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**FINANCIAL RESULTS OF A SURVEY  
OF THE BROILER GROWING INDUSTRY  
OF NEW SOUTH WALES**

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**MISCELLANEOUS BULLETIN 8**

**Division of Marketing and Agricultural Economics**

**NEW SOUTH WALES DEPARTMENT OF AGRICULTURE**

New South Wales Department of Agriculture  
Division of Marketing and Agricultural Economics

FINANCIAL RESULTS OF A SURVEY  
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## 1. SUMMARY AND CONCLUSIONS

A survey of the economic and management factors affecting broiler production in New South Wales was undertaken in 1968 by the New South Wales Department of Agriculture. The survey was restricted to specialist broiler growers from whom physical and financial data were collected for a four-batch period approximating the 1967-68 financial year. From the original sample of ninety-four growers and an additional forty-eight replacements, sixty-one farms have been acceptable for the purpose of the survey. This report presents the financial data collected from the sample farms together with some physical production and management data to indicate the magnitude and technical efficiency of those farms included in the sample.

A wide range of profitability is exhibited by the sample of farms and a wide range still exists if farms of similar size are examined. The group of smallest farms in the survey with one standard broiler shed received an average net farm income of \$745, the highest being \$3,149 and the lowest -\$3,936. The average rate of return on farm capital was -8.1 per cent the range being -40.8 per cent to 7.6 per cent.

Those farms with approximately 22,000 birds per batch, or two standard sheds, exhibited a similarly wide range of returns. The range of net farm incomes was from \$10,844 to -\$9,348, the average being \$2,915 and the range of return on capital was from 47.8 per cent to -50.4 per cent, with an average of 3.7 per cent. Except for the largest farm group, the average returns from this group were the highest of all the farm groups included in the survey.

Those farms with batch capacities in excess of 56,000 birds, the largest farm group, received an average net farm income of \$12,117 for the 1967-68 financial year, the range being \$4,099 to \$29,827. The average rate of return on farm capital for this group was 15.8 per cent with a range of 3.6 per cent to 24.4 per cent.

Due to the extreme variability of the data, conclusions based on average figures must be treated with caution. There is however a general trend towards higher rates of return on farm capital with increased scale of production. Large production units have lower overhead costs due to the more efficient utilization of such resources as land, machinery and family labour.

The total investment per bird for the smallest farm group is twice that of the largest farm group. Similarly with labour, the total labour per bird for the smallest farm group is more than twice the total labour per bird for the largest farm group. There is a definite tendency for the amount of family labour per bird to decrease with increased farm size whilst the amount of hired labour employed per bird increases with increased farm size. Most of the small farms included in the survey were very inefficient with respect to labour utilization and were also over-capitalized. The small producer with less than 20,000 birds per batch is at a severe cost disadvantage compared to large producers.

Large producers generally receive a slightly lower return per bird from the processor than do small producers due to the latter being able to give the birds more individual attention, especially when young. However, the large producer, due to the more efficient cost structure, is capable of achieving a higher return on capital than the small producer. Of course, not all large production units included in the survey were being run efficiently. Managerial capacity appears to be the major limitation on larger farms; the poor results of some large farms included in the survey may be attributed mainly to poor technical efficiency.

It would appear that the minimum batch capacity for an economically viable broiler farm employing one owner-operator is at least 20,000 birds. However over half the broiler farms in New South Wales have a batch capacity of less than 18,000 birds. Many of these small farms are run by a full-time owner-operator plus family labour and are grossly over-supplied with labour.

Under the conditions which existed at the time of the survey, less than 30 per cent of all farms analysed were achieving a return on farm capital of 7 per cent or more. Over half of the farms analysed were receiving a negative return on farm capital. Whilst a few individual growers were achieving satisfactory profits, the majority of growers were experiencing severe economic hardship. The subsequent reduction in the price per pound liveweight of chicken paid by the processor will have possibly reduced returns to the grower further.

The low financial rewards for growing broilers, coupled with the high risks and constant hours of work involved, make the industry an extremely unattractive form of investment. Under the conditions which exist at present, many broiler growers should be considering alternative, more profitable forms of investment.

A summary of the results presented in the report is given below.

STRATUM NUMBER	I	II	III	IV	V	VI
Farms per stratum (no.)	18	8	18	10	3	4
Average batch capacity (no. of birds)	11,267	15,879	22,391	31,151	48,948	91,307
Total capital investment	\$ 15,642	16,677	24,489	31,521	40,468	63,944
Total cash costs	\$ 29,459	41,229	56,726	77,737	121,373	223,179
Total non-cash costs	\$ 2,929	3,269	4,893	7,267	10,114	13,225
Total cash receipts	\$ 31,805	44,672	62,400	85,257	125,416	242,486
NET CASH INCOME	\$ 2,346	3,443	5,674	7,520	4,043	19,307
NET FARM INCOME	\$ 745	1,546	2,915	2,765	-3,080	12,117
RETURN TO CAPITAL AND MANAGEMENT	\$ -1,270	-469	900	750	-5,095	10,102
RATE OF RETURN ON CAPITAL	% -8.1	-2.8	3.7	2.4	-12.6	15.8



## 2. INTRODUCTION

A survey of the economic and management factors affecting the profitability of broiler production was undertaken in 1968 by the New South Wales Department of Agriculture. The purpose of the study is to examine the economic situation of broiler growers in New South Wales and to investigate economic and management factors which either singly or jointly affect the profits received by broiler growers. Information provided by the survey will form a basis for predicting the likely effects of changes within the industry (such as price changes) on the incomes of broiler growers. Results of the survey will also assist in the isolation of areas of management where further technical and economic research may increase the profitability of the enterprise.

Data relating to the financial performance of broiler farms in New South Wales during the 1967-68 financial year are presented in this report together with data relating to the organization of broiler enterprises. The survey has been restricted to specialist broiler growers from whom financial and management data have been collected for four complete batches of chickens grown. Since most growers have achieved a throughput of four batches in 12 months, the survey period closely approximates the 1967-68 financial year. A preliminary report on the financial results was prepared in November, 1968 and forms the basis of this Bulletin. The financial results, whilst already out-of-date in some respects, are being presented whilst still bearing some relevance to the current economic situation in the industry.

## 3. SAMPLING PROCEDURES

Integrating organizations co-operated in compiling a list of the broiler growing population in New South Wales, on which the survey was based. Since a standard broiler shed houses approximately 10,000 birds, the most common farms sizes were those of 10,000 and 20,000 birds batch capacity. The population was divided into groups, or strata, based on natural size groupings within the population as shown in Table I.

Table I

Flock Size Distribution of  
Broiler Growing Farms in N.S.W. (a)

Stratum number	Number of birds per batch	Number of farms in population	Percentage of total farms %
	<9,000	108	22.3
I	9,000 - 13,999	129	26.6
II	14,000 - 17,999	51	10.5
III	18,000 - 26,999	115	23.7
IV	27,000 - 34,999	42	8.7
V	35,000 - 55,999	25	5.1
VI	> 56,000	15	3.1
TOTAL		485	100.0

Source: Supplied by major integrating organizations.

(a) It is estimated that the population data on which the survey is based cover 95 per cent of commercial production in New South Wales.

Those farms with a batch capacity of less than 9,000 birds were excluded from the survey as many only grew a few hundred birds on an irregular basis and sold dressed chickens direct to the public. All those farms above 9,000 birds batch capacity associated with an integrating organization were included in the "commercial" population to be surveyed. Whilst it was recognised that a farm with one standard shed could not be expected to provide an adequate net farm income for a family, farms with only one shed were considered commercial units for the purposes of the survey due to this being the most common sized farm. Over 25 per cent of all broiler farms at the time of the survey were one-shed farms. Whilst many were being run as sidelines to other enterprises, a considerable proportion employed full-time family labour.

### 3.1 Selection of the sample

To achieve a statistically efficient sample given limited knowledge of the population and the variables under consideration, a stratified random sampling technique was employed. A suitable variable by which to stratify was flock size since the flock capacities of the farms were known and the effect of size on production efficiency is an important variable to be studied. An equiproportionate sub-sample was randomly taken from each of the six commercial strata. Table II shows the number of farms in each stratum randomly selected for the original total sample of ninety-four farms. Reserve farms were randomly selected for each stratum to be drawn upon as required.

Table II  
Survey Sample Characteristics

Stratum number	Number of farms interviewed			Farms analysed	
	Original sample	Replacements	Total	Number accepted	Per cent of stratum
I	32	13	45	18	14.0
II	13	6	19	8	15.7
III	29	12	41	18	15.6
IV	10	14	24	10	23.8
V	6	2	8	3	12.0
VI	4	1	5	4	26.7
TOTAL	94	48	142	61	16.2

### 3.2 Eligibility criteria

For inclusion in the survey it was necessary for broiler growers to satisfy the following criteria at the time of interview:

- (a) A minimum of 9,000 birds per batch.
- (b) A maximum of 5 per cent of net farm income from sources other than broiler growing.
- (c) Continuity of production during the survey period with four batches being produced in approximately 1 year.

- (d) Capacity of previous four batches within the range of the stratum for which the farm selected.
- (e) Continuity of ownership of the farm during the survey period.
- (f) Availability of complete returns and costs for previous four batches and absence of complex financial arrangements.

In cases where the owner had control over several enterprises but they were run as separate businesses (for example on separate farms) the broiler enterprise has been included in the survey provided adequate records have been available. Farms with off-farm income from sources such as a full-time job, part-time job, or investments have been included but no account of such income has been taken in the survey.

### 3.3 Rejection of sample farms

Farms which have failed to meet the above criteria have been rejected as sample cases. Those farms which were unacceptable with respect to criterion (a) or (b) have not been replaced whilst those farms failing to meet other criteria have been replaced. Thus farms below commercial size and farms with other enterprises (or other poultry) have been eliminated from the sample without replacement. Since the original sample was selected on an equi-proportionate basis, rejection of non-specialist or non-commercial growers will result in a self-weighting sample in favour of the specialist growers.

The number of replacements required in each stratum together with the total number of farms accepted in each stratum is shown in Table II. The reasons for rejection of farms as sample cases are shown in Table III.

Broiler growers with mixed farming enterprises or other poultry were excluded from the survey due to the difficulties involved in allocating such costs as labour, machinery and feed to the various enterprises. It can be seen from Table III that most of the farms rejected for this reason were in the lower strata. It was unfortunately necessary to reject thirteen farms because of the lack of complete and satisfactory records; the final sample is therefore upwardly biased to some extent with respect to management.

## 4. CONDITIONS PREVAILING DURING SURVEY PERIOD

Farm performance during the year is largely dependent on external forces such as economic and weather conditions over which the farmer has no control. Such factors must be taken into account in assessing the financial performance of those farms included in the survey. Feed constitutes about two-thirds of all cash costs and therefore exerts a strong influence on profits. Most feeds rose by \$2.50 per short ton in December, 1967, and fell by the same amount in April, 1968. The average cost of all feeds used by farms in the survey was 4.87 cents per pound or approximately \$97 per short ton. Cost of day old chicks during the survey period remained relatively constant at \$16.75 to \$17.00 per 100, depending on the integrator, following price adjustments towards the end of the 1966-67 financial year. Returns (that is, price received per pound liveweight of chicken) showed a marked downward trend during the period of the survey. At the end of June, 1968, most New South Wales growers were

receiving between 19.75 and 20.50 cents per pound liveweight as compared to 21.50 and 22.25 cents per pound liveweight at the end of June, 1967.

An abnormal seasonal influence during the survey period was a heat-wave in February, 1968, which caused severe losses for many growers with older birds at that time. The heat-wave has been responsible for the abnormally high mortality figures recorded on some farms. Very few birds are insured against such disasters; therefore the majority of growers received no compensation for the losses incurred.

Table III  
Rejection Of Farms As Sample Cases

REASONS FOR REJECTION	Number of farms rejected per stratum						
	I	II	III	IV	V	VI	Total
(1) Other farming enterprises contributed significantly to net farm income	8	3	5	-	2	-	18
(2) Other poultry enterprises contributed significantly to net farm income (a)	3	2	2	-	1	-	8
(3) Farm below 9,000 birds average batch capacity	4	-	-	-	-	-	4
(4) Farm not eligible in the stratum for which selected	-	-	1	1	-	-	2
(5) Batch capacity has varied between strata during the survey period	-	2	3	1	-	-	6
(6) Farm has changed ownership during survey period	1	-	-	2	1	-	4
(7) Owner absent, ill or unavailable for interview	1	-	3	2	1	-	7
(8) Owner unwilling to be interviewed	1	-	-	1	-	-	2
(9) Complete and satisfactory records unavailable	2	2	5	3	-	1	13
(10) Less than four batches completed at time of interview	7	2	2	3	-	-	14
(11) Others	-	-	2	1	-	-	3
TOTAL	27	11	23	14	5	1	81

(a) Farms concerned with scientific trials or processing included.

## 5. CAPITAL INVESTMENT AND FARM ORGANIZATION

Total capital investment in the broiler farm covers land, improvements, broiler sheds, buildings (excluding the owner's house), and all equipment associated with the broiler enterprise. Valuers of the Rural Bank of New South Wales have provided valuations of the land and improvements (fences, roadways, dams and water service, and electricity and water connections to the site) on a fair market basis.

There are legal limitations as to the minimum area of land which may be purchased, the magnitude of which varies according to the locality. For this reason, it has been necessary to include the value of the complete block of land owned by a grower in cases where the block was of the minimum legal area, even though a smaller area was actually used for the broiler enterprise. In cases where a grower owned a block in excess of the minimal area but only the minimal area was required for the broiler enterprise, the land valuation was based on the minimal area not the total area. However, in cases where a grower owned more than the minimal area, the total area owned being required for broiler production, the total area was valued for the purposes of the survey. In order to place valuations on a uniform basis, all farms have been valued on a freehold basis.

Land valuations have been based on market values at the end of the survey period and reflect wide variability in the price per acre, mainly due to location. Whilst the location of land often has little to do with its suitability for broiler growing, due to the expansion of residential areas, location has a major effect on the market value of land. The market value of the land should be used in valuing the broiler enterprise because it represents the opportunity cost of employing capital in that form of investment.

Broiler sheds, other structures and all equipment have been valued at historic costs less depreciation assessed according to the age of the item. Depreciated historic values instead of market values have been used to obtain present values of buildings and equipment because of magnitude of the task of obtaining market valuations of equipment and buildings for each farm. The value of items such as motor vehicles has been allocated according to usage for farm business and private usage (associated costs have been treated similarly).

The straight-line method of depreciation has been employed for the purposes of determining the depreciation on structures and equipment. The annual depreciation to be charged for an asset is as follows:-

$$\text{Annual depreciation} = \frac{\text{Purchase value} - \text{salvage value}}{\text{Expected life}}$$

The expected life of broiler sheds was taken as 14 years and all shed equipment as 10 years except for waterers, manual feeders and chick trays which were depreciated over 5 years. Most farm machinery (farm vehicle, trailer, cleaning equipment and tools) was assumed to have a life of 10 years except for the tractor, blade and front-end loader which were depreciated over 15 years. Other sheds (for machinery and storage) were depreciated over 15 years, silos over 10 years

and improvements (fences, roadways, water-storage etc.) over 40 years. The opening and closing capital values of items were averaged to give the average capital value for the year.

In Table IV, the average size of farms in each stratum is given together with the valuation of average farm capital. The capital valuations for individual farms are shown in Appendix A. Variation in land valuations are largely due to the proximity of residential areas whilst the wide variation in shed valuations may be accounted for by considering whether the shed was contract-built or constructed by the farmer. Even when the family labour costs incurred were included, it was generally found that the latter was cheaper.

Table IV

Capital Investment and Farm Organization

FARM AVERAGE PER STRATUM	I	II	III	IV	V	VI
SIZE						
Land (acres)	10.3	8.0	11.0	9.3	12.8	31.5
Average batch capacity (a) (no. of birds)	11,267	15,879	22,391	31,151	48,948	91,307
AVERAGE CAPITAL PER FARM						
Land \$	4,519	3,500	6,064	5,100	4,667	9,125
Improvements (b) \$	536	384	603	635	1,067	763
Structures - Broiler sheds \$	5,250	5,405	7,754	9,908	17,052	24,002
Others (and silos) \$	469	639	740	825	406	2,486
Equipment - Broiler sheds (c) \$	3,708	5,679	7,745	11,001	13,701	21,885
Other plant \$	1,160	1,070	1,583	4,052	3,575	5,683
TOTAL \$	15,642	16,677	24,489	31,521	40,468	63,944

(a) Average of capacity for four batches including 4 per cent or 6 per cent extra birds delivered.

(b) Improvements other than buildings - fencing, roadways, water supply (dams, bores, storage tanks), electricity and water connections to site.

(c) All equipment within broiler sheds including monorail, lighting and plumbing.

The average distribution of capital investment between land, improvements, structures and equipment is shown for each stratum in Table V whilst the distribution of capital on each farm is given in Appendix A.

Table V

## Distribution of Total Capital Investment

Type of Capital	Stratum					
	I	II	III	IV	V	VI
Land %	28.9	21.0	24.7	16.2	11.5	14.3
Improvements (a) %	3.4	2.3	2.5	2.0	2.6	1.2
Structures						
- Broiler sheds %	33.6	32.4	31.7	31.4	42.2	37.5
- Others (and silos) %	3.0	3.8	3.0	2.6	1.0	3.9
Equipment						
- Broiler sheds (b) %	23.7	34.1	31.6	34.9	33.9	34.2
- Other plant %	7.4	6.4	6.5	12.9	8.8	8.9

(a)

Improvements other than buildings - fencing, roadways, water supply, electricity and water connections to the site.

(b)

All equipment within broiler sheds including monorail, lighting and plumbing.

The efficiency of capital utilization is increased with larger farms as shown in Table VI. The Stratum I farms with approximately 11,000 birds per batch have twice the total capital investment per bird of the Stratum VI farms with approximately 90,000 birds per batch. The dramatic decrease in total investment per bird with increase in the size of the enterprise is due to the more efficient employment of such resources as land and machinery. The distribution of capital between resources changes as demonstrated by Table V. The smallest farms have on average 28.9 per cent of their total capital employed in land whereas the largest farms have only 14.3 per cent of their total capital employed in land.

Table VI

## Capital Efficiency Ratios

Ratio	Stratum					
	I	II	III	IV	V	VI
Total capital per bird (a) \$	1.39	1.05	1.09	1.01	0.83	0.70
Investment per sq. ft. shed (b) \$	0.93	0.82	0.83	0.78	0.79	0.61
Shed investment per bird (b) \$	0.83	0.74	0.72	0.69	0.63	0.52

(a) Includes all capital invested in land, improvements, structures and equipment.

(b) Includes capital invested in broiler sheds, silos and all equipment within broiler sheds.

In addition, the shed investment per square foot of shed and the shed investment per bird, also show a marked decline with increase in the size of the enterprise. Small farms are generally at a disadvantage compared to large farms due to the allocation of capital on small farms being less efficient than on the large. Many small farms are therefore suffering from the problem of over-capitalisation.

## 6. PRODUCTION AND MANAGEMENT

Some physical production and management data are included in this Bulletin to indicate the magnitude and technical efficiency of those farms surveyed. The results have been aggregated for four complete batches. The importance of physical production records will be realised if the results from Stratum V are examined. The production efficiency of this stratum is the lowest of all strata since it has the highest mortality, lowest average weight per bird and the highest feed conversion ratio of all groups. The farms included in Stratum V are large farms with batch capacities between 41,000 and 53,000 birds. The financial returns from these farms are low, all three farms having negative rates of return on capital. The poor physical output and management are reflected in the extremely low financial results of this stratum.

Since there were only three farms accepted in Stratum V, the farms included must be regarded as case studies only. It would not be possible to predict the general level of profitability of farms of about 50,000 birds batch capacity using results from only three farms. However, the results are interesting because they show that large farms, whilst experiencing the advantages of economies of scale can still show large financial losses. The financial outcome of an increase in the size of a broiler farm, is largely dependent on the level of management which is achieved.

### 6.1 Production Efficiency

Average production data for each stratum are shown in Table VII whilst data for individual farms may be found in Appendix C.

Table VII  
Production Efficiency

FARM AVERAGE PER STRATUM	I	II	III	IV	V	VI
Total no. of birds delivered (a)	45,070	63,516	89,564	124,603	195,791	365,228
No. of birds sold	42,556	59,462	84,530	116,330	177,819	339,204
Mortality (no.)	2,514	4,054	5,034	8,273	17,972	26,024
Mortality rate (%)	5.6	6.4	5.6	6.6	9.2	7.1
Average weight per bird (lb.)	3.48	3.44	3.43	3.43	3.28	3.31
Average age at slaughter (b) (days)	72	75	74	73	73	71

(a) Includes 4 per cent or 6 per cent extra number of birds delivered.

(b) Average age at which birds slaughtered for four batches. Days of delivery of chickens and pick-up are included in the age at slaughter.



Wide variability in production efficiency occurs within each stratum. This is demonstrated by the range of mortality rates shown in Table VIII. Although mortality rates have been averaged for four batches, the mortality rates on some farms are still abnormally high due to the effects of a heatwave which occurred in February, 1968.

Table VIII

Range of Mortality Rates

Stratum	I	II	III	IV	V	VI
Mortality Rate	%	%	%	%	%	%
High	7.8	9.6	12.1	13.0	11.8	8.3
Low	3.4	3.3	2.5	4.0	6.0	4.5

6.2 Feed Efficiency

The feed efficiency of each stratum is shown in Table IX whilst feed conversion ratios for each farm are included in Appendix C. Feed weights and prices have been adjusted for carry-overs between batches.

Feed conversion efficiency is influenced by the type of feed used and the age of the birds at slaughter. However, wide variability in feed conversion ratios does occur and is closely related to profitability since feed constitutes approximately two-thirds of all cash costs. For example, in Stratum I, farm 12 has the best feed conversion ratio and the rate of return on capital for that farm is 1.3 per cent, the stratum average being -8.1 per cent, whilst farm 15 with the worst feed conversion for that stratum has a return on capital of -31.6 per cent. Similar results may be found in the other strata also. (See Appendices C and D).

Table IX

Feed Efficiency

FARM AVERAGE PER STRATUM	I	II	III	IV	V	VI
Feed conversion ratio	2.71	2.77	2.69	2.76	2.95	2.73
Average cost of feed per lb. (cents)	4.86	4.87	4.88	4.81	4.85	4.92

6.3 Stocking Density

The average stocking density of all farms at the time of the survey was 0.87 square feet per bird and only a small number of farms had less than 1 bird per square foot of floor-space. The stocking densities for each stratum are shown in Table X and densities for the individual farms are shown in Appendix C. The stocking density has been based on the number of birds actually delivered, including the 4 per cent or 6 per cent extra.

Table X

## Stocking Density

FARM AVERAGE PER STRATUM	I	II	III	IV	V	VI
Sq. ft. per bird	0.89	0.89	0.86	0.89	0.80	0.86

7. FINANCIAL ANALYSIS

In determining the profitability of a farm it is not sufficient to simply study cash returns and expenditure. A complete analysis of the farm business should take into account such factors as non-cash costs (such as depreciation and the value of unpaid family labour), capital transactions and any change in the capital value of the farm. The approach used to analyse the financial data from the survey is outlined in the following sections.

7.1 Gross Income

Details of income or cash receipts from birds were obtained by examining the integrator's statements sent to the grower or, if unavailable, the returns were provided by the integrator. The average gross income or cash receipts for each stratum is shown in Table XI and cash receipts for the individual farms are shown in Appendix D. Returns from the sale of manure are included under other cash receipts.

Table XI

## Gross Income

FARM AVERAGE PER STRATUM	I	II	III	IV	V	VI
CASH RECEIPTS						
Sale of birds	\$31,723	44,597	62,309	85,194	124,996	241,901
Others	\$ 82	75	91	63	420	585
TOTAL GROSS INCOME	\$31,805	44,672	62,400	85,257	125,416	242,486

As shown in Table XI, the average gross income for farms in Stratum I was \$31,805, the range being from \$26,351 to \$38,741. In Stratum II, the average gross income of farms for the 1967-68 financial year was \$44,672, the range being from \$38,954 to \$52,039. Even wider ranges in gross income were exhibited by the data in other strata. (See Appendix D).

The average price per pound liveweight received for the four batches of birds by growers in each stratum is shown in Table XII. The variation is due to different prices being paid by different integrators and to some growers receiving a lower price for the last of their four batches.

Table XII

Average Chicken Prices Per Pound Liveweight  
for Survey Period

FARM AVERAGE PER STRATUM	I	II	III	IV	V	VI
Price per pound liveweight (cents)	21.50	21.78	20.87	21.38	21.41	21.57

7.2 Costs7.21 Cash Costs

Cash costs have been divided into batch costs (chicks, feed, medication, vaccination and debeaking) and other cash costs as indicated in Table XIII. The costs of such items as motor registration, fuel and telephone have been allocated according to their usage on private business and their usage for the broiler enterprise. The wages actually paid for permanent and casual hired labour have been included as labour costs in Table XIII. Details of cash costs have been obtained from the farmer or the integrator and are presented for the individual farms in Appendix B.

Wide variation in individual cost components such as maintenance and labour is shown between farms in the same stratum. Wide variation in maintenance figures is to be expected as figures have been taken for only 1 year and the amount spent on maintenance varies from year to year. It would have been desirable to have obtained average maintenance figures for say a 3 year period but due to lack of data only 1 year's figures have been obtained. Individual farm results are in some cases excessively high or excessively low but the average figure for all farms in each stratum is a reliable estimate of the average expenditure on maintenance over a period of years. In considering the wide variability in labour costs it is not sufficient to simply examine hired labour costs; these must be considered in conjunction with the value of unpaid family labour. For example, the only two farms in Stratum I (farms 2 and 12) employing regular hired labour employ no unpaid family labour, and therefore the paid labour costs are not as excessive as they may appear on first sight if the real family labour costs of other farms in that stratum are taken into account. Further discussion of labour costs follows in section 7.24.

7.22 Non-cash costs

Depreciation, the value of unpaid family labour and the cost of using farm capital must be taken into account when determining the total cost of running the farm business.

Depreciation is an allowance for obsolescence, wear and tear made over the effective life of a structure or machine. The straight-line method of depreciation has been employed for the purposes of determining the depreciation on structures and equipment.<sup>1</sup>

<sup>1</sup> See page 7.

Table XIII

## Cash Costs

FARM AVERAGE PER STRATUM	I	II	III	IV	V	VI
	\$	\$	\$	\$	\$	\$
<b>BATCH COSTS</b>						
Chickens (a)	7,195	10,170	14,259	19,915	31,323	57,773
Feed	19,460	27,553	37,982	52,940	83,533	150,665
Medication	588	600	854	697	1,463	1,264
Vaccination	202	410	374	570	133	702
Debeaking (b)	71	161	154	195	401	565
Others (c)	15	58	40	1	-	64
<b>TOTAL</b>	<b>27,531</b>	<b>38,952</b>	<b>53,663</b>	<b>74,318</b>	<b>116,853</b>	<b>211,033</b>
<b>OTHER COSTS</b>						
Litter	203	329	373	430	972	685
Electricity	86	168	195	159	247	545
Gas/Oil	385	438	581	862	1,303	748
Water	40	55	66	41	99	83
Labour -						
Regular (d)	184	317	227	300	738	4,866
Casual (e)	104	70	378	273	53	-
Maintenance	280	282	337	421	323	1,368
Rates	71	68	109	105	85	145
Insurance (f)	48	55	85	111	128	431
Interest on borrowed capital	233	206	420	306	158	1,559
Telephone	46	56	56	86	46	152
Motor regis- tration and insurance	67	48	49	91	93	223
Travelling expenses	124	137	148	196	205	681
Broiler Growers' Association	5	6	3	7	6	9
Miscellaneous	52	41	36	31	64	651
<b>TOTAL</b>	<b>1,928</b>	<b>2,276</b>	<b>3,063</b>	<b>3,419</b>	<b>4,520</b>	<b>12,146</b>
<b>TOTAL CASH COSTS</b>	<b>29,459</b>	<b>41,228</b>	<b>56,726</b>	<b>77,737</b>	<b>121,373</b>	<b>223,179</b>

- (a) Debeaking and fowl pox vaccination costs included in some cases.
- (b) Cost assumed to be nil if carried out on farm without extra labour or equipment hire.
- (c) Includes pest control.
- (d) Hired labour only.
- (e) Includes shed cleaning costs.
- (f) Includes workers' compensation.

Average depreciation allowances for each stratum are shown in Table XIV and allowances for individual farms are given in Appendix A.

Table XIV  
Depreciation Allowances

FARM AVERAGE PER STRATUM	I	II	III	IV	V	VI
DEPRECIATION	\$	\$	\$	\$	\$	\$
Improvements	14	10	15	16	27	19
Structures -						
Broiler sheds	395	474	657	1,015	1,656	2,498
Others (and silos)	55	92	102	126	56	400
Equipment -						
Broiler sheds	600	852	1,160	1,653	2,355	3,158
Other plant	131	156	204	519	438	1,308
TOTAL	1,195	1,584	2,138	3,329	4,532	7,383

The labour costs for unpaid family labour have been assessed according to rates applying under the Poultry Farm Employees' (State) Award. Appendix D gives the family labour costs for each farm and the average for each stratum is given in Table XV. The importance of allowing for family labour as a real cost of running the enterprise is emphasized by the fact that in all strata except for Stratum VI, family labour costs (excluding the owner-operator's labour) are in excess of paid labour costs.

The interest which could be earned by the farm capital if it were invested elsewhere is included as a non-cash cost of running the business. As shown in Table XV, an interest rate of 7 per cent has been applied in calculating the interest on farm capital. Such a rate would be a conservative estimate of what the farm capital could be earning in an alternative investment.

Table XV  
Non-cash Costs

FARM AVERAGE PER STRATUM	I	II	III	IV	V	VI
NON-CASH COSTS	\$	\$	\$	\$	\$	\$
Depreciation	1,195	1,584	2,138	3,329	4,532	7,383
Family labour (a)	639	518	1,041	1,732	2,749	1,366
Interest on farm capital (b)	1,095	1,167	1,714	2,206	2,833	4,476
TOTAL	2,929	3,269	4,893	7,267	10,114	13,225

(a) Does not include the owner-operator's labour.

(b) 7 per cent interest rate used.

### 7.23 Costs per 1,000 birds

An appreciation of the cost structure of various sized enterprises is more readily obtained by examining the costs involved in raising 1,000 birds for each size group of farms as shown in Table XVI. The interest actually paid for borrowed capital has been excluded from the cash costs. This puts all growers on a debt-free basis and makes cost comparisons more meaningful.

Significant economies of scale are to be found in cash costs and also in non-cash costs. It is interesting to note that there is a tendency towards lower medication and vaccination costs per 1,000 birds on the larger farms. Rates, telephone motor registration and insurance, and travelling expenses are cash costs which do not increase in proportion to the increase in size of the business. With respect to items such as these the larger growers have an advantage over the smaller growers. The only notable cash cost per 1,000 birds which increases with the size of the enterprise is the hired labour charge. However, this appears to be more than offset by a correspondingly low family labour charge.

The major economies of scale lie in the non-cash costs. Farms with only 11,000 birds capacity have almost twice the non-cash costs per bird of those farms with 91,000 birds capacity. Annual depreciation per bird decreases slightly with scale, family labour decreases markedly and interest per bird which must be earned on farm capital to achieve a return of 7 per cent, is halved by increasing from a one-shed unit to an eight-shed unit. Even an increase from a one-shed unit to a two-shed unit on average would cut cash costs from \$648.46 to \$628.68 per 1,000 birds and non-cash costs from \$64.99 to \$54.63 per 1,000 birds, an overall saving of \$30.14 per 1,000 birds raised.

### 7.24 Labour costs

With an increase in the size of the broiler enterprise there is a gradual transfer from family labour to hired labour. There is also a reduction in total labour costs per bird as shown by Table XVII.

Hired labour per bird is highest on the farms with more than 56,000 birds batch capacity whilst family labour is lowest on the largest farms. The sum of family labour and hired labour is highest for those farms in Stratum I, lowest for those in Stratum II and remains fairly constant for those farms in the larger groups. When the operator's labour costs for each group of farms is taken into account the situation changes markedly. Due to the owner-operator's time being divided between labour and management functions it would be impossible to estimate with confidence the amount of time spent on labour functions associated with the broiler enterprise. It was therefore decided to assume a value of \$2,015 per annum for the owner-operator's labour and the residual value of time spent on the enterprise was attributed to management. It is realised that a uniform figure of \$2,015 would generally over-estimate the value of the operator's labour on the smaller farms and under estimate the operator's labour on larger farms. Such errors should however be compensated for by a low return for management on the small farms and a very high return for management on the large farms.

Table XVI  
Costs Per 1,000 Birds

FARM AVERAGE PER STRATUM	I	II	III	IV	V	VI
<b>CASH COSTS</b>						
<u>Batch costs</u>						
Chickens	\$159.64	160.12	159.20	159.83	159.98	158.18
Feed	\$431.77	433.80	424.08	424.87	426.64	412.52
Medication	\$ 13.05	9.45	9.54	5.59	7.47	3.46
Vaccinations	\$ 4.48	6.46	4.18	4.57	0.68	1.92
Debeaking	\$ 1.58	2.53	1.72	1.56	2.05	1.55
Others	\$ 0.33	0.91	0.45	0.01	-	0.18
TOTAL	\$610.85	613.27	599.17	596.43	596.82	577.81
<u>Other Costs</u>						
Litter	\$ 4.50	5.18	4.16	3.45	4.96	1.88
Electricity	\$ 1.91	2.65	2.18	1.28	1.26	1.49
Gas/oil	\$ 8.54	6.90	6.49	6.92	6.66	2.05
Water	\$ 0.89	0.87	0.74	0.33	0.51	0.23
Labour						
- regular	\$ 4.08	4.99	2.53	2.41	3.77	13.32
- casual	\$ 2.31	1.10	4.22	2.19	0.27	-
Maintenance	\$ 6.21	4.44	3.76	3.40	1.65	3.75
Rates	\$ 1.58	1.07	1.22	0.84	0.43	0.40
Insurance	\$ 1.07	0.87	0.95	0.89	0.65	1.18
Telephone	\$ 1.02	0.88	0.63	0.69	0.23	0.42
Motor registration, insurance	\$ 1.49	0.76	0.55	0.73	0.47	0.61
Travelling	\$ 2.75	2.16	1.65	1.57	1.05	1.86
B.G.A.	\$ 0.11	0.09	0.03	0.06	0.03	0.03
Miscellaneous	\$ 1.15	0.65	0.40	0.25	0.33	1.78
TOTAL	\$ 37.61	32.61	29.51	25.01	22.27	29.00
TOTAL CASH COSTS	\$648.46	645.88	628.68	621.44	619.09	606.81
<b>NON-CASH COSTS</b>						
Depreciation	\$ 26.51	24.94	23.87	26.72	23.15	20.21
Family labour	\$ 14.18	8.16	11.62	13.90	14.04	3.74
Interest on farm capital	\$ 24.30	18.37	19.14	17.70	14.47	12.26
TOTAL NON-CASH COSTS	\$ 64.99	51.47	54.63	58.32	51.66	36.21
TOTAL COSTS PER 1,000 BIRDS	\$713.45	697.35	683.31	679.76	670.75	643.02

The total labour cost per 1,000 birds varies from \$64.95 for 11,000 bird farms to \$22.54 for 91,000 bird farms. Table XVII indicates the economies of scale which may be achieved with respect to labour. Those farms with only one or two sheds appear, on average to be over-supplied with labour. However, the assumption of a uniform figure of \$2,015 per annum for the owner-operator's labour automatically places the smaller farms at a disadvantage with respect to labour efficiency. For the purposes of comparison, the total farm labour for each group of farms is recalculated allowing \$1,008 per annum for the owner-operator's labour in Strata I and II, \$2,015 per annum in Strata III and IV and \$3,023 per annum in Strata V and VI. The adjusted total labour figures for the various farm groups are shown in Table XVIII. Even with these adjustments, the range in labour costs per 1,000 birds raised is from \$42.76 for farms with one average shed to \$25.28 for farms with eight average sheds. Those farms with only one or two average sheds are generally very inefficient with respect to the utilization of labour. In order for these farms to be competitive with larger sized farms it would be necessary for the one and two shed farms to be run almost exclusively by the owner-operator with casual or family labour employed only at peak labour periods such as cleaning out of sheds and debeaking of birds.

Table XVII

Labour Costs per 1,000 Birds

FARM AVERAGE PER STRATUM	I	II	III	IV	V	VI
Hired labour						
- regular	\$ 4.08	4.99	2.53	2.41	3.77	13.32
- casual	\$ 2.31	1.10	4.22	2.19	0.27	-
Family labour	\$14.18	8.16	11.62	13.90	14.04	3.74
Total	\$20.57	14.25	18.37	18.50	18.08	17.06
Operator's labour (a)	\$44.38	31.49	22.33	16.05	10.21	5.48
TOTAL LABOUR COSTS PER 1,000 BIRDS	\$64.95	45.74	40.70	34.55	28.29	22.54

(a) Arbitrary allowance of \$2,015 per annum for all farms.

Table XVIII

Adjusted Labour Costs per 1,000 Birds

FARM AVERAGE PER STRATUM	I (a)	II (a)	III (b)	IV (b)	V (c)	VI (c)
	\$	\$	\$	\$	\$	\$
TOTAL LABOUR COSTS PER 1,000 BIRDS	42.76	30.00	38.70	34.55	33.44	25.28

(a) Allowance of \$1,008 for owner-operator's labour.

(b) Allowance of \$2,015 for owner-operator's labour.

(c) Allowance of \$3,023 for owner-operator's labour.



### 7.3 Net cash income

Net cash income is the difference between total cash costs and total returns. It represents the amount available each year to the farmer to provide for family living expenses, taxation, depreciation, further farm investment and savings. The average net cash income for each group of farms is shown in Table XIX and details for individual farms are given in Appendix D.

Table XIX

#### Net Cash Income

FARM AVERAGE PER STRATUM	I	II	III	IV	V	VI
Average batch capacity (birds)	11,267	15,879	22,391	31,151	48,948	91,307
Net cash income						
High           \$	4,464	8,608	13,051	12,839	6,774	44,398
Average       \$	2,346	3,443	5,674	7,520	4,043	19,307
Low           \$	-1,553	-4,051	-3,099	287	263	8,525

Within each group of farms there is a wide range of cash incomes. Strata II, III and V each had one farm which was suffering a cash loss and two farms in Stratum I were experiencing a cash deficit. Nine out of the sixty-one farms in the survey had a cash income of \$1,000 or less.

### 7.4 Net farm income

Net farm income is the return to the grower for his labour, capital and management. It is net cash income adjusted for depreciation, the value of unpaid family labour and financial transactions such as interest charged on borrowed capital. Net farm income has been calculated as follows:-

$$\text{NET FARM INCOME} = \text{Net cash income} + \text{Interest on borrowed capital} - \text{Depreciation} - \text{Unpaid family labour}$$

Interest on borrowed capital which has been included as a cash cost is added to the net cash income to obtain net farm income because the interest represents a payment for external capital. In calculating the net farm income and later the rate of return on capital, all capital is treated as if it were farmer-owned in order to calculate the true rate of return on capital invested in the farm. In order to make farms comparable, all land valuations have been made on a freehold basis and adjustment is made for interest payments so that all farms may be regarded as being debt free. If the full equity assumption were not made, a farm with a high interest payment or rental may appear less profitable than one which was debt free whilst in actual fact, the farm with borrowed capital may be showing the higher return on total farm capital.

The average net farm income for each group of farms is shown in Table XX and incomes for individual farms are given in Appendix D.

Table XX  
Net Farm Income

FARM AVERAGE PER STRATUM	I	II	III	IV	V	VI
Net farm income	\$	\$	\$	\$	\$	\$
High	3,149	5,472	10,844	7,207	758	29,827
Average	745	1,546	2,915	2,765	-3,080	12,117
Low	-3,936	-5,662	-9,348	-5,192	-7,847	4,099

The average net farm income for all groups except the largest was at an unsatisfactorily low level for the 1967-68 financial year. Whilst individual farms were achieving high net farm incomes, the general level of profitability in the broiler growing industry was very poor during this period. Stratum V farms have all shown very poor returns. Whilst a detailed investigation of these farms would be necessary to determine the specific factors leading to such poor results, it could be stated generally that the poor results of these farms are due to poor overall management. The physical production data (such as feed conversion, mortality rate and average weight per bird) for this stratum were below the average data for other strata. (See Appendix C). The low physical productivity is reflected in the low financial results.

Thirteen of the sixty-one farms had negative net farm incomes. On such farms it would not be possible to make adequate depreciation allowances and disinvestment in the enterprise generally occurs. Another twenty farms had net farm incomes of less than \$2,000 per annum. Only eleven farms out of the sixty-one surveyed had net farm incomes in excess of \$5,000 per annum. Due to subsequent decreases in returns per pound liveweight paid by the integrators, it would be anticipated that net farm incomes for the 1968-69 financial year will be below those of the survey year (1967-68).

#### 7.5 Return to operator's labour and management

A return to the owner's labour and management may be calculated by assuming a rate of return on farm capital. The capital invested in the farm could be earning interest if invested elsewhere. An interest rate of 7 per cent would be a conservative estimate of what the farm capital could be earning in another use. The return to the operator's labour and management is calculated as shown below, returns for each stratum are given in Table XXI and Appendix D gives returns for the individual farms in each stratum.

$$\begin{array}{l} \text{RETURN TO} \\ \text{OPERATOR'S} \\ \text{LABOUR AND} \\ \text{MANAGEMENT} \end{array} = \begin{array}{l} \text{Net} \\ \text{farm} \\ \text{income} \end{array} - \begin{array}{l} \text{Interest} \\ \text{on farm} \\ \text{capital} \end{array}$$

Table XXI

## Return to Labour and Management

FARM AVERAGE PER STRATUM	I	II	III	IV	V	VI
Average batch capacity (birds)	11,267	15,879	22,391	31,151	48,948	91,307
Return to labour and management \$	-350	379	1,201	559	-5,913	7,641

As with the other farm indicator's each stratum exhibits a wide range but the average level of returns is low. After allowing for interest on farm capital only thirty-eight farms had a positive return to labour and management and of these only seventeen farms were earning a return of \$2,000 for labour and management.

7.6 Return to capital and management

Alternatively, it is possible to calculate a return to capital and management by deducting an allowance for the operator's labour from the net farm income. As has been stated previously, it would be extremely difficult to attempt the separation of the labour and management components of the total time spent by the operator in order that labour and management may be valued separately. For this reason an arbitrary figure of \$2,015 per annum, based on the Poultry Farm Employees' (State) Award, has been assumed for all farms. This figure may be too low on many of the larger farms and too high for smaller farms but such differences should be reflected by a correspondingly high or low return for management. However, a wage for labour in excess of \$2,015 would be unrealistic in view of the extremely low returns for labour and management presented in the previous section. A uniform assumption of \$2,015 for all farms will tend to decrease the efficiency of capital utilization on small farms and increase the efficiency of capital on large farms.

The methods of calculating the indicators of capital efficiency are shown below. Average rates for each stratum are given in Table XXII and results for each farm are shown in Appendix D.

$$\begin{array}{l}
 \text{(i) RETURN TO CAPITAL AND MANAGEMENT} \\
 \text{(ii) RATE OF RETURN ON CAPITAL}
 \end{array}
 =
 \begin{array}{l}
 \text{Net farm income} \\
 \text{Return to capital and management} \\
 \text{Total capital value}
 \end{array}
 -
 \begin{array}{l}
 \text{Allowance for owner's labour} \\
 \text{x 100 per cent}
 \end{array}$$

Table XXII

## Return to Capital

FARM AVERAGE PER STRATUM	I	II	III	IV	V	VI
Total capital investment \$	15,642	16,677	24,489	31,521	40,468	63,944
Return to capital and management \$	-1,270	-469	900	750	-5,095	10,102
Rate of return on total capital %	-8.1	-2.8	3.7	2.4	-12.6	15.8

The rate of return on capital tends to increase as batch capacity increases with the exception of those farms in Stratum V. However, within size groups of farms wide variability in returns is exhibited as shown in Table XXIII.

Table XXIII

## Range of Returns to Capital

STRATUM	I	II	III	IV	V	VI
Rate of Return on Capital	%	%	%	%	%	%
High	7.6	22.7	47.8	12.1	4.2	24.4
Low	-40.8	-2.8	-50.4	-18.4	-22.8	3.6

Of the eighteen Stratum I farms only four were earning a positive return on capital and only one was achieving a return better than 7 per cent. Farms with one average shed are too small to be efficient and are generally being run at a loss. Capital invested in such farms could presumably be earning at least 7 per cent in other investments. Three out of the eight farms in Stratum II were earning a positive return on capital, all returns being in excess of 7 per cent. Farms in this size group with an average batch capacity of 16,000 birds are generally too small to achieve acceptable returns on capital. Almost half of the "commercial" broiler farms (that is, with batch capacity in excess of 9,000 birds) in New South Wales have less than 18,000 birds and are below the size of an economically efficient unit. The average return from the processor per bird in Stratum I during 1967-68 was 9.9 cents and Stratum II, 9.6 cents. These returns compare favourably with returns in other strata (Stratum III, 10.3 cents; Stratum IV, 9.4 cents; Stratum V, 4.6 cents and Stratum VI, 9.1 cents) but the higher costs per bird associated with running the smaller farms tend to more than offset the generally higher level of technical efficiency achieved on the small farms.

In Stratum III, the farms with two average sheds, eleven of the eighteen farms were achieving a positive return on capital with six of these achieving returns in excess of 7 per cent. Except for the farms in Stratum VI, farms with two average sheds were achieving the best average results. Farms with three sheds were achieving slightly lower average results than the two shed farms. The largest farm group was achieving the highest average return on capital. Although farms in this group were receiving a lower return per bird from the processor than the smaller sized farms, the economies of scale which may be achieved on the larger farms result in considerably higher profit levels.

It has already been pointed out that the low technical efficiency of those farms in Stratum V is the major cause of the low returns achieved by all farms in this stratum. The returns per bird for farms 70, 71 and 72 were 5.8 cents, 4.9 cents and 3.1 cents respectively. Had higher returns per bird been achieved by growers in this stratum, the rate of return on capital for farms of this size would have compared more favourably with other farm sizes. Only seven of the other farms surveyed received returns per bird as low as those received in Stratum V (that is, below 5.8 cents per bird average for four batches) and a negative return on capital for the year resulted in all seven cases.

Under the conditions which existed at the time of the survey, less than 30 per cent of the farms analysed were receiving a return of 7 per cent or more on farm capital. The majority of growers were receiving unsatisfactory returns and some were suffering severe financial losses for the 1967-68 financial year. The price per pound liveweight of chicken has been lower in the period subsequent to the survey and it would therefore be anticipated that the financial returns of broiler growers during the 1968-69 financial year will possibly be below those of the previous year. Unless the unsatisfactory conditions in the industry improve, broiler growers must consider alternative forms of investment which will yield an adequate return on capital.

8. APPENDICES

A1.

APPENDIX A

Capital Investment  
and  
Farm Organization

<u>Table</u>		<u>Page</u>
A1.	Stratum I	A2.
A2.	Stratum II	A3.
A3.	Stratum III	A4.
A4.	Stratum IV	A5.
A5.	Stratum V	A6.
A6.	Stratum VI	A7.

TABLE A.1

## CAPITAL INVESTMENT AND FARM ORGANIZATION --- STRATUM I

FARM NUMBER	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	AVERAGE
<b>SIZE</b>																			
Land (acres)	10.0	5.0	2.0	5.0	6.0	5.0	3.0	10.5	6.3	25.0	6.0	25.0	25.0	6.0	5.0	5.0	25.0	10.0	10.3
Average batch capacity (a) (no. of birds)	13,780	11,542	9,282	11,660	11,660	11,660	10,686	10,368	11,671	10,452	12,720	11,846	9,540	11,660	11,287	11,660	10,394	10,946	11,267
<b>AVERAGE CAPITAL PER FARM</b>																			
Land \$	6,000	5,000	2,000	5,000	2,400	4,000	1,000	5,500	5,500	4,000	5,000	10,000	2,500	4,750	4,500	4,000	3,200	7,000	4,519
Improvements (b) \$	250	175	700	150	625	600	650	200	100	800	500	1,500	700	100	350	540	700	1,000	536
Structures - Broiler sheds \$	5,884	6,390	3,494	6,390	4,951	4,468	4,926	4,713	5,390	4,643	6,288	5,839	4,669	5,839	4,071	4,369	6,164	6,021	5,250
- Others (and silos) \$	420	642	140	478	467	1,195	705	270	576	403	---	500	164	537	410	297	464	769	469
Equipment - Broiler sheds (c) \$	4,618	3,730	2,842	3,730	3,730	3,400	3,807	3,552	3,552	3,700	3,996	3,996	3,463	3,715	3,840	3,407	3,872	3,800	3,708
- Other plant \$	577	1,468	500	1,709	995	923	1,132	1,747	463	1,456	1,577	1,653	2,314	1,011	295	333	1,567	1,157	1,160
<b>TOTAL</b> \$	<b>17,749</b>	<b>17,405</b>	<b>9,676</b>	<b>17,457</b>	<b>13,168</b>	<b>14,586</b>	<b>12,220</b>	<b>15,982</b>	<b>15,581</b>	<b>15,002</b>	<b>17,361</b>	<b>23,488</b>	<b>13,810</b>	<b>15,952</b>	<b>13,466</b>	<b>12,946</b>	<b>15,967</b>	<b>19,747</b>	<b>15,642</b>
<b>DISTRIBUTION OF CAPITAL</b>																			
Land %	33.8	28.7	20.7	28.6	18.2	27.5	8.2	34.4	35.3	26.7	28.8	42.6	18.1	29.8	33.4	30.9	20.0	35.4	28.9
Improvements %	1.4	1.0	7.2	0.9	4.7	4.1	5.3	1.3	0.6	5.3	2.9	6.4	5.1	0.6	2.6	4.2	4.4	5.1	3.4
Structures - Broiler sheds %	33.1	36.7	36.1	36.6	37.6	30.6	40.3	29.5	34.6	30.9	36.2	24.9	33.8	36.6	30.2	33.7	38.6	30.5	33.6
- Others (and silos) %	2.4	3.7	1.4	2.7	3.6	8.2	5.8	1.7	3.7	2.7	---	2.1	1.2	3.4	3.1	2.3	2.9	3.9	3.0
Equipment - Broiler sheds %	26.0	21.4	29.4	21.4	28.3	23.3	31.1	22.2	22.8	24.7	23.0	17.0	25.1	23.3	28.5	26.3	24.3	19.2	23.7
- Other plant %	3.3	8.5	5.2	9.8	7.6	6.3	9.3	10.9	3.0	9.7	9.1	7.0	16.8	6.3	2.2	2.6	9.8	5.9	7.4
<b>DEPRECIATION</b>																			
Improvements \$	6	4	18	4	16	15	16	5	3	20	13	38	18	3	9	14	18	25	14
Structures - Broiler sheds \$	444	407	271	407	373	351	387	358	424	415	475	441	304	441	344	347	484	439	395
- Others (and silos) \$	65	70	61	56	33	112	77	37	51	60	---	59	13	64	51	31	56	102	55
Equipment - Broiler sheds \$	749	605	461	605	605	600	617	576	576	650	648	648	504	602	576	594	581	610	600
- Other plant \$	96	177	120	70	102	132	126	96	127	122	42	177	232	164	152	34	174	208	131
<b>TOTAL</b> \$	<b>1,360</b>	<b>1,263</b>	<b>931</b>	<b>1,142</b>	<b>1,129</b>	<b>1,210</b>	<b>1,223</b>	<b>1,072</b>	<b>1,181</b>	<b>1,267</b>	<b>1,178</b>	<b>1,363</b>	<b>1,071</b>	<b>1,274</b>	<b>1,132</b>	<b>1,020</b>	<b>1,313</b>	<b>1,384</b>	<b>1,195</b>
<b>INTEREST ON FARM CAPITAL</b>																			
7% of total capital value \$	1,242	1,218	677	1,222	922	1,021	855	1,119	1,091	1,050	1,215	1,644	967	1,117	943	906	1,118	1,382	1,095

(a) Average of capacity for 4 batches including 4% or 6% extra.

(b) Improvements other than buildings - fencing, roadways, water supply (dams, bores, storage tanks), electricity and water connections to site.

(c) All equipment within broiler sheds including monorail, lighting and plumbing.



TABLE A2.

## Capital Investment and Farm Organization - Stratum II

FARM NUMBER		26	27	28	29	30	31	32	33	AVERAGE
<u>SIZE</u>										
Land	(acres)	10.0	15.0	2.5	18.5	3.0	5.0	5.0	5.5	8.0
Average batch capacity (a)	(no. of birds)	16,960	16,501	15,080	15,575	15,900	16,960	13,780	16,276	15,879
<u>AVERAGE CAPITAL PER FARM</u>										
Land	\$	4,000	3,000	1,500	2,000	3,000	5,000	4,500	5,000	3,500
Improvements (b)	\$	350	800	150	1,100	175	200	150	150	384
Structures - Broiler sheds	\$	9,725	4,597	3,456	4,576	3,295	5,480	6,300	5,405	5,405
- Others (and silos)	\$	428	501	303	265	998	1,084	865	664	639
Equipment - Broiler sheds (c)	\$	6,304	5,848	5,328	5,054	5,440	5,920	6,336	5,200	5,679
- Other plant	\$	887	1,096	630	2,249	702	1,854	583	563	1,070
	<u>TOTAL</u> \$	21,694	15,842	11,367	15,244	13,610	19,538	18,734	17,390	16,677
<u>DISTRIBUTION OF CAPITAL</u>										
Land	%	18.4	18.9	13.2	13.1	22.0	25.6	24.0	28.8	21.0
Improvements	%	1.6	5.1	1.3	7.2	1.3	1.0	0.8	0.9	2.3
Structures - Broiler sheds	%	44.8	29.0	30.4	30.0	24.2	28.0	33.7	33.4	32.4
- Others (and silos)	%	2.0	3.2	2.7	1.7	7.3	5.6	4.6	3.8	3.8
Equipment - Broiler sheds	%	29.1	36.9	46.9	33.2	40.0	30.3	33.8	29.9	34.1
- Other plant	%	4.1	6.9	5.5	14.8	5.2	9.5	3.1	3.2	6.4
<u>DEPRECIATION</u>										
Improvements	\$	9	20	4	28	4	5	4	4	10
Structures - Broiler sheds	\$	950	407	338	407	271	448	495	475	474
- Others (and silos)	\$	75	76	64	39	133	143	121	87	92
Equipment - Broiler sheds	\$	946	877	799	758	816	888	950	780	852
- Other plant	\$	49	155	129	320	108	267	96	125	156
	<u>TOTAL</u> \$	2,029	1,535	1,334	1,552	1,332	1,751	1,666	1,471	1,584
<u>INTEREST ON FARM CAPITAL</u>										
7% of total capital value	\$	1,519	1,109	796	1,067	953	1,368	1,311	1,217	1,167

(a) Average of capacity for 4 batches including 4 per cent or 6 per cent extra.

(b) Improvements other than buildings - fencing, roadways, water supply (dams, bores, storage tanks), electricity and water connections to site.

(c) All equipment within broiler sheds including monorail, lighting and plumbing.

TABLE A.3

CAPITAL INVESTMENT AND FARM ORGANIZATION --- STRATUM III

FARM NUMBER	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	AVERAGE
<b>SIZE</b>																			
Land (acres)	7.0	10.8	25.0	5.0	13.0	22.0	5.0	5.0	25.0	5.0	17.5	2.0	6.0	5.0	3.3	6.5	10.0	25.0	11.0
Average batch capacity (a) (no. of birds)	23,585	23,016	23,320	20,528	23,316	23,360	22,360	20,140	21,200	19,656	23,320	20,696	22,260	24,804	20,592	23,320	24,245	23,320	22,391
<b>AVERAGE CAPITAL PER FARM</b>																			
Land	\$ 2,750	8,000	12,500	3,500	5,200	8,800	4,000	4,000	5,000	3,500	14,000	4,000	4,000	15,000	2,000	5,000	400	7,500	6,064
Improvements (b)	\$ 400	700	800	250	800	1,000	250	450	1,300	650	700	150	200	400	600	500	850	850	603
Structures - Broiler sheds	\$ 8,816	9,160	8,670	7,929	8,868	8,227	7,866	4,471	7,624	6,690	4,153	7,696	7,009	10,795	7,624	7,756	7,624	8,601	7,754
- Others (and silos)	\$ 1,109	912	1,351	412	451	1,471	808	1,019	---	538	637	339	538	941	840	571	232	1,159	740
Equipment - Broiler sheds (c)	\$ 8,064	8,155	8,004	7,600	8,064	8,095	6,900	7,368	8,011	6,528	7,379	6,912	7,680	8,448	7,680	8,064	8,400	8,064	7,745
- Other plant	\$ 1,666	1,872	1,633	2,877	3,563	1,114	1,205	2,178	3,330	1,497	971	849	486	697	1,965	486	963	1,141	1,583
<b>TOTAL</b>	\$ 22,805	28,799	32,958	22,562	26,946	28,707	21,029	19,486	25,265	19,403	27,840	19,946	19,913	36,281	20,709	22,377	18,469	27,315	24,489
<b>DISTRIBUTION OF CAPITAL</b>																			
Land	% 12.1	27.8	37.9	15.5	19.3	30.6	19.0	20.5	19.8	18.0	50.3	20.1	20.1	41.3	9.7	22.3	2.2	27.5	24.7
Improvements	% 1.7	2.4	2.4	1.1	3.0	3.5	1.2	2.3	5.1	3.4	2.5	0.7	1.0	1.1	2.9	2.2	4.6	3.1	2.5
Structures - Broiler sheds	% 38.6	31.8	26.3	35.2	32.9	28.7	37.4	22.9	30.2	34.5	14.9	38.6	35.2	29.8	36.8	34.7	41.3	31.5	31.7
- Others (and silos)	% 4.9	3.2	4.1	1.8	1.7	5.1	3.9	5.2	---	2.8	2.3	1.7	2.7	2.6	4.0	2.6	1.2	4.2	3.0
Equipment - Broiler sheds	% 35.4	28.3	24.3	33.7	29.9	28.2	32.8	37.8	31.7	33.6	26.5	34.6	38.6	23.3	37.1	36.0	45.5	29.5	31.6
- Other plant	% 7.3	6.5	5.0	12.7	13.2	3.9	5.7	11.2	13.2	7.7	3.5	4.3	2.4	1.9	9.5	2.2	5.2	4.2	6.5
<b>DEPRECIATION</b>																			
Improvements	\$ 10	18	20	6	20	25	6	11	33	16	18	4	5	10	15	13	21	21	15
Structures - Broiler sheds	\$ 692	748	708	706	725	646	629	543	679	570	339	752	397	882	679	723	679	733	657
- Others (and silos)	\$ 153	109	255	71	56	143	93	149	---	75	78	58	75	119	102	83	63	155	102
Equipment - Broiler sheds	\$ 1,203	1,214	1,200	1,140	1,209	1,210	1,050	1,105	1,200	979	1,107	1,037	1,152	1,267	1,152	1,200	1,260	1,209	1,160
- Other plant	\$ 279	193	206	361	432	116	185	232	333	89	149	94	162	149	284	54	228	125	204
<b>TOTAL</b>	\$ 2,337	2,282	2,389	2,284	2,442	2,140	1,963	2,040	2,245	1,729	1,691	1,945	1,791	2,427	2,232	2,073	2,251	2,243	2,138
<b>INTEREST ON FARM CAPITAL</b>																			
7% of total capital value	\$ 1,596	2,016	2,307	1,579	1,886	2,009	1,472	1,364	1,769	1,358	1,949	1,396	1,394	2,540	1,450	1,566	1,293	1,912	1,714

(a) Average of capacity for 4 batches including 4% or 6% extra.

(b) Improvements other than buildings - fencing, roadways, water supply (dams, bores, storage tanks), electricity and water connections to site.

(c) All equipment within broiler sheds including monorail, lighting and plumbing.

TABLE A4.

## Capital Investment and Farm Organization - Stratum IV

FARM NUMBER	60	61	62	63	64	65	66	67	68	69	AVERAGE
<u>SIZE</u>											
Land (acres)	5.5	23.0	4.8	19.0	6.0	2.8	5.0	16.5	5.0	5.0	9.3
Average batch capacity (a) (no. of birds)	32,330	34,967	28,620	32,280	28,620	27,756	30,740	35,775	28,620	31,800	31,151
<u>AVERAGE CAPITAL PER FARM</u>											
Land	\$ 4,000	6,300	4,000	3,900	6,000	3,300	2,000	15,000	4,000	2,500	5,100
Improvements (b)	\$ 650	900	300	700	600	600	1,000	500	400	700	635
Structures - Broiler sheds	\$ 10,432	9,239	10,089	10,928	5,210	6,100	8,589	13,572	8,005	16,921	9,908
- Others (and silos)	\$ 729	1,594	614	698	640	228	656	2,099	532	459	825
Equipment - Broiler sheds (c)	\$ 10,944	12,512	11,640	10,080	9,010	9,600	12,784	12,096	9,920	11,424	11,001
- Other plant	\$ 2,495	1,720	725	9,437	2,115	2,458	3,249	8,578	2,594	7,147	4,052
<u>TOTAL</u>	\$ 29,250	32,265	27,368	35,743	23,575	22,286	28,278	51,845	25,451	39,151	31,521
<u>DISTRIBUTION OF CAPITAL</u>											
Land	% 13.7	19.5	14.6	10.9	25.5	14.8	7.1	28.9	15.7	6.4	16.2
Improvements	% 2.2	2.8	1.1	2.0	2.5	2.7	3.5	1.0	1.6	1.8	2.0
Structures - Broiler sheds	% 35.7	28.6	36.9	30.6	22.1	27.4	30.4	26.2	31.4	43.2	31.4
- Others (and silos)	% 2.5	5.0	2.2	1.9	2.7	1.0	2.3	4.1	2.1	1.2	2.6
Equipment - Broiler sheds	% 37.4	38.8	42.5	28.2	38.2	43.1	45.2	23.3	39.0	29.2	34.9
- Other plant	% 8.5	5.3	2.7	26.4	9.0	11.0	11.5	16.5	10.2	18.2	12.9
<u>DEPRECIATION</u>											
Improvements	\$ 16	23	8	18	15	15	25	13	10	18	16
Structures - Broiler sheds	\$ 928	787	1,093	1,018	509	543	1,010	1,208	713	2,338	1,015
- Others (and silos)	\$ 91	207	87	92	120	35	110	315	84	120	126
Equipment - Broiler sheds	\$ 1,642	1,877	1,747	1,512	1,389	1,440	1,918	1,814	1,488	1,699	1,653
- Other plant	\$ 114	239	213	779	348	289	681	1,081	436	1,010	519
<u>TOTAL</u>	\$ 2,791	3,133	3,148	3,419	2,381	2,322	3,744	4,431	2,731	5,185	3,329
<u>INTEREST ON FARM CAPITAL</u>											
7% of total capital value	\$ 2,048	2,259	1,916	2,502	1,650	1,560	1,979	3,629	1,782	2,741	2,206

(a) Average of capacity for 4 batches including 4 per cent or 6 per cent extra.

(b) Improvements other than buildings - fencing, roadways, water supply (dams, bores, storage tanks), electricity and water connections to site.

(c) All equipment within broiler sheds including monorail, lighting and plumbing.

TABLE A5.

## Capital Investment and Farm Organization - Stratum V

FARM NUMBER		70	71	72	AVERAGE
<u>SIZE</u>					
Land	(acres)	25.0	3.5	10.0	12.8
Average batch capacity (a) (no. of birds)		52,444	41,400	53,000	48,948
<u>AVERAGE CAPITAL PER FARM</u>					
Land	\$	3,000	3,000	8,000	4,667
Improvements (b)	\$	2,150	300	750	1,067
Structures - Broiler sheds	\$	28,677	9,354	13,126	17,052
- Others (and silos)	\$	472	68	679	406
Equipment - Broiler sheds (c)	\$	10,128	12,800	18,176	13,701
- Other plant	\$	3,740	4,552	2,433	3,575
	<u>TOTAL</u> \$	48,167	30,074	43,164	40,468
<u>DISTRIBUTION OF CAPITAL</u>					
Land	%	6.2	10.0	18.5	11.5
Improvements	%	4.5	1.0	1.7	2.6
Structures - Broiler sheds	%	59.5	31.1	30.4	42.2
- Others (and silos)	%	1.0	0.2	1.6	1.0
Equipment - Broiler sheds	%	21.0	42.6	42.1	33.9
- Other plant	%	7.8	15.1	5.7	8.8
<u>DEPRECIATION</u>					
Improvements	\$	54	8	19	27
Structures - Broiler sheds	\$	2,803	882	1,283	1,656
- Others (and silos)	\$	82	15	72	56
Equipment - Broiler sheds	\$	2,419	1,920	2,726	2,355
- Other plant	\$	394	599	320	438
	<u>TOTAL</u> \$	5,752	3,424	4,420	4,532
<u>INTEREST ON FARM CAPITAL</u>					
7 % of total capital value	\$	3,372	2,105	3,021	2,833

(a) Average of capacity for 4 batches including 4 per cent or 6 per cent extra.

(b) Improvements other than buildings - fencing, roadways, water supply (dams, bores, storage tanks), electricity and water connections to site.

(c) All equipment within broiler sheds including monorail, lighting and plumbing.

TABLE A6.

## Capital Investment and Farm Organization - Stratum VI

FARM NUMBER		80	81	82	83	AVERAGE
<u>SIZE</u>						
Land	(acres)	60.0	36.0	25.0	5.0	31.5
Average batch capacity (a)	(no. of birds)	161,055	77,303	69,630	57,240	91,307
<u>AVERAGE CAPITAL PER FARM</u>						
Land	\$	12,000	9,000	12,500	3,000	9,125
Improvements (b)	\$	800	800	750	700	763
Structures - Broiler sheds	\$	45,565	8,351	22,814	19,277	24,002
- Others (and silos)	\$	4,238	1,520	2,508	1,678	2,486
Equipment - Broiler sheds (c)	\$	41,400	16,000	15,895	14,246	21,885
- Other plant	\$	10,208	6,435	3,879	2,211	5,683
	<u>TOTAL</u> \$	114,211	42,106	58,346	41,112	63,944
<u>DISTRIBUTION OF CAPITAL</u>						
Land	%	10.5	21.4	21.4	7.3	14.3
Improvements	%	0.7	1.9	1.3	1.7	1.2
Structures - Broiler sheds	%	39.9	19.8	39.1	46.9	37.5
- Others (and silos)	%	3.7	3.6	4.3	4.1	3.9
Equipment - Broiler sheds	%	36.3	38.0	27.2	34.6	34.2
- Other plant	%	8.9	15.3	6.7	5.4	8.9
<u>DEPRECIATION</u>						
Improvements	\$	20	20	19	18	19
Structures - Broiler sheds	\$	4,933	1,014	2,401	1,642	2,498
- Others (and silos)	\$	725	220	418	235	400
Equipment - Broiler sheds	\$	5,760	2,304	2,534	2,035	3,158
- Other plant	\$	3,372	925	568	367	1,308
	<u>TOTAL</u> \$	14,810	4,483	5,940	4,297	7,383
<u>INTEREST ON FARM CAPITAL</u>						
7% of total capital value	\$	7,995	2,947	4,084	2,878	4,476

(a) Average of capacity for 4 batches including 4 per cent or 6 per cent extra.

(b) Improvements other than buildings - fencing, roadways, water supply (dams, bores, storage tanks), electricity and water connections to site.

(c) All equipment within broiler sheds including monorail, lighting and plumbing.

APPENDIX B

## Cash Costs Per Farm

<u>Table</u>		<u>Page</u>
B1.	Stratum I	A9.
B2.	Stratum II	A10.
B3.	Stratum III	A11.
B4.	Stratum IV	A12.
B5.	Stratum V	A13.
B6.	Stratum VI	A14.

TABLE B.1

CASH COSTS PER FARM --- STRATUM I

FARM NUMBER	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	AVERAGE
<b>BATCH COSTS</b>																			
(a) Chickens (1)	\$ 8,710	7,336	5,981	7,370	7,480	7,370	6,932	6,530	7,429	6,767	8,160	7,540	6,120	7,480	7,170	7,480	6,606	7,050	7,195
(b) Feed	\$ 23,973	20,470	16,067	18,823	18,528	19,570	19,052	20,193	18,907	17,678	19,382	19,927	15,626	22,134	21,815	20,942	17,655	19,534	19,460
(c) Medication	\$ 774	407	277	308	291	413	254	1,532	455	196	892	648	242	251	1,216	1,457	497	474	588
(d) Vaccination	\$ 559	198	24	82	275	704	---	---	198	193	516	---	---	550	320	---	---	19	202
(e) Debeaking (2)	\$ ---	124	---	124	108	124	---	---	72	---	135	41	---	124	292	125	6	---	71
(f) Others (3)	\$ ---	130	---	---	26	40	---	---	---	---	---	---	---	---	80	---	---	---	15
<b>TOTAL</b>	\$ 34,016	28,665	22,349	26,707	26,708	28,221	26,238	28,255	27,061	24,834	29,085	28,156	21,988	30,539	30,893	30,004	24,764	27,077	27,531
<b>OTHER COSTS</b>																			
(a) Litter	\$ 329	180	110	82	192	223	192	252	111	109	234	252	96	207	309	299	322	147	203
(b) Electricity	\$ 323	60	56	75	42	103	100	100	156	87	67	157	8	52	50	45	28	45	86
(c) Gas/Oil	\$ ---	434	139	598	504	575	203	281	---	175	316	683	456	559	730	544	220	512	385
(d) Water	\$ 145	18	10	65	---	40	34	131	68	25	40	54	---	30	60	---	---	---	40
(e) Labour - Regular (4)	\$ ---	2,000	---	---	---	---	---	---	---	---	---	1,315	---	---	---	---	---	---	184
- Casual (5)	\$ 243	126	65	95	24	96	80	48	16	114	---	408	---	---	200	253	103	---	104
(f) Maintenance	\$ 996	204	151	266	60	148	37	513	75	463	171	440	156	114	210	579	441	10	280
(g) Rates	\$ 117	36	81	76	59	79	73	121	75	50	53	100	63	59	64	60	40	78	71
(h) Insurance (6)	\$ 83	90	45	11	---	38	37	103	---	2	153	81	28	37	---	85	19	56	48
(i) Interest on borrowed capital	\$ 240	---	---	520	600	720	---	240	150	16	75	---	---	240	317	452	---	620	233
(j) Telephone	\$ 50	28	31	33	69	65	40	21	78	15	25	42	38	90	50	15	75	60	46
(k) Motor registration and insurance	\$ 50	60	40	104	---	250	36	99	61	36	70	30	75	126	105	---	42	14	67
(l) Travelling (fuel)	\$ 80	75	100	52	10	379	87	180	100	75	140	32	480	50	89	40	150	120	124
(m) Broiler Growers' Assoc.	\$ 9	9	9	9	9	9	---	9	---	---	---	---	---	---	9	9	9	---	5
(n) Miscellaneous	\$ ---	64	50	36	18	---	10	224	---	80	168	---	24	10	55	123	62	12	52
<b>TOTAL</b>	\$ 2,665	3,384	887	2,022	1,587	2,725	929	2,322	890	1,247	1,512	3,594	1,424	1,574	2,248	2,504	1,511	1,674	1,928
<b>TOTAL CASH COSTS</b>	\$ 36,681	32,049	23,236	28,729	28,295	30,946	27,167	30,577	27,951	26,081	30,597	31,750	23,412	32,113	33,141	32,508	26,275	28,751	29,459

(1) Debeaking and fowl pox vaccination costs included in some cases.

(2) Cost is nil if carried out on farm without extra labour or equipment hire.

(3) Includes pest control.

(5) Includes shed cleaning costs.

(4) Hired labour only.

(6) Includes workers' compensation.

TABLE B2.

## Cash Costs Per Farm - Stratum II

FARM NUMBER	26	27	28	29	30	31	32	33	AVERAGE
<u>BATCH COSTS</u>									
(a) Chickens (1)	10,720	10,531	9,570	10,200	10,199	10,880	8,910	10,349	10,170
(b) Feed	31,767	28,299	26,386	26,652	24,764	31,398	23,725	27,431	27,553
(c) Medication	419	684	952	493	423	1,026	760	45	600
(d) Vaccination	688	206	566	-	-	512	-	1,309	410
(e) Debeaking (2)	136	180	136	174	168	176	122	192	161
(f) Others (3)	466	-	-	-	-	-	-	-	58
<u>TOTAL</u>	44,196	39,900	37,610	37,519	35,554	43,992	33,517	39,326	38,952
<u>OTHER COSTS</u>									
(a) Litter	302	168	313	220	384	476	320	450	329
(b) Electricity	80	60	19	80	75	90	120	820	168
(c) Gas/Oil	240	400	731	133	449	575	690	290	438
(d) Water	40	-	48	-	32	50	10	260	55
(e) Labour - Regular (4)	2,536	-	-	-	-	-	-	-	317
- Casual (5)	160	-	6	134	100	-	160	-	70
(f) Maintenance	616	238	72	258	181	261	428	200	282
(g) Rates	50	45	33	33	81	94	93	120	68
(h) Insurance (6)	93	120	30	66	40	60	30	-	55
(i) Interest on borrowed capital	-	240	123	308	247	-	492	236	206
(j) Telephone	-	60	15	120	50	70	78	60	56
(k) Motor registration and insurance	-	45	-	83	59	60	84	50	48
(l) Travelling (fuel)	80	44	35	172	156	242	216	150	137
(m) Broiler Growers' Assoc.	-	9	-	9	9	9	9	-	6
(n) Miscellaneous	-	100	5	70	55	59	30	10	41
<u>TOTAL</u>	4,197	1,529	1,430	1,686	1,918	2,046	2,760	2,646	2,276
<u>TOTAL CASH COSTS</u>	48,393	41,429	39,040	39,205	37,472	46,038	36,277	41,972	41,228

(1) Debeaking and fowl pox vaccination costs included in some cases.

(2) Cost is nil if carried out on farm without extra labour or equipment hire.

(3) Includes pest control.

(4) Hired labour only.

(5) Includes shed cleaning costs.

(6) Includes workers' compensation.



TABLE B.3

CASH COSTS PER FARM --- STRATUM III

FARM NUMBER	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	AVERAGE
<b>BATCH COSTS</b>																			
(a) Chickens (1)	\$ 15,130	14,757	14,740	12,538	15,028	14,985	14,620	12,730	12,800	12,662	14,960	13,077	14,279	15,678	13,365	14,960	15,620	14,740	14,259
(b) Feed	\$ 36,031	43,065	41,499	36,890	41,656	41,513	34,763	34,351	36,449	32,776	37,055	34,938	38,292	35,783	37,390	41,243	43,179	36,808	37,982
(c) Medication	\$ 937	1,879	1,143	1,318	549	628	1,277	95	12	907	434	1,084	623	368	457	2,631	169	859	854
(d) Vaccination	\$ 964	---	198	357	---	---	467	684	---	128	902	702	1,041	163	12	955	---	154	374
(e) Debeaking (2)	\$ 228	238	248	---	248	248	---	212	---	---	204	188	232	280	---	200	---	244	154
(f) Others (3)	\$ ---	---	100	100	36	---	---	109	---	---	10	---	---	---	364	---	---	---	40
<b>TOTAL</b>	\$ 53,290	59,939	57,928	51,203	57,517	57,374	51,127	48,181	49,261	46,473	53,565	49,989	54,467	52,272	51,588	59,989	58,968	52,805	53,663
<b>OTHER COSTS</b>																			
(a) Litter	\$ 401	306	270	289	455	168	312	527	320	312	390	784	418	493	312	556	274	126	373
(b) Electricity	\$ 72	120	200	200	90	50	391	519	45	50	92	133	923	60	140	179	94	155	195
(c) Gas/Oil	\$ 807	606	650	661	994	646	761	240	536	600	400	458	---	594	596	871	210	824	581
(d) Water	\$ 40	100	156	200	---	85	68	65	35	30	80	90	72	120	12	34	---	---	66
(e) Labour - Regular (4)	\$ ---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	809	---	3,269	227
- Casual (5)	\$ 399	335	1,716	1,000	298	99	---	---	---	1,500	---	80	---	280	251	250	600	---	378
(f) Maintenance	\$ 161	1,547	190	800	127	90	217	133	106	350	510	260	69	50	287	305	250	612	337
(g) Rates	\$ 69	300	171	71	93	164	57	67	45	100	218	85	96	130	71	138	15	75	109
(h) Insurance (6)	\$ 126	143	245	32	75	105	104	---	73	84	---	127	38	---	52	59	90	180	85
(i) Interest on borrowed capital	\$ 480	247	720	---	930	990	530	150	---	400	308	312	555	700	75	194	44	917	420
(j) Telephone	\$ 92	134	50	75	59	25	45	60	23	50	70	104	48	50	20	51	---	50	56
(k) Motor registration and insurance	\$ 108	---	36	75	38	87	187	---	---	54	30	69	60	---	66	12	60	---	49
(l) Travelling (fuel)	\$ 179	50	225	650	82	96	262	50	17	150	180	150	88	18	153	20	160	138	148
(m) Broiler Growers' Assoc.	\$ ---	9	---	---	9	---	---	---	---	---	---	9	---	9	9	9	---	9	3
(n) Miscellaneous	\$ ---	---	58	---	80	---	4	---	---	12	---	---	---	---	26	169	148	151	36
<b>TOTAL</b>	\$ 2,934	3,897	4,687	4,053	3,330	2,605	2,938	1,811	1,200	3,692	2,278	2,661	2,367	2,504	2,070	3,656	1,945	6,506	3,063
<b>TOTAL CASH COSTS</b>	\$ 56,224	63,836	62,615	55,256	60,847	59,979	54,065	49,992	50,461	50,165	55,843	52,650	56,834	54,776	53,658	63,645	60,913	59,311	56,726

(1) Debeaking and fowl pox vaccination costs included in some cases.

(2) Cost is nil if carried out on farm without extra labour or equipment hire.

(3) Includes pest control.

(5) Includes shed cleaning costs.

(4) Hired labour only.

(6) Includes workers' compensation.

TABLE B4.

## Cash Costs Per Farm - Stratum IV

FARM NUMBER	60	61	62	63	64	65	66	67	68	69	AVERAGE
<b>BATCH COSTS</b>											
(a) Chickens (1)	\$ 20,435	22,431	18,120	20,820	18,360	17,879	19,380	22,950	18,377	20,400	19,915
(b) Feed	\$ 60,206	60,928	45,700	53,552	49,295	41,201	49,381	59,491	52,371	57,272	52,940
(c) Medication	\$ 901	227	1,175	1,008	547	316	201	1,138	1,082	378	697
(d) Vaccination	\$ 548	249	1,032	61	1,350	-	-	1,106	1,350	-	570
(e) Debeaking (2)	\$ 88	332	263	-	304	-	290	374	304	-	195
(f) Others (3)	\$ -	-	-	-	-	-	-	5	-	-	1
<b>TOTAL</b>	\$ 82,178	84,167	66,290	75,441	69,856	59,396	69,252	85,064	73,484	78,050	74,318
<b>OTHER COSTS</b>											
(a) Litter (4)	\$ 600	570	676	266	213	-	-	924	443	612	430
(b) Electricity	\$ 133	62	140	176	140	120	200	165	230	220	159
(c) Gas/Oil	\$ 410	693	1,057	995	575	1,000	800	1,383	1,202	500	862
(d) Water	\$ 35	-	80	-	-	100	-	77	120	-	41
(e) Labour - Regular (5)	\$ -	-	1,800	1,196	-	-	-	-	-	-	300
- Casual (6)	\$ 746	-	62	170	-	20	1,200	76	459	-	273
(f) Maintenance	\$ 620	359	595	1,044	200	300	100	324	236	430	421
(g) Rates	\$ 147	113	75	11	118	85	100	297	60	40	105
(h) Insurance (7)	\$ 80	80	128	150	97	40	108	349	80	-	111
(i) Interest on borrowed capital	\$ 103	-	1,000	150	500	1,000	-	-	-	310	306
(j) Telephone	\$ 160	72	45	65	105	60	50	65	145	90	86
(k) Motor registration and insurance	\$ 49	154	147	92	82	114	14	75	89	98	91
(l) Travelling (fuel)	\$ 60	120	265	200	200	216	20	237	210	433	196
(m) Broiler Growers' Assoc.	\$ 9	9	9	9	9	-	9	9	-	9	7
(n) Miscellaneous	\$ 57	-	-	203	-	-	-	-	48	-	31
<b>TOTAL</b>	\$ 3,209	2,232	6,079	4,727	2,239	3,055	2,601	3,981	3,322	2,742	3,419
<b>TOTAL CASH COSTS</b>	\$ 85,387	86,399	72,369	80,168	72,095	62,451	71,853	89,045	76,806	80,792	77,737

- (1) Debeaking and fowl pox vaccination costs included in some cases.  
(2) Cost is nil if carried out on farm without extra labour or equipment hire.  
(3) Includes pest control. (4) No cost is shown for litter in cases where manure is exchanged for fresh litter. Manure is normally unsaleable and therefore it has not been feasible to fix a cost for supply of fresh litter.  
(5) Hired labour only. (6) Includes shed cleaning costs. (7) Includes workers' compensation.

TABLE B5.  
Cash Costs Per Farm - Stratum V

FARM NUMBER	70	71	72	AVERAGE
<u>BATCH COSTS</u>				
(a) Chickens (1)	\$ 33,169	26,800	34,000	31,323
(b) Feed	\$ 80,896	77,237	92,467	83,533
(c) Medication	\$ 2,223	1,667	499	1,463
(d) Vaccination	\$ -	400	-	133
(e) Debeaking (2)	\$ 398	516	288	401
(f) Others (3)	\$ -	-	-	-
<u>TOTAL</u>	\$ 116,686	106,620	127,254	116,853
<u>OTHER COSTS</u>				
(a) Litter (4)	\$ 1,516	-	1,400	972
(b) Electricity	\$ 272	190	280	247
(c) Gas/Oil	\$ 1,800	850	1,260	1,303
(d) Water	\$ -	140	156	99
(e) Labour - Regular (5)	\$ 500	-	1,715	738
- Casual (6)	\$ -	160	-	53
(f) Maintenance	\$ 680	166	123	323
(g) Rates	\$ 90	30	134	85
(h) Insurance (7)	\$ 225	-	159	128
(i) Interest on borrowed capital	\$ -	-	473	158
(j) Telephone	\$ 80	58	-	46
(k) Motor registration and insurance	\$ 45	84	150	93
(l) Travelling (fuel)	\$ 180	250	184	205
(m) Broiler Growers' Assoc.	\$ 9	9	-	6
(n) Miscellaneous	\$ 56	20	115	64
<u>TOTAL</u>	\$ 5,453	1,957	6,149	4,520
<u>TOTAL CASH COSTS</u>	\$ 122,139	108,577	133,403	121,373

(1) Debeaking and fowl pox vaccination costs included in some cases. (2) Cost is nil if carried out on farm without extra labour or equipment hire. (3) Includes pest control. (4) No cost is shown for litter in cases where manure is exchanged for fresh litter. Manure is normally unsaleable and therefore it has not been feasible to fix a cost for supply of fresh litter. (5) Hired labour only. (6) Includes shed cleaning costs. (7) Includes workers' compensation.

TABLE B6.

## Cash Costs Per Farm - Stratum VI

FARM NUMBER	80	81	82	83	AVERAGE
<u>BATCH COSTS</u>					
(a) Chickens (1)	102,757	46,737	44,880	36,720	57,773
(b) Feed	265,400	137,907	105,048	94,304	150,665
(c) Medication	1,040	929	1,671	1,415	1,264
(d) Vaccination	-	697	2,112	-	702
(e) Debeaking (2)	1,520	-	740	-	565
(f) Others (3)	-	-	100	154	64
<u>TOTAL</u>	370,717	186,270	154,551	132,593	211,033
<u>OTHER COSTS</u>					
(a) Litter (4)	-	1,237	1,047	457	685
(b) Electricity	872	507	470	330	545
(c) Gas/Oil	-	635	828	1,528	748
(d) Water	-	-	196	134	83
(e) Labour - Regular (5)	6,240	2,619	4,811	5,796	4,866
- Casual (6)	-	-	-	-	-
(f) Maintenance	2,120	1,004	1,653	697	1,368
(g) Rates	249	46	150	134	145
(h) Insurance (7)	771	145	670	139	431
(i) Interest on borrowed capital	3,084	-	1,514	1,640	1,559
(j) Telephone	200	164	124	120	152
(k) Motor registration and insurance	346	160	200	185	223
(l) Travelling (fuel)	1,443	405	494	380	681
(m) Broiler Growers' Assoc.	9	9	9	9	9
(n) Miscellaneous	1,818	344	194	248	651
<u>TOTAL</u>	17,152	7,275	12,360	11,797	12,146
<u>TOTAL CASH COSTS</u>	387,869	193,545	166,911	144,390	223,179

(1) Debeaking and fowl pox vaccination costs included in some cases. (2) Cost is nil if carried out on farm without extra labour or equipment hire. (3) Includes pest control. (4) No cost is shown for litter in cases where manure is exchanged for fresh litter. Manure is normally unsaleable and therefore it has not been feasible to fix a cost for supply of fresh litter. (5) Hired labour only. (6) Includes shed cleaning costs. (7) Includes workers' compensation.

APPENDIX C

## Production and Management

<u>Table</u>		<u>Page</u>
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C2.	Stratum II	A17.
C3.	Stratum III	A18.
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C5.	Stratum V	A20.
C6.	Stratum VI	A21.

TABLE C.1

PRODUCTION AND MANAGEMENT --- STRATUM I

FARM NUMBER	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	AVERAGE
Total number of birds delivered (including 4 % or 6% extra)	55,120	46,167	37,128	46,640	46,640	46,640	42,744	41,470	46,682	41,808	50,880	47,385	38,160	46,640	45,148	46,640	41,576	43,784	45,070
Number of birds sold	51,222	44,500	34,215	44,043	44,028	43,133	39,980	39,507	45,105	39,805	48,070	45,025	36,829	44,409	41,657	44,331	39,387	40,765	42,556
Mortality	3,898	1,667	2,913	2,597	2,612	3,507	2,764	1,963	1,577	2,003	2,810	2,360	1,331	2,231	3,491	2,309	2,189	3,019	2,514
MORTALITY % (a)	7.1	3.6	7.8	5.6	5.6	7.5	6.5	4.7	3.4	4.8	5.5	5.0	3.5	4.8	7.7	5.0	5.3	6.9	5.6
Total weight of birds sold (lb.)	180,200	152,870	121,436	145,275	141,330	142,980	143,402	147,600	150,731	141,876	145,350	164,770	120,095	166,220	153,467	162,104	135,371	146,832	147,884
AVERAGE WEIGHT PER BIRD (lb.)	3.52	3.44	3.55	3.30	3.21	3.31	3.59	3.74	3.34	3.56	3.02	3.66	3.26	3.74	3.68	3.66	3.44	3.60	3.48
Average age at slaughter (b) (days)	72	66	72	66	69	69	72	75	70	71	70	70	70	74	77	75	68	83	72
Average period between batches (c) (days)	34	25	15	21	12	18	9	16	18	14	13	26	17	16	22	18	24	12	18
Total weight of feed (lb.)	501,099	412,000	336,000	380,140	388,130	398,000	390,000	411,000	399,400	360,419	401,008	414,140	314,000	465,320	444,930	422,790	363,155	407,684	400,512
AVERAGE FEED CONVERSION	2.78	2.70	2.77	2.62	2.75	2.78	2.72	2.78	2.65	2.54	2.76	2.51	2.61	2.80	2.90	2.61	2.68	2.78	2.71
Total cost of feed (\$)	23,973	20,470	16,067	18,823	18,528	19,570	19,052	20,193	18,907	17,678	19,382	19,927	15,626	22,134	21,815	20,942	17,655	19,534	19,460
Average cost per lb. (cents)	4.78	4.97	4.78	4.95	4.77	4.92	4.89	4.91	4.73	4.90	4.83	4.81	4.98	4.76	4.90	4.95	4.86	4.79	4.86
Total floorspace (sq. ft.)	12,480	10,080	7,680	10,080	10,080	10,080	10,291	9,600	9,600	10,000	10,800	10,800	9,360	10,040	9,600	10,080	9,680	10,080	10,023
Floorspace per bird (d) (sq. ft.)	0.91	0.87	0.83	0.86	0.86	0.86	0.96	0.93	0.82	0.96	0.85	0.91	0.98	0.86	0.85	0.86	0.93	0.92	0.89

(a) Mortality % =  $\frac{\text{Mortality}}{\text{Total number of birds delivered (including 4\% or 6\% extra)}} \times 100\%$

(b) Average age at which birds slaughtered for 4 batches. Day of delivery of chickens and day of pick-up of birds included in age of birds at slaughter.

(c) Average of 3 free periods between batches.

(d) Average floorspace per bird for 4 batches. Floorspace per bird =  $\frac{\text{Total floorspace}}{\text{Number of birds delivered (including 4\% or 6\% extra)}}$

TABLE C2.  
Production and Management - Stratum II

FARM NUMBER	26	27	28	29	30	31	32	33	AVERAGE
Total number of birds delivered (Including 4% or 6% extra)	67,840	66,004	60,320	62,300	63,600	67,840	55,120	65,104	63,516
Number of birds sold	63,110	63,845	55,820	59,077	60,511	64,292	50,165	58,876	59,462
Mortality	4,730	2,159	4,500	3,223	3,089	3,548	4,955	6,228	4,054
MORTALITY % (a)	7.0	3.3	7.5	5.2	4.9	5.2	9.0	9.6	6.4
Total weight of birds sold (lb.)	239,719	206,993	160,638	208,145	195,940	241,380	181,130	204,250	204,774
AVERAGE WEIGHT PER BIRD (lb.)	3.80	3.24	2.88	3.52	3.24	3.75	3.61	3.47	3.44
Average age at slaughter (b)(days)	77	73	73	72	72	76	72	82	75
Average period between batches (c) (days)	19	n.a.	n.a.	14	20	17	21	n.a.	18
Total weight of feed (lb.)	629,710	576,240	525,238	557,370	494,520	684,240	479,603	583,640	566,320
AVERAGE FEED CONVERSION	2.63	2.78	3.27	2.68	2.52	2.83	2.65	2.86	2.77
Total cost of feed (\$)	31,767	28,299	26,386	26,652	24,764	31,398	23,725	27,431	27,553
Average cost per lb. (cents)	5.04	4.91	5.02	4.78	5.01	4.59	4.95	4.70	4.87
Total floorspace (sq. ft.)	15,760	14,620	13,320	12,636	13,600	14,800	15,840	13,000	14,197
Floorspace per bird (d) (sq. ft.)	0.93	0.89	0.88	0.81	0.86	0.87	1.15	0.80	0.89

(a) Mortality % =  $\frac{\text{Mortality}}{\text{Total number of birds delivered (including 4\% or 6\% extra)}} \times 100\%$

(b) Average of age at which birds slaughtered for 4 batches. Day of delivery of chicks and day of pick-up of birds included in age of birds at slaughter.

(c) Average of 3 free periods between batches.

(d) Average of floorspace per bird for 4 batches. Floorspace per bird =  $\frac{\text{Total floorspace}}{\text{Total number of birds delivered (including 4\% or 6\% extra)}}$

TABLE C.3

## PRODUCTION AND MANAGEMENT --- STRATUM III

FARM NUMBER	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	AVERAGE
Total number of birds delivered (including 4% or 6% extra)	94,340	92,064	93,280	82,112	93,264	93,440	89,440	80,560	84,800	78,624	93,280	82,786	89,040	99,216	82,368	93,280	96,982	93,280	89,564
Number of birds sold	91,129	89,722	86,674	74,837	88,020	89,031	78,612	76,882	81,496	74,726	88,194	77,727	82,402	94,421	79,650	88,130	92,179	87,709	84,530
Mortality	3,211	2,342	6,606	7,275	5,244	4,409	10,828	3,678	3,304	3,898	5,086	5,059	6,638	4,795	2,718	5,150	4,803	5,571	5,034
MORTALITY % (a)	3.4	2.5	7.1	8.9	5.6	4.7	12.1	4.6	3.9	5.0	5.5	6.1	7.5	4.8	3.3	5.5	5.0	6.0	5.6
Total weight of birds sold (lb.)	283,920	328,520	315,710	236,178	316,940	319,450	251,023	254,070	284,540	270,140	282,820	260,320	281,990	282,252	300,650	311,370	342,188	290,708	289,599
AVERAGE WEIGHT PER BIRD (lb.)	3.12	3.66	3.64	3.16	3.60	3.59	3.19	3.30	3.49	3.62	3.21	3.35	3.42	2.99	3.77	3.53	3.71	3.31	3.43
Average age at slaughter (b) (days)	68	74	73	90	74	75	69	72	70	73	71	73	76	63	81	75	77	69	74
Average period between batches (c) (days)	15	19	18	15	18	20	13	21	21	15	13	18	21	21	26	15	20	28	19
Total weight of feed (lb.)	734,905	906,220	846,300	703,714	869,000	882,380	749,084	717,980	730,000	687,512	744,150	721,500	751,285	748,164	676,456	860,685	900,266	779,300	778,272
AVERAGE FEED CONVERSION (lb.)	2.59	2.76	2.68	2.98	2.74	2.76	2.98	2.83	2.57	2.55	2.63	2.77	2.66	2.65	2.25	2.76	2.63	2.68	2.69
Total cost of feed (\$)	36,031	43,065	41,499	36,890	41,656	41,513	34,763	34,351	36,449	32,776	37,055	34,938	38,292	35,783	37,390	41,243	43,179	36,808	37,982
Average cost per lb. (cents)	4.90	4.75	4.90	5.24	4.79	4.70	4.64	4.78	4.99	4.77	4.98	4.84	5.10	4.78	5.53	4.79	4.80	4.72	4.88
Total floorspace (sq. ft.)	20,160	20,160	20,160	19,000	20,160	20,160	17,250	18,420	20,000	16,320	18,448	17,280	19,200	21,120	19,200	20,160	21,000	20,160	19,353
Floorspace per bird (d) (sq. ft.)	0.85	0.88	0.86	0.93	0.86	0.86	0.77	0.91	0.94	0.83	0.79	0.83	0.86	0.85	0.93	0.86	0.87	0.86	0.86

(a) Mortality % =  $\frac{\text{Mortality}}{\text{Total number of birds delivered (including 4\% or 6\% extra)}} \times 100\%$

(b) Average age at which birds slaughtered for 4 batches. Day of delivery of chickens and day of pick-up of birds included in age of birds at slaughter.

(c) Average of 3 free periods between batches.

(d) Average floorspace per bird for 4 batches. Floorspace per bird =  $\frac{\text{Total floorspace}}{\text{Number of birds delivered (including 4\% or 6\% extra)}}$



TABLE C.4

## PRODUCTION AND MANAGEMENT --- STRATUM IV

FARM NUMBER	60	61	62	63	64	65	66	67	68	69	AVERAGE
Total number of birds delivered (including 4% or 6% extra)	129,320	139,867	114,480	129,118	114,480	111,022	122,960	143,100	114,480	127,200	124,603
Number of birds sold	119,866	132,371	109,458	123,686	107,253	102,233	116,703	137,441	103,641	110,643	116,330
Mortality	9,454	7,496	5,022	5,432	7,227	8,789	6,257	5,659	10,839	16,557	8,273
MORTALITY % (a)	7.3	5.4	4.4	4.2	6.3	7.9	5.1	4.0	9.5	13.0	6.6
Total weight of birds sold (lb.)	434,244	452,230	363,460	426,408	378,490	325,505	376,183	473,820	377,380	377,118	398,484
AVERAGE WEIGHT PER BIRD (lb.)	3.62	3.42	3.32	3.45	3.53	3.18	3.22	3.45	3.64	3.41	3.43
Average age at slaughter (b) (days)	78	76	74	71	73	71	70	70	76	74	73
Average period between batches (c) (days)	18	16	15	34	22	22	17	19	25	21	21
Total weight of feed (lb.)	1,252,500	1,253,898	972,980	1,110,580	1,014,180	878,668	1,023,445	1,243,028	1,082,623	1,166,349	1,099,825
AVERAGE FEED CONVERSION	2.88	2.77	2.68	2.60	2.68	2.70	2.72	2.62	2.87	3.09	2.76
Total cost of feed (\$)	60,206	60,928	45,700	53,552	49,295	41,201	49,381	59,491	52,371	57,272	52,940
Average cost per lb. (cents)	4.81	4.86	4.70	4.82	4.86	4.69	4.82	4.79	4.84	4.91	4.81
Total floorspace (sq. ft.)	27,360	31,280	29,114	25,200	28,080	24,000	31,960	30,240	24,800	24,600	27,663
Floorspace per bird (d) (sq. ft.)	0.85	0.89	1.02	0.78	0.98	0.86	1.04	0.85	0.87	0.77	0.89

(a) Mortality % =  $\frac{\text{Mortality}}{\text{Total number of birds delivered (including 4\% or 6\% extra)}} \times 100\%$

(b) Average age at which birds slaughtered for 4 batches. Day of delivery of chickens and day of pick-up of birds included in age of birds at slaughter.

(c) Average of 3 free periods between batches.

(d) Average floorspace per bird for 4 batches. Floorspace per bird =  $\frac{\text{Total floorspace}}{\text{Number of birds delivered (including 4\% or 6\% extra)}}$

TABLE C5.

## Production and Management - Stratum V

FARM NUMBER	70	71	72	AVERAGE
Total number of birds delivered (Including 4% or 6% extra)	209,774	165,600	212,000	195,791
Number of birds sold	190,933	155,637	186,887	177,819
Mortality	18,841	9,963	25,113	17,972
MORTALITY % (a)	9.0	6.0	11.8	9.2
Total weight of birds sold (lb.)	593,820	538,578	619,260	583,886
AVERAGE WEIGHT PER BIRD (lb.)	3.11	3.46	3.31	3.28
Average age at slaughter (b) (days)	70	76	n.a.	73
Average period between batches (c) (days)	19	16	n.a.	18
Total weight of feed (lb.)	1,662,950	1,531,600	1,973,620	1,722,723
AVERAGE FEED CONVERSION	2.80	2.84	3.19	2.95
Total cost of feed (\$)	80,896	77,237	92,467	83,533
Average cost per lb. (cents)	4.86	5.04	4.69	4.85
Total floorspace (sq. ft.)	40,320	32,000	45,440	39,253
Floorspace per bird (d) (sq. ft.)	0.77	0.77	0.86	0.80

(a) Mortality % =  $\frac{\text{Mortality}}{\text{Total number of birds delivered (including 4\% or 6\% extra)}} \times 100\%$

(b) Average age at which birds slaughtered for 4 batches. Day of delivery of chickens and day of pick-up of birds included in age of birds at slaughter.

(c) Average of 3 free periods between batches.

(d) Average floorspace per bird for 4 batches. Floorspace per bird =  $\frac{\text{Total floorspace}}{\text{Number of birds delivered (including 4\% or 6\% extra)}}$

TABLE C6.

## Production and Management - Stratum VI

FARM NUMBER	80	81	82	83	AVERAGE
Total number of birds delivered (Including 4% or 6% extra)	644,218	309,212	278,520	228,960	365,228
Number of birds sold	590,994	288,642	258,593	218,588	339,204
Mortality	53,224	20,570	19,927	10,372	26,024
MORTALITY % (a)	8.3	6.7	7.2	4.5	7.1
Total weight of birds sold (lb.)	2,009,596	945,994	801,590	729,610	1,121,698
AVERAGE WEIGHT PER BIRD (lb.)	3.40	3.28	3.10	3.34	3.31
Average age at slaughter (b) (days)	74	74	68	69	71
Average period between batches (c) (days)	17	19	13	12	15
Total weight of feed (lb.)	5,498,830	2,582,778	2,191,090	1,984,466	3,064,291
AVERAGE FEED CONVERSION	2.74	2.73	2.73	2.72	2.73
Total cost of feed (\$)	265,400	137,957	105,048	94,306	150,678
Average cost per lb. (cents)	4.83	5.34	4.79	4.75	4.92
Total floorspace (sq. ft.)	144,000	63,360	57,600	50,880	78,960
Floorspace per bird (d) (sq. ft.)	0.89	0.82	0.83	0.89	0.86

(a) Mortality % =  $\frac{\text{Mortality}}{\text{Total number of birds delivered (including 4\% or 6\% extra)}} \times 100\%$

(b) Average age at which birds slaughtered for 4 batches. Day of delivery of chickens and day of pick-up of birds included in age of birds at slaughter.

(c) Average of 3 free periods between batches.

(d) Average floorspace per bird for 4 batches. Floorspace per bird =  $\frac{\text{Total floorspace}}{\text{Number of birds delivered (including 4\% or 6\% extra)}}$

APPENDIX D

Returns Per Farm

<u>Table</u>		<u>Page</u>
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## A.23

TABLE D.1

RETURNS PER FARM --- STRATUM I

FARM NUMBER	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	AVERAGE
<b>CASH RECEIPTS</b>																			
Sale of birds	\$ 38,741	32,866	26,151	31,235	30,386	29,387	30,832	31,733	32,405	30,545	31,250	35,430	25,819	35,737	32,996	34,851	29,596	31,052	31,723
Others	\$ ---	12	200	6	9	6	382	---	---	---	---	---	441	15	14	48	340	---	82
<b>TOTAL</b>	<b>\$ 38,741</b>	<b>32,878</b>	<b>26,351</b>	<b>31,241</b>	<b>30,395</b>	<b>29,393</b>	<b>31,214</b>	<b>31,733</b>	<b>32,405</b>	<b>30,545</b>	<b>31,250</b>	<b>35,430</b>	<b>26,260</b>	<b>35,752</b>	<b>33,010</b>	<b>34,899</b>	<b>29,936</b>	<b>31,052</b>	<b>31,805</b>
<b>CASH COSTS (a)</b>																			
Batch costs	\$ 34,016	28,665	22,349	26,707	26,708	28,221	26,238	28,255	27,061	24,834	29,085	28,156	21,988	30,539	30,893	30,004	24,764	27,077	27,531
Others	\$ 2,665	3,384	887	2,022	1,587	2,725	929	2,322	890	1,247	1,512	3,594	1,424	1,574	2,248	2,504	1,511	1,674	1,928
<b>TOTAL</b>	<b>\$ 36,681</b>	<b>32,049</b>	<b>23,236</b>	<b>28,729</b>	<b>28,295</b>	<b>30,946</b>	<b>27,167</b>	<b>30,577</b>	<b>27,951</b>	<b>26,081</b>	<b>30,597</b>	<b>31,750</b>	<b>23,412</b>	<b>32,113</b>	<b>33,141</b>	<b>32,508</b>	<b>26,275</b>	<b>28,751</b>	<b>29,459</b>
<b>NON-CASH COSTS</b>																			
Depreciation (b)	\$ 1,360	1,263	931	1,142	1,129	1,210	1,223	1,072	1,181	1,267	1,178	1,363	1,071	1,274	1,132	1,020	1,313	1,384	1,195
Family labour (c)	\$ 432	---	1,121	841	432	1,893	616	1,401	577	64	---	---	345	1,083	1,298	---	1,401	---	639
Interest on farm capital (d)	\$ 1,242	1,218	677	1,222	922	1,021	855	1,119	1,091	1,050	1,215	1,644	967	1,117	943	906	1,118	1,382	1,095
<b>TOTAL</b>	<b>\$ 3,034</b>	<b>2,481</b>	<b>2,729</b>	<b>3,205</b>	<b>2,483</b>	<b>4,124</b>	<b>2,694</b>	<b>3,592</b>	<b>2,849</b>	<b>2,381</b>	<b>2,393</b>	<b>3,007</b>	<b>2,383</b>	<b>3,474</b>	<b>3,373</b>	<b>1,926</b>	<b>3,832</b>	<b>2,766</b>	<b>2,929</b>
<b>TOTAL FARM COSTS</b>	<b>\$ 39,715</b>	<b>34,530</b>	<b>25,965</b>	<b>31,934</b>	<b>30,778</b>	<b>35,070</b>	<b>29,861</b>	<b>34,169</b>	<b>30,800</b>	<b>28,462</b>	<b>32,990</b>	<b>34,757</b>	<b>25,795</b>	<b>35,587</b>	<b>36,514</b>	<b>34,434</b>	<b>30,107</b>	<b>31,517</b>	<b>32,388</b>
<b>NET CASH INCOME</b>	<b>\$ 2,060</b>	<b>829</b>	<b>3,115</b>	<b>2,512</b>	<b>2,100</b>	<b>-1,553</b>	<b>4,047</b>	<b>1,156</b>	<b>4,454</b>	<b>4,464</b>	<b>653</b>	<b>3,680</b>	<b>2,848</b>	<b>3,639</b>	<b>-131</b>	<b>2,391</b>	<b>3,661</b>	<b>2,301</b>	<b>2,346</b>
<b>NET FARM INCOME</b>	<b>\$ 508</b>	<b>-434</b>	<b>1,063</b>	<b>1,049</b>	<b>1,139</b>	<b>-3,936</b>	<b>2,208</b>	<b>-1,077</b>	<b>2,846</b>	<b>3,149</b>	<b>-450</b>	<b>2,317</b>	<b>1,432</b>	<b>1,522</b>	<b>-2,244</b>	<b>1,823</b>	<b>947</b>	<b>1,537</b>	<b>745</b>
<b>RETURN TO OPERATOR'S LABOUR AND MANAGEMENT</b>	<b>\$ -734</b>	<b>-1,652</b>	<b>386</b>	<b>-173</b>	<b>217</b>	<b>-4,957</b>	<b>1,353</b>	<b>-2,196</b>	<b>1,755</b>	<b>2,099</b>	<b>-1,665</b>	<b>673</b>	<b>465</b>	<b>405</b>	<b>-3,187</b>	<b>917</b>	<b>-171</b>	<b>155</b>	<b>-350</b>
<b>RETURN TO CAPITAL AND MANAGEMENT</b>	<b>\$ -1,507</b>	<b>-2,449</b>	<b>-952</b>	<b>-966</b>	<b>-876</b>	<b>-5,951</b>	<b>193</b>	<b>-3,092</b>	<b>831</b>	<b>1,134</b>	<b>-2,465</b>	<b>302</b>	<b>-583</b>	<b>-493</b>	<b>-4,259</b>	<b>-192</b>	<b>-1,068</b>	<b>-478</b>	<b>-1,270</b>
<b>RATE OF RETURN ON CAPITAL</b>	<b>% -8.5</b>	<b>-14.1</b>	<b>-9.8</b>	<b>-5.5</b>	<b>-6.7</b>	<b>-40.8</b>	<b>1.6</b>	<b>-19.3</b>	<b>5.3</b>	<b>7.6</b>	<b>-14.2</b>	<b>1.3</b>	<b>-4.2</b>	<b>-3.1</b>	<b>-31.6</b>	<b>-1.5</b>	<b>-6.7</b>	<b>-2.4</b>	<b>-8.1</b>

(a) See Appendix B for individual items.

(b) See Appendix A for details.

(c) Calculated at rates applying under the Poultry Farm Employees' (State) Award. Owner-operator's labour not included.

(d) Calculated at 7% of total capital value of enterprise. See Appendix A.

TABLE D2.  
Returns Per Farm - Stratum II

FARM NUMBER		26	27	28	29	30	31	32	33	AVERAGE
<u>CASH RECEIPTS</u>										
Sale of birds	\$	51,953	44,599	34,854	47,747	42,125	51,895	38,941	44,663	44,597
Others	\$	-	224	135	66	16	144	13	-	75
	<u>TOTAL</u>	\$ 51,953	\$ 44,823	\$ 34,989	\$ 47,813	\$ 42,141	\$ 52,039	\$ 38,954	\$ 44,663	\$ 44,672
<u>CASH COSTS (a)</u>										
Batch costs	\$	44,196	39,900	37,610	37,519	35,554	43,992	33,517	39,326	38,952
Others	\$	4,197	1,529	1,430	1,686	1,918	2,046	2,760	2,646	2,277
	<u>TOTAL</u>	\$ 48,393	\$ 41,429	\$ 39,040	\$ 39,205	\$ 37,472	\$ 46,038	\$ 36,277	\$ 41,972	\$ 41,229
<u>NON-CASH COSTS</u>										
Depreciation (b)	\$	2,029	1,535	1,334	1,552	1,332	1,751	1,666	1,471	1,584
Family labour (c)	\$	-	173	400	1,892	-	802	802	78	518
Interest on farm capital (d)	\$	1,519	1,109	796	1,067	953	1,368	1,311	1,217	1,167
	<u>TOTAL</u>	\$ 3,548	\$ 2,817	\$ 2,530	\$ 4,511	\$ 2,285	\$ 3,921	\$ 3,779	\$ 2,766	\$ 3,269
TOTAL FARM COSTS	\$	51,941	44,246	41,570	43,716	39,757	49,959	40,056	44,738	44,498
NET CASH INCOME	\$	3,560	3,394	-4,051	8,608	4,669	6,001	2,677	2,691	3,443
NET FARM INCOME	\$	1,531	1,890	-5,662	5,472	3,611	3,448	701	1,378	1,546
RETURN TO OPERATOR'S LABOUR AND MANAGEMENT	\$	12	781	-6,458	4,405	2,658	2,080	-610	161	379
RETURN TO CAPITAL AND MANAGEMENT	\$	-484	-125	-7,677	3,457	1,596	1,433	-1,314	-637	-469
RATE OF RETURN ON CAPITAL	%	-2.2	-0.8	-67.5	22.7	11.7	7.3	-7.0	-3.7	-2.8

(a) See Appendix B for individual items.

(b) See Appendix A for details.

(c) Calculated at rates applying under the Poultry Farm Employees' (State) Award. Owner-operator's labour not included.

(d) Calculated at 7% of total capital value of enterprise. See Appendix A.

A.25

TABLE D.3

RETURNS PER FARM --- STRATUM III

FARM NUMBER	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	AVERAGE
<b>CASH RECEIPTS</b>																			
Sale of birds	\$ 61,042	70,631	67,872	51,957	68,142	68,682	54,947	54,623	61,177	57,122	60,804	55,967	60,626	60,682	64,176	66,940	73,684	62,499	62,309
Others	\$ 84	59	122	200	14	18	---	---	---	200	127	23	28	76	256	99	280	48	91
<b>TOTAL</b>	<b>\$ 61,126</b>	<b>70,690</b>	<b>67,994</b>	<b>52,157</b>	<b>68,156</b>	<b>68,700</b>	<b>54,947</b>	<b>54,623</b>	<b>61,177</b>	<b>57,322</b>	<b>60,931</b>	<b>55,990</b>	<b>60,654</b>	<b>60,758</b>	<b>64,432</b>	<b>67,039</b>	<b>73,964</b>	<b>62,547</b>	<b>62,400</b>
<b>CASH COSTS (a)</b>																			
Batch costs	\$ 53,290	59,939	57,928	51,203	57,517	57,374	51,127	48,181	49,261	46,473	53,565	49,989	54,467	52,272	51,588	59,989	58,968	52,805	53,663
Others	\$ 2,934	3,897	4,687	4,053	3,330	2,605	2,938	1,811	1,200	3,692	2,278	2,661	2,367	2,504	2,070	3,656	1,945	6,506	3,063
<b>TOTAL</b>	<b>\$ 56,224</b>	<b>63,836</b>	<b>62,615</b>	<b>55,256</b>	<b>60,847</b>	<b>59,979</b>	<b>54,065</b>	<b>49,992</b>	<b>50,461</b>	<b>50,165</b>	<b>55,843</b>	<b>52,650</b>	<b>56,834</b>	<b>54,776</b>	<b>53,658</b>	<b>63,645</b>	<b>60,913</b>	<b>59,311</b>	<b>56,726</b>
<b>NON-CASH COSTS</b>																			
Depreciation (b)	\$ 2,337	2,282	2,389	2,284	2,442	2,140	1,963	2,040	2,245	1,729	1,691	1,945	1,791	2,427	2,232	2,073	2,251	2,243	2,138
Family labour (c)	\$ 1,201	1,600	1,259	3,965	1,708	1,201	199	139	---	---	604	616	2,985	---	2,615	647	---	---	1,041
Interest on farm capital (d)	\$ 1,596	2,016	2,307	1,579	1,886	2,009	1,472	1,364	1,769	1,358	1,949	1,396	1,394	2,540	1,450	1,566	1,293	1,912	1,714
<b>TOTAL</b>	<b>\$ 5,134</b>	<b>5,898</b>	<b>5,955</b>	<b>7,828</b>	<b>6,036</b>	<b>5,350</b>	<b>3,634</b>	<b>3,543</b>	<b>4,014</b>	<b>3,087</b>	<b>4,244</b>	<b>3,957</b>	<b>6,170</b>	<b>4,967</b>	<b>6,297</b>	<b>4,286</b>	<b>3,544</b>	<b>4,155</b>	<b>4,893</b>
<b>TOTAL FARM COSTS</b>	<b>\$ 61,358</b>	<b>69,734</b>	<b>68,570</b>	<b>63,084</b>	<b>66,883</b>	<b>65,329</b>	<b>57,699</b>	<b>53,535</b>	<b>54,475</b>	<b>53,252</b>	<b>60,087</b>	<b>56,607</b>	<b>63,004</b>	<b>59,743</b>	<b>59,955</b>	<b>67,931</b>	<b>64,457</b>	<b>63,466</b>	<b>61,619</b>
<b>NET CASH INCOME</b>	<b>\$ 4,902</b>	<b>6,854</b>	<b>5,379</b>	<b>-3,099</b>	<b>7,309</b>	<b>8,721</b>	<b>882</b>	<b>4,631</b>	<b>10,716</b>	<b>7,157</b>	<b>5,088</b>	<b>3,340</b>	<b>3,820</b>	<b>5,982</b>	<b>10,774</b>	<b>3,394</b>	<b>13,051</b>	<b>3,236</b>	<b>5,674</b>
<b>NET FARM INCOME</b>	<b>\$ 1,844</b>	<b>3,219</b>	<b>2,451</b>	<b>-9,348</b>	<b>4,089</b>	<b>6,370</b>	<b>-750</b>	<b>2,602</b>	<b>8,471</b>	<b>5,828</b>	<b>3,101</b>	<b>1,091</b>	<b>-401</b>	<b>4,255</b>	<b>6,002</b>	<b>868</b>	<b>10,844</b>	<b>1,910</b>	<b>2,915</b>
<b>RETURN TO OPERATOR'S LABOUR AND MANAGEMENT</b>	<b>\$ 248</b>	<b>1,203</b>	<b>144</b>	<b>-10,927</b>	<b>2,203</b>	<b>4,361</b>	<b>-2,222</b>	<b>1,238</b>	<b>6,702</b>	<b>4,470</b>	<b>1,152</b>	<b>-305</b>	<b>-1,795</b>	<b>1,715</b>	<b>4,552</b>	<b>-698</b>	<b>9,551</b>	<b>-2</b>	<b>1,201</b>
<b>RETURN TO CAPITAL AND MANAGEMENT</b>	<b>\$ -171</b>	<b>1,204</b>	<b>436</b>	<b>-11,363</b>	<b>2,074</b>	<b>4,355</b>	<b>-2,765</b>	<b>587</b>	<b>6,456</b>	<b>3,813</b>	<b>1,086</b>	<b>-924</b>	<b>-2,416</b>	<b>2,240</b>	<b>3,987</b>	<b>-1,147</b>	<b>8,829</b>	<b>-105</b>	<b>900</b>
<b>RATE OF RETURN ON CAPITAL</b>	<b>% -0.7</b>	<b>4.2</b>	<b>1.3</b>	<b>-50.4</b>	<b>7.7</b>	<b>15.2</b>	<b>-13.1</b>	<b>-3.0</b>	<b>-25.6</b>	<b>19.7</b>	<b>3.9</b>	<b>-4.6</b>	<b>-12.1</b>	<b>6.2</b>	<b>19.3</b>	<b>-5.1</b>	<b>47.8</b>	<b>-0.4</b>	<b>3.7</b>

(a) See Appendix B for individual items.

(b) See Appendix A for details.

(c) Calculated at rates applying under the Poultry Farm Employees' (State) Award. Owner-operator's labour not included.

(d) Calculated at 7% of total capital value of enterprise. See Appendix A.

TABLE D4.  
Returns Per Farm - Stratum IV

FARM NUMBER		60	61	62	63	64	65	66	67	68	69	AVERAGE	
<b>CASH RECEIPTS</b>													
Sale of birds	\$	93,363	97,228	78,142	89,135	80,250	68,859	80,878	101,870	81,135	81,079	85,194	
Others	\$\$	56	-	74	270	-	180	-	14	37	-	63	
	<u>TOTAL</u>	\$	93,419	97,228	78,216	89,405	80,250	69,039	80,878	101,884	81,172	81,079	85,257
<b>CASH COSTS (a)</b>													
Batch costs	\$	82,178	84,167	66,290	75,441	69,856	59,396	69,252	85,064	73,484	78,050	74,318	
Others	\$\$	3,209	2,232	6,079	4,727	2,239	3,055	2,601	3,981	3,322	2,742	3,419	
	<u>TOTAL</u>	\$\$	85,387	86,399	72,369	80,168	72,095	62,451	71,853	89,045	76,806	80,792	77,737
<b>NON-CASH COSTS</b>													
Depreciation (b)	\$	2,791	3,133	3,148	3,419	2,381	2,322	3,744	4,431	2,731	5,185	3,329	
Family labour (c)	\$\$	1,492	3,396	2,293	896	1,401	3,853	-	1,201	2,183	604	1,732	
Interest on farm capital(d)	\$\$	2,048	2,259	1,916	2,502	1,650	1,560	1,979	3,629	1,782	2,741	2,206	
	<u>TOTAL</u>	\$\$	6,331	8,788	7,357	6,817	5,432	7,735	9,261	6,696	8,530	7,267	
TOTAL FARM COSTS	\$\$	91,718	95,187	79,726	86,985	77,527	70,186	77,576	98,306	83,502	89,322	85,004	
NET CASH INCOME	\$	8,032	10,829	5,847	9,237	8,155	6,588	9,025	12,839	4,366	287	7,520	
NET FARM INCOME	\$	3,852	4,300	1,406	5,072	4,873	1,413	5,281	7,207	-548	-5,192	2,765	
RETURN TO OPERATOR'S LABOUR AND MANAGEMENT	\$	1,804	2,041	-510	2,570	3,223	-147	3,302	3,578	-2,330	-7,933	559	
RETURN TO CAPITAL AND MANAGEMENT	\$	1,837	2,285	-609	3,057	2,858	-602	3,266	5,192	-2,563	-7,207	750	
RATE OF RETURN ON CAPITAL	%	6.3	7.1	-2.2	8.6	12.1	-2.7	11.5	10.0	-10.1	-18.4	2.4	

(a) See Appendix B for individual items.

(b) See Appendix A for details.

(c) Calculated at rates applying under the Poultry Farm Employees' (State) Award. Owner-operator's labour not included.

(d) Calculated at 7% of total capital value of enterprise. See Appendix A.



TABLE D5.  
Returns Per Farm - Stratum V

FARM NUMBER		70	71	72	AVERAGE
<u>CASH RECEIPTS</u>					
Sale of birds	\$	127,668	114,181	133,140	124,996
Others	\$	91	1,170	-	420
	<u>TOTAL</u>	127,759	115,351	133,140	125,416
<u>CASH COSTS (a)</u>					
Batch costs	\$	116,686	106,620	127,254	116,853
Others	\$	5,453	1,957	6,149	4,520
	<u>TOTAL</u>	122,139	108,577	133,403	121,373
<u>NON-CASH COSTS</u>					
Depreciation (b)	\$	5,752	3,424	4,420	4,532
Family labour (c)	\$	2,020	2,592	3,637	2,749
Interest on farm capital (d)	\$	3,372	2,105	3,021	2,833
	<u>TOTAL</u>	11,144	8,121	11,078	10,114
TOTAL FARM COSTS	\$	133,283	116,698	144,481	131,487
NET CASH INCOME	\$	5,620	6,774	-263	4,043
NET FARM INCOME	\$	-2,152	758	-7,847	-3,080
RETURN TO OPERATOR'S LABOUR AND MANAGEMENT	\$	-5,524	-1,347	-10,868	-5,913
RETURN TO CAPITAL AND MANAGEMENT	\$	-4,167	-1,257	-9,862	-5,095
RATE OF RETURN ON CAPITAL	%	-8.7	-4.2	-22.8	-12.6

- (a) See Appendix B for individual items.  
 (b) See Appendix A for details.  
 (c) Calculated at rates applying under the Poultry Farm Employees' (State) Award.  
 Owner-operator's labour not included.  
 (d) Calculated at 7% of total capital value of enterprise. See Appendix A.

TABLE D6.  
Returns Per Farm - Stratum VI

FARM NUMBER		80	81	82	83	AVERAGE
<u>CASH RECEIPTS</u>						
Sale of birds	\$	432,083	203,387	175,269	156,864	241,901
Others	\$	184	1,990	167	-	585
	<u>TOTAL</u>	\$ 432,267	205,377	175,436	156,864	242,486
<u>CASH COSTS (a)</u>						
Batch costs	\$	370,717	186,270	154,551	132,593	211,033
Others	\$	17,152	7,275	12,360	11,797	12,146
	<u>TOTAL</u>	\$ 387,869	193,545	166,911	144,390	223,179
<u>NON-CASH COSTS</u>						
Depreciation (b)	\$	14,810	4,483	5,940	4,297	7,383
Family labour (c)	\$	2,845	2,619	-	-	1,366
Interest on farm capital (d)	\$	7,995	2,947	4,084	2,878	4,476
	<u>TOTAL</u>	\$ 25,650	10,049	10,024	7,175	13,225
TOTAL FARM COSTS	\$	413,519	203,594	176,935	151,565	236,404
NET CASH INCOME	\$	44,398	11,832	8,525	12,474	19,307
NET FARM INCOME	\$	29,827	4,730	4,099	9,817	12,117
RETURN TO OPERATOR'S LABOUR AND MANAGEMENT	\$	21,832	1,783	15	6,939	7,641
RETURN TO CAPITAL AND MANAGEMENT	\$	27,812	2,715	2,084	7,802	10,102
RATE OF RETURN ON CAPITAL	%	24.4	6.4	3.6	19.0	15.8

(a) See Appendix B for individual items.

(b) See Appendix A for details.

(c) Calculated at rates applying under the Poultry Farm Employees' (State) Award.  
Owner-operator's labour not included.

(d) Calculated at 7 per cent of total capital value of enterprise. See Appendix A.

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