\$ _____
Rates of return on:				
Average EQUITY capital	-20.0%	3.1%	-1.2%	_____ %
Average TOTAL capital	-8.5%	3.9%	1.0%	_____ %

Cash Flow Statement

Completing an annual cash flow statement is an important step in understanding the sources and uses of funds for the business. The ANNUAL CASH FLOW STATEMENT is structured to include all cash inflows and outflows for the year. In Table 15, space is provided for a complete list of transactions by category. Total cash inflows must equal total



cash outflows when beginning and end balances are included. Any imbalance, therefore, could indicate a duplicate, error, or omission of an important cash transaction. A balanced cash flow statement helps to insure accurate accounting of all cash transactions for the business. Understanding last year's cash flow is the first step toward planning and managing cash flow for the current and future years.

Table 15. ANNUAL CASH FLOW STATEMENT

Item	My Farm
<b>Cash Inflows</b>	
Beginning farm cash, checking & savings	\$ _____
Cash farm receipts	_____
Sale of assets:	
Equipment	_____
Real estate	_____
Other stock & certificates	_____
Money borrowed:	
Increase in operating debt	_____
Short term	_____
Intermediate	_____
Long term	_____
Refinanced debt	_____
Nonfarm:	
Income	_____
Capital used in business	_____
Money borrowed	_____
Total Cash Inflows	(1) \$ _____
<b>Cash Outflows</b>	
Cash farm expenses (excl interest paid)	\$ _____
Capital purchases:	
Expansion livestock	_____
Equipment	_____
Real estate	_____
Other stock & certificates	_____
Debt payments:	
Principal payments for:	
Decrease in operating debt	_____
Short term	_____
Intermediate	_____
Long term	_____
Refinanced debt	_____
Interest paid	_____
Personal withdrawals and family expenditures including nonfarm debt payments and corporation operator labor costs	_____
Ending farm cash, checking & savings	_____
Total Cash Outflows	(2) \$ _____
Imbalance (error)	(1-2) \$ _____

Repayment Analysis

The second step in cash flow analysis is to compare the debt payments planned for this year with the amount actually paid. The measures listed below provide a number of different perspectives on the repayment performance of the business. However, the critical question to many farmers and lenders is whether planned payments can be made in 1989. Worksheets are provided in Tables 18 and 19 to help farmers in each group to project next year's receipts and expenses and to estimate repayment ability for comparison with the planned 1989 debt payments shown below.

Table 16. FARM DEBT PAYMENTS PLANNED

Debt Payments	Planned	My Farm 1988 Payments Made a	Planned 1989
Accts payable (net reduction)	\$ _____	\$ _____	\$ _____
Operating (net reduction)	_____	_____	_____
Short term (prin & interest)	_____	_____	_____
Intermediate (prin & interest)	_____	_____	_____
Long term (prin & interest)	_____	_____	_____
Total debt payments	\$ _____	\$ _____	\$ _____
Payments as a % of:			
total accrual receipts	_____ %		
total accrual egg receipts	_____ %	_____ %	
Payments per layer	\$ _____	\$ _____	
Payments per dz eggs sold	\$ _____	\$ _____	

a Actual payments excluding refinanced debt.

The CASH FLOW COVERAGE RATIO measures the ability of the farm business to meet its planned debt payment schedule. The ratio shows the percentage of planned payments that could have been made with last year's available cash flow.

Table 17. CASH FLOW COVERAGE RATIO

Item	My Farm
Cash farm receipts	\$ _____
- Cash farm expenses	_____
+ Interest paid	_____
- Net personal withdrawals from farm a	_____
= Amount available for debt service (1)	\$ _____
Debt payments planned for 1988 (2)	\$ _____
Cash Flow Coverage Ratio (1/2)	_____

a Personal withdrawals and family expenditures less nonfarm income and nonfarm money borrowed. If family withdrawals are excluded the cash flow coverage ratio will be incorrect.

Table 18. ANNUAL CASH FLOW WORKSHEET - Poultry only

Item	Poultry only		My Farm, 1988		Expected change	1989 Proj'n
	6 farms		Total	Per		
Average number - dz eggs sold, layers:	2,265,579	92,181				
<b>ACCRUAL OPERATING RECEIPTS</b>	(/dz sold)	(/layer)				
Egg sales	\$0.505	\$12.42	\$	\$		\$
Fowl	0.017	0.41				
Pullets	0.018	0.44				
Other lvstk & products	0.000	0.00				
Crops	0.000	0.00				
Miscellaneous receipts	0.005	0.11				
Total operating receipts	\$0.544	\$13.37	\$	\$		\$
<b>ACCRUAL OPERATING EXPENSES</b>						
Labor- Hired (excl oper)	\$0.032	\$0.78	\$	\$		\$
Feed - Layer	0.233	5.74				
Grower	0.034	0.85				
Equip- Machine hire, eq rent	0.004	0.10				
Leased equipment	0.001	0.03				
Repairs, parts & auto	0.005	0.12				
Fuel, oil & grease	0.001	0.02				
Lvstk- Repl chicks & pullets	0.026	0.63				
Poultry vet & medicine	0.003	0.07				
Production supplies	0.001	0.03				
Proc & marketing supplies	0.061	1.50				
Nonpoultry expenses	0.002	0.04				
Crops- Fertilizer & lime	0.000	0.00				
Seeds & plants	0.000	0.00				
Spray, other crop exp	0.000	0.00				
R Est- Repr- land, bldg, fence	0.002	0.06				
Taxes	0.004	0.10				
Rent	0.002	0.05				
Leased structures	0.001	0.02				
Other- Insurance	0.004	0.10				
Telephone- farm share	0.001	0.02				
Electricity- farm share	0.012	0.29				
Eggs purch for resale	0.071	1.76				
Miscellaneous	0.006	0.15				
Total excl interest paid	\$0.507	\$12.46	\$	\$		\$
<b>REPAYMENT ANALYSIS</b>	(Total)	(/layer)				
Net accr'l operating income excl int	\$ 84,294	\$0.91	\$			\$
- Change in livestock & crop inv	32,662	0.35				
- Change in accounts receivable	16,982	0.18				
+ Change in produce & supply inv	(3,645)	(0.04)				
+ Change in accts payable excl int	38,346	0.42				
<b>NET CASH FLOW</b>	\$ 69,350	\$0.75	\$			\$
- Net personal withdrawals	11,010	0.12				
Available for debt payments & invest	\$ 58,340	\$0.63	\$			\$
- Farm debt payments: prin & int	29,441	0.32				
Available for farm investment	\$ 28,900	\$0.31	\$			\$
Capital purchases	\$ 281,842	\$3.06	\$			\$
Additional capital needed	\$ 252,942	\$2.74	\$			\$

Table 19. ANNUAL CASH FLOW WORKSHEET - Poultry & crops

Item	Poultry & crops		My Farm, 1988		Expected change	1989 Proj'n
	5 farms		Total	Per		
Average number - dz eggs sold, layers:	5,028,705	188,248				
<b>ACCRUAL OPERATING RECEIPTS</b>						
	(/dz sold)	(/layer)				
Egg sales	\$0.572	\$15.29	\$	\$		\$
Fowl	0.014	0.37				
Pullets	0.002	0.06				
Other lvstk & products	0.000	0.00				
Crops	0.006	0.16				
Miscellaneous receipts	0.015	0.41				
Total operating receipts	\$0.610	\$16.29	\$	\$		\$
<b>ACCRUAL OPERATING EXPENSES</b>						
Labor- Hired (excl oper)	\$0.062	\$1.66	\$	\$		\$
Feed - Layer	0.198	5.30				
Grower	0.035	0.95				
Equip- Machine hire, eq rent	0.008	0.22				
Leased equipment	0.001	0.02				
Repairs, parts & auto	0.005	0.14				
Fuel, oil & grease	0.006	0.15				
Lvstk- Repl chicks & pullets	0.035	0.93				
Poultry vet & medicine	0.002	0.07				
Production supplies	0.004	0.10				
Proc & marketing supplies	0.038	1.03				
Nonpoultry expenses	0.001	0.03				
Crops- Fertilizer & lime	0.002	0.06				
Seeds & plants	0.002	0.06				
Spray, other crop exp	0.002	0.05				
R Est- Repr- land, bldg, fence	0.001	0.02				
Taxes	0.004	0.11				
Rent	0.002	0.05				
Leased structures	0.000	0.00				
Other- Insurance	0.012	0.31				
Telephone- farm share	0.001	0.03				
Electricity- farm share	0.012	0.33				
Eggs purch for resale	0.075	2.01				
Miscellaneous	0.003	0.09				
Total excl interest paid	\$0.513	\$13.71	\$	\$		\$
<b>REPAYMENT ANALYSIS</b>						
	(Total)	(/layer)				
Net accr'l operating income excl int	\$ 486,278	\$2.58	\$			\$
- Change in livestock & crop inv	27,409	0.15				
- Change in accounts receivable	53,993	0.29				
+ Change in produce & supply inv	(98,416)	(0.52)				
+ Change in accts payable excl int	93,603	0.50				
NET CASH FLOW	\$ 400,063	\$2.13	\$			\$
- Net personal withdrawals	23,474	0.12				
Available for debt payments & invest	\$ 376,589	\$2.00	\$			\$
- Farm debt payments: prin & int	127,917	0.68				
Available for farm investment	\$ 248,673	\$1.32	\$			\$
Capital purchases	\$ 430,676	\$2.29	\$			\$
Additional capital needed	\$ 182,003	\$0.97	\$			\$

**Capital Efficiency Analysis**

Capital efficiency factors measure how intensively capital is being used in the farm business. As capital needs grow, capital management becomes more important.

Capital turnover is a measure of capital efficiency as it shows the numbers of years of farm receipts required to equal or "turnover" the capital investment. It is computed by dividing the average farm asset value by total farm accrual receipts including appreciation.

Table 20.

**CAPITAL EFFICIENCY ANALYSIS**  
11 New York Poultry Farms, 1988

Item	Average Capital Investment			
	Per worker equiv	Per layer	-- Per dozen eggs Produced	-- Sold
<b>Poultry only - 6 farms:</b>				
Total farm capital	\$157,536	\$11.92	\$0.583	\$0.440
Real estate	n/a	5.16	0.253	0.210
All equipment	53,359	4.04	0.198	0.082
Capital turnover, years	0.89			
<b>Poultry and crops - 5 farms:</b>				
Total farm capital	\$173,257	\$21.93	\$0.975	\$0.775
Real estate	n/a	8.98	0.399	0.336
All equipment	66,787	8.45	0.376	0.152
Capital turnover, years	1.32			
<b>All 11 farms:</b>				
Total farm capital	\$169,171	\$18.22	\$0.839	\$0.657
Real estate	n/a	7.57	0.348	0.292
All equipment	63,298	6.82	0.314	0.128
Capital turnover, years	1.18			
<b>My Farm:</b>				
Total farm capital	\$ _____	\$ _____	\$ _____	\$ _____
Real estate	n/a	_____	_____	_____
All equipment	_____	_____	_____	_____
Capital turnover, years	_____			

Equipment Analysis

Equipment costs are an important item in the cost of producing eggs. Total equipment expenses include the major fixed costs, such as interest and depreciation, as well as the accrual operating costs.

Table 21. ACCRUAL EQUIPMENT EXPENSES  
11 New York Poultry Farms, 1988

Item	Average equipment cost			Average equipment cost		
	Total	Per layer	Per dz sold	Total	Per layer	Per dz sold
	Poultry only - 6 farms			Poultry & crops - 5 farms		
Annual Accrual Cost:						
Eq hire, rent, lease	\$11,493	\$0.12	\$0.005	\$45,952	\$0.24	\$0.009
Repair & parts	10,010	0.11	0.004	26,522	0.14	0.005
Auto exp -farm share	996	0.01	0.000	93	0.00	0.000
Fuel, oil & grease	2,056	0.02	0.001	28,907	0.15	0.006
Interest - (5%)	18,282	0.20	0.008	79,284	0.42	0.016
Depreciation	44,435	0.48	0.020	158,336	0.84	0.031
Total equip cost	\$87,271	\$0.95	\$0.039	\$339,094	\$1.80	\$0.067
	All 11 farms			My farm		
Annual Accrual Cost:						
Eq hire, rent, lease	\$27,156	\$0.20	\$0.008	\$_____	\$_____	\$_____
Repair & parts	17,515	0.13	0.005	_____	_____	_____
Auto exp -farm share	585	0.00	0.000	_____	_____	_____
Fuel, oil & grease	14,261	0.10	0.004	_____	_____	_____
Interest - (5%)	46,010	0.34	0.013	_____	_____	_____
Depreciation	96,208	0.71	0.027	_____	_____	_____
Total equip cost	\$201,736	\$1.49	\$0.057	\$_____	\$_____	\$_____

Labor Analysis

The efficient use of labor is closely related to farm profitability. Measures of labor efficiency or productivity are key indicators of management's success.

Table 22. LABOR FORCE INVENTORY AND ANALYSIS  
11 New York Poultry Farms, 1988

Item	Poultry only 6 farms	Poultry & crops 5 farms	All 11 farms	My Farm
<b>LABOR FORCE:</b>				
Operator(s), months	15.2	32.0	22.8	_____
Family unpaid, months	2.3	2.2	2.3	_____
Family paid, months	6.8	1.4	4.4	_____
Hired, months	59.3	250.4	146.2	_____
Total, months	83.6	286.0	175.7	_____
Total worker equiv, no.	6.97	23.83	14.64	_____
Total operator equiv, no.	1.27	2.67	1.90	_____
Value of labor & management				
All operators	\$32,500	\$56,200	\$43,272	\$ _____
Per operator	\$25,658	\$21,075	\$22,775	\$ _____
<b>LABOR EFFICIENCY:</b>				
Layers, average no.	92,181	188,248	135,848	_____
Layers per worker, no.	13,221	7,900	9,282	_____
Total eggs sold, dz	2,265,579	5,028,705	3,521,545	_____
Eggs sold per worker, dz	324,944	211,024	240,627	_____
<b>LABOR COST:</b>				
Annual accrual cost (incl non-cash)				
Hired: (excl family)				
Per worker equivalent	\$13,183	\$14,940	\$14,551	\$ _____
Per layer	0.71	1.66	1.30	_____
Per dz eggs sold	0.029	0.062	0.050	_____
All labor cost: (incl oper)				
Per worker equivalent	\$12,745	\$14,518	\$14,057	\$ _____
Per layer	0.96	1.84	1.51	_____
Per dz eggs sold	0.039	0.069	0.058	_____
All labor & equipment cost:				
Per worker equivalent	\$25,262	\$28,748	\$27,842	\$ _____
Per layer	1.91	3.64	3.00	_____
Per dz eggs sold	0.078	0.136	0.116	_____

**Cropping Program Analysis**

Of the 11 poultry farms in this year's summary, five had field crop enterprises. The following table summarizes the acreages and yields for the farms that produced various crops. Corn grain, the most common crop, was grown for feed and was generally milled on the farm where it was produced. When crops are grown it is important that the enterprise be profitable in its own right and that crop production and feed processing costs compete favorably with purchased feed costs. A complete evaluation of available land resources, how they are being used, how well crops are producing and what it costs to produce them, is required to evaluate alternative cropping and feed purchasing choices.

Table 23. LAND RESOURCES AND CROP PRODUCTION  
5 New York Poultry Farms with Crops, 1988

Item	Average			My Farm		
	Owned	Rented	Total	Owned	Rented	Total
Land class (End of year)						
Tillable, acres	441	216	657			
Nontillable pasture, acres	100	0	100			
Other nontillable, acres	26	0	26			
Total land operated, ac	567	216	783			
Crop Production						
Crop:	No. of farms	Average acres	Yield per acre	Total acres	Yield per acre	
Hay, acre equivalents	1	35	3.1 tn			tn
Corn grain	4	576	94 bu			bu
Oats	2	46	52 bu			bu
Wheat	3	55	50 bu			bu
Other crops, gov't	4	170				
Total crops, acres	5	657				

**Poultry Analysis**

Analysis of the poultry enterprise can tell a great deal about the strengths and weaknesses of the poultry farm business. Data are provided in Table 24 for businesses with poultry only and for those with crops as well as poultry. Measures of business size include layer and pullet flock sizes and total eggs sold. The number of eggs produced per layer per year is an important measure of productivity. Layer mortality needs to be minimized. Since feed costs nearly half of the cost of producing eggs, it is well to know feed costs and quantities per layer and per dozen eggs. Feed costs and quantities per raised pullet equivalent are also shown.



Table 24. POULTRY FLOCK INVENTORY AND ANALYSIS  
11 New York Poultry Farms, 1988

Item	Poultry only 6 farms	Poultry & crops 5 farms	All 11 farms	My Farm
<b>Layers</b>				
Beginning of year, no.	86,905	185,316	131,637	_____
End of year, no.	101,027	207,136	149,258	_____
Average number	92,181	188,248	135,848	_____
<b>Pullets</b>				
Beginning of year, no.	22,695	64,014	41,476	_____
End of year, no.	35,290	67,736	50,038	_____
Pullet equivalents raised to 20 weeks of age, no.	72,729	200,327	130,728	_____
<b>Total eggs sold, dz</b>				
Total eggs sold, dz	2,265,579	5,028,705	3,521,545	_____
Percent purchased	17%	16%	16%	_____%
Percent produced	83%	84%	84%	_____%
Percent processed	91%	91%	91%	_____%
Eggs produced per layer, no.	245	270	261	_____
Mortality	8.6%	8.9%	8.8%	_____%
<b>Feed analysis</b>				
<b>Layer feed:</b>				
Cost per ton	\$ 146	141	143	_____
Per layer: Quantity	1b 78.5	82.2	80.8	_____
Cost	\$ 5.74	5.81	5.78	_____
Per dz produced: Quantity	1b 3.84	3.65	3.72	_____
Cost	\$ 0.281	0.258	0.266	_____
Cost as a % of produced egg sales	56%	45%	48%	_____%
<b>Grower feed:</b>				
Cost per ton	\$ 134	144	140	_____
Per 20 week pullet equivalent: Quantity	1b 16.1	13.4	14.2	_____
Cost	\$ 1.07	0.96	1.00	_____
<b>Other cost factors</b>				
Vet & medicine per layer	\$ 0.07	0.07	0.07	_____
Production supplies per layer	\$ 0.03	0.10	0.07	_____
Proc & mktg suppl per dz sold	\$ 0.061	0.038	0.046	_____
Utilities per dz sold	\$ 0.013	0.013	0.013	_____
Utilities per layer	\$ 0.31	0.35	0.34	_____

The cost of producing eggs has been compiled using the whole farm method, and is presented in the following table. Accrual receipts per dozen from egg sales can be compared with the accrual costs per dozen for producing eggs. Costs are calculated for eggs sold and eggs produced. Operating expenses are reduced by non-egg receipts (on the assumption that production costs were equal to the selling price) to obtain operating costs for eggs sold. Fixed costs are added to obtain total costs for eggs sold. These costs are then reduced by receipts from purchased eggs to determine costs for eggs produced.

Table 25. ACCRUAL RECEIPTS AND COST OF PRODUCTION  
11 New York Poultry Farms, 1988

Item	Poultry only 6 farms	Poultry & crops 5 farms	All 11 farms	My Farm
<b>Accrual receipts:</b>				
Total egg sales	\$ 1,144,768	2,878,544	1,932,848	_____
Egg sales as a % of total receipts	93%	94%	94%	_____%
Receipts per dz sold	\$ 0.505	0.572	0.549	_____
Produced egg sales per layer (dz produced x recpt/dz)/layers	\$ 10.32	12.88	11.93	_____
<b>Accrual Cost of Production (whole farm method)</b>				
Total operating expenses	\$ 1,187,170	2,635,377	1,845,445	_____
- non-egg receipts	88,008	187,291	134,130	_____
Operating costs for eggs sold	\$ 1,099,162	2,448,086	1,711,315	_____
+ expansion poultry	73,822	30,400	54,085	_____
+ depreciation - equip, bldg	69,170	236,237	145,109	_____
+ unpaid family labor	1,633	1,540	1,591	_____
+ value of operator labor & mgmt	32,500	56,200	43,273	_____
+ interest on avg equity capital	32,944	170,595	95,513	_____
- TOTAL COSTS FOR EGGS SOLD	\$ 1,309,231	2,943,058	2,050,886	_____
Operating cost per dz eggs sold	\$ 0.485	0.487	0.486	_____
Total cost per dz eggs sold	\$ 0.578	0.585	0.582	_____
<b>Total costs for eggs sold</b>				
Total costs for eggs sold	\$ 1,309,231	2,943,058	2,050,886	_____
- Total receipts for purchased eggs (dz purchased x recpt/dz)	193,401	454,190	312,832	_____
- TOTAL COSTS FOR EGGS PRODUCED	\$ 1,115,830	2,488,868	1,738,054	_____
Total cost per dz eggs produced	\$ 0.593	0.588	0.589	_____
Total cost of eggs produced / layer	\$ 12.10	13.22	12.79	_____

PROGRESS OF THE FARM BUSINESS

Monitoring progress of your farm business is critical to improving management. Tables 26-28 provide average data from the Poultry Summary for the most recent three years. While it is helpful to compare your factors with the group average, it is even more important to compare factors for your business this year with previous years. Participation in the Summary program will enable you to make that comparison. It will keep you aware of financial and production trends occurring in your business. Participators are provided with this comparison as they

continue in the program. Others will find it helpful to enter their own data in Table 29. Historical factors will help in setting future goals.

Table 26. PROGRESS OF THE POULTRY FARM BUSINESS  
Farms with Poultry Only, New York State, 1986-1988

----- SELECTED FACTORS: -----	----- Average per Farm -----		
	9 farms in 1986	10 farms in 1987	6 farms in 1988
<b>Size of Business</b>			
Layers, avg no.	56,779	113,461	92,181
Pullets, no. of 20 wk equiv	n/a	n/a	72,729
Eggs sold, dz	1,283,858	2,685,368	2,265,579
Eggs produced, dz	1,221,081	2,400,168	1,882,606
Worker equivalent	5.60	9.90	6.97
<b>Rates of Production</b>			
Eggs produced per layer, no.	258	254	245
<b>Labor Efficiency</b>			
Layers per worker, no.	10,116	11,490	13,221
Eggs sold per worker, dz	229,723	271,936	324,944
<b>Cost Control - accrual</b>			
Grower feed: lb/pullet equiv	n/a	n/a	16.1
Layer feed: lb/dz eggs prod	3.83	3.90	3.84
cost/dz produced	\$ 0.280	\$ 0.210	\$ 0.281
All labor cost/dz eggs sold	\$ 0.062	\$ 0.045	\$ 0.039
All labor & equip cost/dz sold	\$ 0.110	\$ 0.110	\$ 0.078
Prod supplies cost/dz prod	\$ n/a	\$ n/a	\$ 0.001
Proc/mktg suppl cost/dz sold	\$ n/a	\$ n/a	\$ 0.061
Utilities cost/dz eggs sold	\$ 0.017	\$ 0.014	\$ 0.013
<b>Capital Efficiency- avg for year</b>			
Total farm capital: per layer	\$ 11.42	\$ 10.30	\$ 11.92
/dz sold	\$ 0.505	\$ 0.435	\$ 0.440
Equipment investment / layer	\$ 3.60	\$ 3.91	\$ 4.04
Capital turnover, years	1.3	1.2	0.9
<b>Profitability</b>			
Net farm income: w/o apprec	\$ 84,404	\$ 57,517	\$ (97,385)
w/ apprec	\$ n/a	\$ n/a	\$ (92,013)
Labor & mgmt income per operator	\$ 38,703	\$ 10,632	\$ (104,409)
Rate of return to avg capital			
w/apprec: Equity capital	n/a	n/a	-19.1%
Total capital	n/a	n/a	-8.0%
<b>Financial Summary - end of year</b>			
Farm: Net worth	\$ n/a	\$ n/a	\$ 662,419
Debt to asset ratio	n/a	n/a	0.45
Debt per layer	\$ n/a	\$ n/a	\$ 5.32

Table 27. PROGRESS OF THE POULTRY FARM BUSINESS  
Farms with Poultry and Crops, New York State, 1986-1988

SELECTED FACTORS:	Average per Farm		
	7 farms in 1986	5 farms in 1987	5 farms in 1988
<b>Size of Business</b>			
Layers, avg no.	49,632	160,641	188,248
Pullets, no. of 20 wk equiv	n/a	n/a	200,327
Eggs sold, dz	1,298,779	4,475,032	5,028,705
Eggs produced, dz	1,038,396	3,645,322	4,234,666
Worker equivalent	8.50	22.20	23.83
<b>Rates of Production</b>			
Eggs produced per layer, no.	251	272	270
<b>Labor Efficiency</b>			
Layers per worker, no.	5,471	7,242	7,900
Eggs sold per worker, dz	139,638	201,729	211,024
<b>Cost Control - accrual</b>			
Grower feed: lb/pullet equiv	n/a	n/a	13.4
Layer feed: lb/dz eggs prod	4.12	3.50	3.65
cost/dz produced	\$ 0.260	\$ 0.180	\$ 0.258
All labor cost/dz eggs sold	\$ 0.093	\$ 0.096	\$ 0.069
All labor & equip cost/dz sold	\$ 0.130	\$ 0.220	\$ 0.136
Prod supplies cost/dz prod	\$ n/a	n/a	\$ 0.004
Proc/mktg suppl cost/dz sold	\$ n/a	n/a	\$ 0.038
Utilities cost/dz eggs sold	\$ 0.017	\$ 0.022	\$ 0.013
<b>Capital Efficiency- avg for year</b>			
Total farm capital: per layer	\$ 16.20	\$ 23.87	\$ 21.93
/dz sold	\$ 0.619	\$ 0.857	\$ 0.775
Equipment investment / layer	\$ 4.29	\$ 9.50	\$ 8.45
Capital turnover, years	1.2	0.7	1.3
<b>Profitability</b>			
Net farm income: w/o apprec	\$ 43,777	\$ 256,802	\$ 163,822
w/ apprec	\$ n/a	n/a	\$ 217,897
Labor & mgmt income per operator	\$ 634	\$ 47,308	\$ (3,118)
Rate of return to avg capital			
w/apprec: Equity capital	n/a	n/a	4.7%
Total capital	n/a	n/a	5.2%
<b>Financial Summary - end of year</b>			
Farm: Net worth	\$ n/a	\$ n/a	\$ 3,527,464
Debt to asset ratio	n/a	n/a	0.19
Debt per layer	\$ n/a	\$ n/a	\$ 4.02

Table 28. PROGRESS OF THE POULTRY FARM BUSINESS  
All Summary Farms, New York State, 1986-1988

----- SELECTED FACTORS: -----	----- Average per Farm -----		
	16 farms in 1986	15 farms in 1987	11 farms in 1988
Size of Business			
Layers, avg no.	53,652	129,188	135,848
Pullets, no. of 20 wk equiv	n/a	n/a	130,728
Eggs sold, dz	1,290,386	3,281,923	3,521,545
Eggs produced, dz	1,141,156	2,815,219	2,951,724
Worker equivalent	6.90	13.98	14.63
Rates of Production			
Eggs produced per layer, no.	255	262	261
Labor Efficiency			
Layers per worker, no.	7,776	9,242	9,282
Eggs sold per worker, dz	187,012	234,758	240,627
Cost Control - accrual			
Grower feed: lb/pullet equiv	n/a	n/a	14.2
Layer feed: lb/dz eggs prod	3.94	3.72	3.72
cost/dz produced	\$ 0.271	\$ 0.200	\$ 0.266
All labor cost/dz eggs sold	\$ 0.074	\$ 0.062	\$ 0.058
All labor & equip cost/dz sold	\$ 0.119	\$ 0.147	\$ 0.116
Prod supplies cost/dz prod	\$ n/a	\$ n/a	\$ 0.003
Proc/mktg suppl cost/dz sold	\$ n/a	\$ n/a	\$ 0.046
Utilities cost/dz eggs sold	\$ 0.015	\$ 0.015	\$ 0.013
Capital Efficiency- avg for year			
Total farm capital: per layer	\$ 13.36	\$ 16.97	\$ 18.22
/dz sold	\$ 0.555	\$ 0.627	\$ 0.657
Equipment investment / layer	\$ 3.88	\$ 6.63	\$ 6.82
Capital turnover, years	0.8	1.1	1.2
Profitability			
Net farm income: w/o apprec	\$ 68,598	\$ 124,413	\$ 22,338
w/ apprec	\$ n/a	\$ n/a	\$ 48,855
Labor & mgmt income per operator	\$ 21,008	\$ 23,884	\$ (39,319)
Rate of return to avg capital			
w/apprec: Equity capital	n/a	n/a	0.2%
Total capital	n/a	n/a	2.0%
Financial Summary - end of year			
Farm: Net worth	\$ n/a	\$ n/a	\$ 1,964,712
Debt to asset ratio	n/a	n/a	0.25
Debt per layer	\$ n/a	\$ n/a	\$ 4.50

Table 29.

PROGRESS OF MY POULTRY FARM BUSINESS  
New York State, 1986-1988

SELECTED FACTORS:	My Farm			
	1986	1987	1988	Goal
<b>Size of Business</b>				
Layers, avg no.	_____	_____	_____	_____
Pullets, no. of 20 wk equiv	_____	_____	_____	_____
Eggs sold, dz	_____	_____	_____	_____
Eggs produced, dz	_____	_____	_____	_____
Worker equivalent	_____	_____	_____	_____
<b>Rates of Production</b>				
Eggs produced per layer, no.	_____	_____	_____	_____
<b>Labor Efficiency</b>				
Layers per worker, no.	_____	_____	_____	_____
Eggs sold per worker, dz	_____	_____	_____	_____
<b>Cost Control - accrual</b>				
Grower feed: lb/pullet equiv	_____	_____	_____	_____
Layer feed: lb/dz eggs prod	_____	_____	_____	_____
cost/dz produced	\$ _____	\$ _____	\$ _____	\$ _____
All labor cost/dz eggs sold	\$ _____	\$ _____	\$ _____	\$ _____
All labor & equip cost/dz sold	\$ _____	\$ _____	\$ _____	\$ _____
Prod supplies cost/dz prod	\$ _____	\$ _____	\$ _____	\$ _____
Proc/mktg suppl cost/dz sold	\$ _____	\$ _____	\$ _____	\$ _____
Utilities cost/dz eggs sold	\$ _____	\$ _____	\$ _____	\$ _____
<b>Capital Efficiency- avg for year</b>				
Total farm capital: per layer	\$ _____	\$ _____	\$ _____	\$ _____
/dz sold	\$ _____	\$ _____	\$ _____	\$ _____
Equipment investment / layer	\$ _____	\$ _____	\$ _____	\$ _____
Capital turnover, years	_____	_____	_____	_____
<b>Profitability</b>				
Net farm income: w/o apprec	\$ _____	\$ _____	\$ _____	\$ _____
w/ apprec	\$ _____	\$ _____	\$ _____	\$ _____
Labor & mgmt income per oper	\$ _____	\$ _____	\$ _____	\$ _____
Rate of return to avg capital	_____ %	_____ %	_____ %	_____ %
w/apprec: Equity capital	_____ %	_____ %	_____ %	_____ %
Total capital	_____ %	_____ %	_____ %	_____ %
<b>Financial Summary - end of year</b>				
Farm: Net worth	\$ _____	\$ _____	\$ _____	\$ _____
Debt to asset ratio	_____	_____	_____	_____
Debt per layer	\$ _____	\$ _____	\$ _____	\$ _____

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No. 89-29	Milk Quality, A Pro-Dairy Management Focus Workshop for Farm Managers -- A Participant's Guide	R. A. Milligan
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No. 89-36	Fruit Farm Business Summary, Lake Ontario Region, 1988	D. P. Snyder A. M. DeMarree
No. 89-37	New York Economic Handbook 1990, Agriculture Situation and Outlook	Extension Staff
No. 89-38	Census of Agricultural Highlights, New York State, 1987	B. Stanton W. Knoblauch L. Putnam
No. 90-1	Micro DFBS, A Guide to Processing Dairy Farm Business Summaries in County and Regional Extension Offices for Micro DFBS V 2.4	L. D. Putnam W. A. Knoblauch S. F. Smith