Poultry Cost of Production

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FINANCIAL RESULTS OF 29 POULTRY FLOCKS IN SOUTHERN ENGLAND DURING 1951 - 1952.

BY

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Introduction.

This report summarises the financial results of 29 flocks on farms in Berkshire, Hampshire, Oxfordshire and Warwickshire. The first part deals with results from 20 general farm flocks and includes a comparison of results from 14 identical flocks for 1950 - 51 and 1951 - 52. The second part deals with results from nine "accredited" breeding farms and also includes a comparison of results on the same nine farms in the previous year.

PART I - Financial Results of 20 General Farm Flocks for the Laying Season commencing Autumn 1951.

1. The Sample.

The flocks of which thirteen were in Oxfordshire, three in Berkshire, two in Warwickshire and two in Hampshire were relatively large. Only six flocks had less than 500 layers at the start of the 1951 season and nine flocks had more than 1,000 layers.

The size distribution of flocks and the distribution of the total number of layers within the 20 flocks were as follows:-

Size of flock (layers)	No. of flocks	No. of layers
100 - 250	3	553
250 - 500	3	888
500 - 750	4	2548
750 - 1000	1	925
1000 - 2000	7	7481
2000 and above	2	4890
	20	17285

Pure or cross-bred Rhode Island Reds were kept on every farm except one. The most important crosses were Black Leghorn, Light Sussex and White Leghorn in that order. The pure Rhode Island Red breed accounted for eight per cent of the total number of birds, crosses with this breed accounting for a further 68 per cent. Only two farms had pure-bred flocks; both were Rhode Island Reds. Thirteen flocks had one breed only, two had two breeds, four had three breeds and one flock had four breeds.

The present trend towards keeping poultry under intensive conditions is reflected in the sample. Thus 14 of the 20 flocks were kept intensively - deep litter (6), hen yard (4) and battery (4). The remaining flocks were kept on free range (3), in wired-in runs (2) and in fold units (1). Electric lighting to stimulate winter egg production was fitted in laying houses on 14 farms and 10 of these had automatic time switches.

No detailed comparison of results achieved under different systems of housing has been attempted in this report because the numbers of each type are not sufficiently large to justify drawing any conclusions.

2. Financial Results.

Results are given for the 1951 - 52 laying season which varied from 5 months to 11 months according to culling practice. They are based on the number of layers in a flock at the start of the season and are presented "per 100 layers" for ease of comparison. This method of calculating results is usually preferred by general farmers to the alternative method of calculating results over a period of 12 months according to the average number of layers kept - the method used in the corresponding report last year*. The change has been made for two reasons: firstly, because co-operating farmers wish to know results season by season and not perhaps of one season and the first two or three months of a second season; secondly, because results based on the average number of birds kept, tend to be very misleading if flock numbers do not remain fairly steady during the accounting period.

A very simple example will help to show how misleading this method of calculation can be: suppose a flock of 1,000 layers made a profit of £500 in six months and was then sold. Assume that no losses occurred through death or by culling during the six months and that no other layers came on to the farm within the 12 month accounting period. According to the method of presenting results used in this report, the profit per layer would amount to $10/-\left(\frac{£500}{1,000 \text{ layers}}\right)$. But, according to the

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* Financial Results of 33 Poultry Flocks in Southern England in 1950 - 51. By J.A. Mollett. Miscellaneous Cost Studies No.22, May 1952.

second method, noted above, using the average number of layers as the basis of calculating the profit per bird would amount to 20/- $\left(\frac{\text{Total profit}}{\text{Avge. number of layers}} = \frac{£500}{500 \text{ layers}}\right)$
The figure of 20/- profit per layer is, of course, grossly misleading for it suggests that the farmer could have earned a profit in the second six months at the same rate as in the first six months. In other words, that his profit would have risen from £500 to £1,000 if he had kept his flock for 12 months instead of for 6 months ! In practise, this would most certainly not have happened; the profit might very well have been lowered or perhaps only slightly raised. This is admittedly an extreme example but it does show the weakness of calculating results according to the average number of layers kept.

Table I gives average results for the 20 flocks and indicates the relative importance of the various items of expense.

Table I.

Average financial results per 100 layers (to the nearest £) of 20 general farm flocks for the 1951 - 52 laying season*.

		£	%
Expenses:-	Food	119	61.3
	Flock depreciation	32	16.5
	Labour	24	12.3
	Miscellaneous	19	9.9
	Total Expenses	194	100.0
Receipts:-	Egg Sales	211	
	Net Income	+17	

Average net income amounted to £17 per 100 layers, but there was a wide distribution of net incomes as Table 2 indicates.

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* A definition of terms used in Table I is given in the Appendix.

Table II.

Distribution of net incomes per 100 layers.

Net Income	No. of flocks
Loss	4
0 - £10	2
£10 - £20	1
£20 - £30	6
£30 - £40	4
£40 and above	3
	20

Four flocks made losses, whilst at the other extreme three flocks made net incomes of £40 or more per 100 layers. This wide distribution was caused by a variety of factors, mainly managerial, which will be pointed out in the following comments on flock expenses and receipts.

A. Expenses.

a) Food. At £119 per 100 layers, this item represented three-fifths of total expenses and it follows that economy in the use of this costly commodity had a close bearing on the level of net income. Thus all three flocks with egg sales amounting to less than £140 for every £100 spent on food made substantial losses. On the other hand, with the exception of one flock whose net income amounted to only £6 per 100 layers, all eleven flocks with egg sales amounting to £180 or more for every £100 spent on food made net incomes of, at least, £20 per 100 layers.

Economy in the use of food may be expressed in terms of eggs produced for a given unit of food. This method tends to concentrate attention on the technical rather than on the economic aspect of egg production as it takes no account of the ruling prices of food and eggs and of the seasonal nature of production. Nevertheless, the following data bring out clearly the close relationship between the food : egg conversion rate and net income.

No. of eggs per cwt. food	No. of flocks	Net Income per 100 layers
Under 125	3	-£57, -£41, £23
125 - 150	5	-£26, -£19, nil, £12, £30.
150 - 175	2	£24, £33.
175 and above	7	£25, £28, £31, £37, £57, £60, £80.

This analysis generally shows an upward trend in net income per 100 layers as the conversion rate of food into eggs improves. It is interesting to note, however, that one flock made a net income of £23 per 100 layers in spite of a low food conversion rate. This relatively good result is largely explained by low food costs and high egg prices so that every £100 spent on food brought in £187 in egg sales. This exceptional case only helps to emphasise the point that measures of technical efficiency alone can prove misleading in an economic analysis.

The cost of food varied considerably depending largely upon the proportion of home-grown food (charged at market prices) included in the ration. Five flocks had no home-grown food, whilst at the other extreme, ten flocks had as much as two-thirds of their food from home sources. The effect of the differing importance of home-grown food in layers' rations is reflected in the following analysis of food costs per cwt. for 19 flocks - one flock was fed partly on swill and is omitted.

Cost of layers' food per cwt.	No. of flocks
32/- to 34/-	6
34/- to 36/-	7
36/- to 38/-	4
38/- to 40/-	2

Home-grown food consisted mainly of wheat, oats, barley and dredge corn - in that order of importance. Proprietary foods were used by 12 flocks whilst the remaining 8 flocks were given rations mixed on the farm.

The need to avoid waste in feeding should need little emphasis; but, the effect that even a small rise in feeding efficiency has upon the level of net income is sometimes not fully realised. For instance, a saving of only five per cent in food costs would have raised average net income from £17 to £23 per 100 layers - an increase of 35 per cent. This saving could very well come from the use of better feeding techniques and appliances together with a more careful check on the quantity of food fed.

b). Flock depreciation. This item at £32 per 100 layers was next in importance to food. Flock depreciation is the difference in value of a laying flock at the start of a season and the value of culls sold (or eaten) and of any birds left in the flock at the end of a season.

The amount of depreciation depends upon three factors - the cost of laying birds, flock mortality and culling practice. These variable factors together cause a wide distribution of flock depreciation as the following data show:

Flock depreciation per 100 layers	Number of flocks
Under £25	7
£25 - £35	3
£35 - £45	9
£45 and above	1
	20

The influence of the factors is brought out clearly in a comparison of the two flocks with the lowest and highest depreciation. Those two flocks had rates of depreciation of £18 and £51 per 100 layers, respectively. The difference was due partly to a 10 per cent mortality rate in the first flock as against 15 per cent in the second, partly to lower cost of rearing - £85 per 100 layers in the first flock as against £90 in the second, but mainly to the influence of culling practise. Thus the first flock was culled at Christmas and Easter when the birds made good prices while the second was culled in May and June. Culls from the first realised £67 per 100 layers and from the second only £39 per 100 layers.

For the whole sample the range in rearing costs was as follows:-

Cost of rearing 100 laying birds	No. of flocks
£65 - £70	1
£70 - £75	-
£75 - £80	2
£80 - £85	3
£85 - £90	7
£90 - £95	7
	20

The main causes of these differences in rearing costs were the varying incidence of disease and the amount of care and attention given to birds in their earliest stages of growth. Coccidiosis was the chief disease occurring in seven flocks; bacilliary white diarrhoea and big liver each appeared in two flocks. Over-crowding and consequent suffocation - largely the result of poor management - caused heavy chick losses in four flocks and bad weather caused losses in another four flocks. The analysis of losses in rearing laying birds was as follows:-

Mortality rate %	No. of flocks
Under 5	3
5 - 10	8
10 - 20	6
20 and above	3
	20

Flock depreciation was also influenced by mortality amongst adult birds. Losses varied from as little as three per cent to as much as 30 per cent. Fowl paralysis (8 flocks) and prolapsus of the oviduct (5 flocks) were the main causes of death. Other causes included feather-pecking and cannibalism (3 flocks), fowl cholera (2 flocks), big liver (1 flock) and dropsy (1 flock).

The analysis of losses was as follows:-

Mortality rate %	No. of flocks
Under 5	4
5 - 10	5
10 - 20	7
20 and above	4
	20

Culling practice - the time and intensity with which birds are culled-is the third and main factor influencing flock depreciation. Culling practice differed greatly, thus:-

6 culled regularly during the year.
6 culled all birds by June.
4 culled all birds by Spring.
2 culled few birds during the year.
1 culled steadily and had a constant supply of replacements.
1 culled three-quarters in Spring and kept the rest on range for the following season.

The system of housing had little influence on culling practice. Thus five of the 14 flocks kept under intensive conditions were culled by Spring, four by June and five were culled regularly throughout the year. Of the flocks kept less intensively, two were rarely culled, two were culled regularly and two flocks were culled by June.

The effect of these differing culling practices is reflected in the total value of culls sold per 100 layers. Here are the relevant data:-

Total value of culls sold per 100 layers	No. of flocks
£30 - £35	1
£35 - £40	1
£40 - £45	-
£45 - £50	5
£50 - £55	5
£55 - £60	4
£60 - £65	-
£65 - £70	4
	20

The widely differing culling practices probably reflect varying judgments about the advantage of culling good laying stock in Spring so as to avoid the seasonal fall in prices. The advantage to be gained by vigorous Spring culling will depend upon the extent to which the extra production from Summer layers will cover the extra cost of their keep and depreciation. In effect, this means that Summer layers must lay enough extra eggs to cover their extra food and loss of carcase value, since labour and equipment are relatively fixed costs and are not affected by the rate of culling. The measure of success of a culling practise is whether it helps to raise net income. If birds which would have laid enough extra eggs in summer to cover their extra food and loss of carcase value are killed in Spring then net income is reduced. It is essentially a matter for the individual farmer to decide when to cull a flock as food costs and laying rates in the winter and summer vary so much from one flock to another.

c). Labour - At £24 per 100 layers, labour formed 12 per cent of total expenses. Labour costs varied from £9 to £40 per 100 layers depending upon the length of season, system of housing used and the ability with which work was planned. Family labour took charge of six flocks and partial

charge of four flocks, hired workers took charge of ten flocks.

The relatively small share of total costs attributable to labour is frequently overlooked when various methods of housing poultry are being discussed. For example, a reduction of 10 per cent in labour costs would have raised average net incomes by only £2.8s. per 100 layers. The same result could have been achieved by a reduction of only two per cent in food costs.

d). Miscellaneous - All other expenses, including equipment depreciation come under this heading. Miscellaneous expenses amounted on average to £19 per 100 layers but the range varied from £7 to £37 depending mainly upon length of season and the type and age of houses used.

B. Egg Sales

Average egg sales amounted to £211 per 100 layers but the range was considerable as shown below:-

Egg Sales per 100 layers	No. of flocks
£130 - £180	6
£180 - £230	9
£230 - £280	3
Above £280	2
	20

This wide range resulted from differences in laying performance, in the length of the laying season and in the seasonal pattern of egg production. The influence of these factors upon egg sales and net income is shown in Table III, with data collected from seven flocks.

Table III.

The relationship between culling practice, seasonal pattern of egg production, egg sales and net income.

Flock no.	Most birds culled by	Rate of Egg Production*		Egg Sales per 100 layers	Net Income
		Winter	Summer		
		%	%	£	£
1	August	17	44	130	-57
2	June	28	65	148	-41
3	September	39	41	219	-19
4	March	48	-	166	+33
5	April	51	-	170	+37
6	September	48	65	271	+57
7	September	61	62	347	+80

Rates of egg production of, at least, 40 per cent in winter and 55 per cent in summer are generally required to enable a flock to make a surplus. Table III shows clearly that the two most profitable flocks had relatively high rates of egg production in both winter and summer, with consequent high egg sales per 100 layers. Next in order of profitability came two flocks with relatively good rates of egg production for winter only. At the other extreme, three flocks made losses and had low egg sales considering the length of their respective seasons.

3). A comparison of results from 14 identical flocks during the 1950 - 51 and 1951 - 52 laying seasons.

The Sample - Little change occurred in methods of managing the 14 flocks during the two seasons. Culling practice, type of housing, methods of rearing and feeding, breeds used - all remained more or less the same. The main change occurred in poultry numbers. The number of layers in the sample rose from 10,841 in Autumn 1950 to 12,421 in Autumn 1951 - a rise of 11.4 per cent. This increase was not general, however; poultry numbers fell sharply in two flocks, rose considerably in five flocks and remained more or less the same for the remaining seven flocks.

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* Number of eggs collected as per cent of number of eggs that would have been laid if each bird had laid an egg daily e.g. 100 hens lay 350 eggs in a week, rate of production = $50\% \left(\frac{350 \text{ eggs}}{100 \text{ hens} \times 7 \text{ days}} \right)$

The flocks which had more layers in the second season benefited from lower fixed costs - chiefly labour and equipment costs - per 100 layers which helped to offset the rise which occurred in food costs.

The average results for the 1950 - 51 and 1951 - 52 seasons are given in Table IV.

Table IV.

Average financial results per 100 layers (expressed to the nearest £) of 14 general farm flocks for the 1950 - 51 and 1951 - 52 laying season.

		1950 - 51	1951 - 52
Expenses:	Food	121	133
	Flock depreciation	29	29
	Labour	23	24
	Miscellaneous	13	14
	Total Expenses	186	200
Receipts:	Egg Sales	209	215
	Net Income	+23	+15

The main features of Table IV are: (1) the fall in net income per 100 layers from £23 in the 1950 - 51 season to £15 in the 1951 - 52 season; (2) the rise in total expenses per 100 layers from £186 in the first season to £200 in the second - most of it caused by a sharp rise in food costs; (3) the relatively small increase in the value of egg sales per 100 layers which amounted to £209 in the first season and £215 in the second.

Not all flocks suffered a reduction in net income, however. Five flocks actually increased their net income in the second season in spite of a worsening in the relationship between the price of food and the price of eggs. The individual flock results for the two seasons are given in Table V.

TABLE V.

Differences in expenses, receipts and net incomes per 100 layers (expressed to the nearest £) of 14 general farm flocks during the 1950-51 and 1951-52 laying seasons.

Flock No.	Difference in Expenses	Difference in Receipts	Net Income		Difference in Net Income
			1950 - 51	1951 - 52	
	£	£	£	£	£
1	+ 11	+ 13	- 28	- 26	+ 2
2	+ 13	-	- 28	- 41	-13
3	- 6	- 4	+ 10	+ 12	+ 2
4	+ 19	+ 5	+ 14	nil	-14
5	+ 13	- 65	+ 21	- 57	-78
6	- 1	+ 5	+ 31	+ 37	+ 6
7	+ 14	+ 8	+ 32	+ 26	- 6
8	+ 23	- 28	+ 32	- 19	-51
9	+ 26	+ 13	+ 36	+ 23	-13
10	+ 21	+ 13	+ 36	+ 28	- 8
11	+ 21	+ 41	+ 37	+ 57	+20
12	+ 17	+ 12	+ 38	+ 33	- 5
13	- 5	+ 5	+ 50	+ 60	+10
14	+ 5	+ 30	+ 55	+ 80	+ 25

PART II - Financial Results of 9 'Accredited' Poultry Farms during 1951 - 52.

1). The Sample. Five of the farms were in Hampshire, three were in Berkshire and one in Oxfordshire. Seven farms had less than 15 acres, and of these, one had a flock of 200 layers, three had between 400 and 700 layers and three had between 850 and 1,500 layers. Two farms had more than 40 acres with flocks larger than 3,000 layers. The farms have been arranged in ascending order according to flock size in Tables VI and VII.

2). Financial Results. The data given in Tables VI and VII, which show the expenses, receipts and net incomes of the nine farms during 1951 - 52, were obtained from trading accounts. The accounting year was not the same on all farms. Thus five closed their accounts at Michaelmas 1951, one at December 1951 and three at Lady Day 1952. The results shown are thus not strictly comparable with those given in the first part of this report for general farm flocks.

Table VI.

Financial results per 100 layers (expressed to the nearest £) of 9 accredited farms during 1951 - 52.

Flock Number	1 £	2 £	3 £	4 £	5 £	6 £	7 £	8 £	9 £
Total receipts	463	410	361	383	357	315	486	534	408
Expenses:									
Food	250	278	241	218	274	225	301	353	221
Labour	77	80	73	88	89	53	87	62	87
Repairs	3	4	4	11	8	10	12	23	14
Eggs and stock	18	20	7	3	3	4	10	13	2
Fuel	4	9	7	9	5	4	7	24	20
Miscellaneous	9	7	10	20	16	10	22	22	17
Equipment depreciation	15	22	12	12	5	12	3	18	12
Total Expenses	376	420	354	361	400	318	442	515	373
Receipts less Expenses	+87	-10	+7	+22	-43	-3	+44	+19	+35
Valuation difference	+ 9	-5	-3	+5	+4	-29	+6	+3	+22
Net Income	+96	-15	+4	+27	-39	-32	+50	+22	+57

One of the main features of Table VI is the wide distribution in total receipts per 100 layers. A detailed analysis of receipts is given in Table VII: the data given in this Table should be studied together with those contained in Table VI as differences in expenses and receipts are clearly influenced by the relative importance of young stock, day old chicks, hatching eggs etc as sources of income.

Table VII.

Receipts per 100 layers (expressed to the nearest £) of 9 'accredited' farms during 1951 - 52.

Flock Number	1	2	3	4	5	6	7	8	9
Receipts:	£	£	£	£	£	£	£	£	£
Market eggs	204	109	158	239	127	232	242	167	149
Hatching eggs	183	-	83	59	120	30	58	72	1
Young stock	19	179	40	13	78	-	109	188	16
Day-old chicks	-	-	1	11	-	-	35	4	154
Table poultry	57	122	70	54	29	43	34	86	73
Miscellaneous	-	-	9	7	3	10	8	17	15
Total receipts	463	410	361	383	357	315	486	534	408

The most significant features of Tables VI and VII are as follows:-

a). The wide range in net income per 100 layers - from a loss of £39 to a surplus of £96. Three farms made considerable losses whilst, at the other extreme, three made surpluses of £50 or more. One flock just covered its expenses and the remaining two flocks had surpluses of £22 and £27 respectively.

b). The wide range in food costs per 100 layers. This range - from £218 to £353 - reflects partly the varying importance of young stock as a source of income and partly the relative efficiency in feeding. Almost all food used was purchased and there was little difference in prices paid for it.

The relationship between net income and feeding efficiency - expressed in terms of net output* per £100 food - was as follows:-

* Net output is a concept which expresses in a single figure the amount available to meet the production costs of food, labour, equipment and sundries. It includes all sales less any purchases of stock, plus or minus any difference in closing and opening valuation of stock.

Net income per 100 layers.	Net output per £100 food.
- £38	£131
- £32	£125
- £15	£138
£4	£145
£22	£149
£27	£176
£50	£160
£57	£194
£96	£182

The effect of different levels of feeding efficiency on net income is clearly shown. Thus the farm with a net output amounting to only £131 per £100 food made a loss of £38 per 100 layers while at the other extreme the farm with a net output worth £182 per £100 food had a surplus of £96 per 100 layers.

c). The wide range in total receipts per 100 layers - from £315 to £534 - reflecting partly different seasonal patterns of egg production and partly the relative importance of day-old chicks, hatching eggs and young stock as sources of income.

3). A comparison of results on the same 9 'accredited' farms in 1950 - 51 and 1951 - 52.

Changes in average results for the identical sample during 1950 - 51 and 1951 - 52 are shown in Table VIII.

Table VIII

Average financial results per 100 layers (expressed to the nearest £) of 9 'accredited' farms during 1950 - 51 and 1951 - 52.

	1950 - 51	1951 - 52
	£	£
Expenses:		
Food	221	262
Labour	78	77
Repairs	11	10
Eggs and stock	10	9
Miscellaneous	37	37
Total expenses	357	395
Total receipts*	394	414
Net income	+37	+19

* Total receipts are adjusted to take account of valuation differences.

The main features of Table VIII are (1) the fall in net income per 100 layers, from £37 in 1950 - 51 to £19 in 1951 - 52, (2) the rise in food costs per 100 layers, from £221 in 1950 - 51 to £262 in 1951 - 52, (3) the steadiness of other expenses, (4), the rise in total receipts per 100 layers, from £389 in the first year to £413 in the second. In other words, the rise in receipts was not enough to meet the rise in food costs with the result that average net income fell by half.

Not all farms had lower net incomes in the second year, however. Three farms increased their net income - although one by only a small amount. The individual changes in net income, expenses and receipts are given in Table IX.

Table IX.

Differences in expenses, receipts and net income per 100 layers (expressed to the nearest £) of 9 'accredited' farms during 1950 - 51 and 1951 - 52.

Farm No.	Difference in Expenses	Difference in Receipts	Net Income		Difference in Net Income
			1950 - 51	1951 - 52	
	£	£	£	£	£
3	+ 95	+ 97	+ 2	+ 4	+ 2
4	- 15	+ 5	+ 7	+27	+20
5	- 1	- 53	+14	-38	-52
7	+ 69	+ 98	+21	+50	+29
8	+ 90	+ 86	+26	+22	- 4
6	- 18	- 86	+36	-32	-68
2	+ 38	- 16	+39	-15	-54
9	+ 50	+ 5	+102	+57	-45
1	+ 39	+ 26	+109	+96	-13

Farms are arranged in ascending order according to net income per 100 layers in 1950 - 51. The farms would have been placed in a very different order if net income per 100 layers in 1951 - 52 instead of in 1950 - 51 had decided their position in the Table. This is because differences between net incomes in 1950 - 51 and 1951 - 52 varied so much - from an increase of £29 to a decrease of £68 per 100 layers.

Only two farms had significant downward changes in expenses per 100 layers amounting to £15 and £18 respectively. Two farms had a very large increase in expenses per 100 layers amounting to £95 and £90 respectively; but only part of these increases was due to a rise in food costs, part was due to an increase in the quantity of young stock reared for sale.

Differences in receipts per 100 layers between the two years varied greatly. At one extreme, receipts fell by £86, at the other they rose by £97. This wide range was partly due to a change in the importance of different sale items, e.g. an increase or decrease in the quantity of young stock sold and partly to a change in the seasonal pattern of egg production and the proportion of total eggs sold for hatching purposes.

The downward trend in net income per 100 layers is shown in Table IX to have affected all but three of the nine farms. Three farms made losses in 1951 - 52 of £15, £32 and £38 per 100 layers respectively whilst all farms had made surpluses in the previous year. The severity of the fall in net income was generally greatest for those flocks which had done relatively well in 1950 - 51, but the limited size of the sample makes it difficult to draw any generalisations about this.

Appendix.

Definition of terms used.

Egg sales - include eggs used in the farmhouse or given to workers as perquisites, eggs sold to packing stations and to hatcheries.

Foods - purchased foods are taken at cost price and include such things as oyster shell, grit, minerals and cod liver oil. Home-grown foods are charged at their estimated market price. No deduction for the value of manure produced has been made to the cost of foods.

Labour - includes family labour which has been charged at the appropriate statutory rates.

Miscellaneous

- this expense item includes equipment depreciation which has been charged at rates of 10 - 15 per cent on values agreed with the farmer. These agreed values were usually higher than book values which in many instances were insignificant and reflected in some measure the greatly increased cost of replacing existing equipment.

Flock depreciation

- is the difference in value of a laying flock at the start of a season and the value of culls sold (or eaten) and of any birds left in the flock at the end of a season.