

POULTRY FACT SHEET NO. 15B - June 2004

GETTING STARTED IN THE EGG BUSINESS

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First of all, study the question in detail before making a financial commitment. Seek professional advice from people already in the business, allied industry companies and University of California Poultry Advisors or Specialists.

Information is readily available in the form of University publications, management guidelines from major poultry breeding organizations, monthly poultry magazines, and up-to-date text books covering the industry in general or specific topics such as poultry health, nutrition, etc. Information on table egg industry economics is available at: <http://animalscience.ucdavis.edu/Avian/statisti.htm>.

The egg business during the past ten years (1994-2004) has not been highly profitable for the typical egg farmer selling his products on a wholesale basis. Egg farms must either be extremely efficient or sell their product for significantly higher prices than the traditional farm price. Small producers (less than 10,000 hens) must sell most of their eggs directly to the consumer in order to capture a greater percentage of the sale price. This means they will not only be involved with production, but also with processing and marketing.

To get into the egg business, one should first locate a suitable piece of property that is isolated from neighbors who may complain about the nuisances associated with poultry keeping and also isolated from other poultry farms which may be a source of unwanted poultry diseases. In addition, such property must be properly zoned for poultry use.

Poultry housing and equipment can be as simple as a shed roof with chicken wire fencing, nests, water fountains and hand-filled feeders to an environmentally controlled fully automated cage layer house. Housing and equipment can be purchased new or obtained from another farm that is going out of business. Housing and equipment, therefore, can be obtained at practically no cost (except for the cost of going and getting it and putting it back up) to as much as \$10.00 per hen for a "turn-key" high-tech facility ready for your flock.

To obtain a flock, one can purchase old hens from a local poultry farm, ready to lay pullets (18 to 20 weeks old) or one day old baby chicks to raise. The first system would be the least expensive, but it would also be the most risky relative to disease and the flock would not perform as well as a younger flock. Such birds may be 18 to 24 months of age when purchased and their cost would usually be in the \$.50 to \$.75 range. A flock of this type should be immediately molted following housing.

If started pullets were obtained, the cost would be \$2.50 to \$3.50 each at 16 to 20 weeks of age. These pullets would be fully vaccinated and ready to commence laying within a few weeks of arrival.

If day-old chicks were obtained, rearing facilities would be required to raise them for the 16 to 20 week rearing period. This would require a separate house and brooders (heaters) for the first four weeks. Female chicks can be obtained from a variety of sources for prices ranging from \$.50 to \$.75 each.

A vaccination program is recommended to protect them from the prevalent poultry diseases in the area. Feed is the largest cost item and 14 to 18 pounds will be required for each pullet you raise depending upon the breed or strain used.

The White Leghorn breed is generally the most productive and efficient in converting feed to eggs. Various brown egg breeds are also available. These are usually heavier birds and their cost of producing eggs is higher because of higher feed consumption, but brown eggs usually sell at a higher price.

Once laying commences, the biggest cost will be for feed. In general, it requires 3.5 to 4.5 pounds of feed for each dozen eggs produced. Historically, in most poultry areas of California, layer rations can be obtained for prices ranging from \$6.00 to \$10.00 per 100 pounds. This, therefore, represents a cost of production for feed ranging from 21 to 45 cents per dozen. Feed can be purchased in 100 pound bags or in bulk by the ton. If bulk feed is used, it should be stored in steel bins to exclude rodents and rain.

In order to have a balanced flock relative to egg size, egg quality and productivity, periodic placement of new birds is required. In most cases this requires at least four different flocks (ages) on the premise at any time. Such flocks should be maintained separate from one another for health reasons. Each flock will produce a different egg size, quality of egg and rate of egg production relative to their respective ages. Flocks are normally kept for one year of lay (to 18 months of age) or recycled (molted) at 65 weeks of age and kept for an additional 35 to 40 weeks before they are sold as fowl. A typical flock will lay 21 - 22 dozen eggs per hen per year. One-age farms usually have fewer disease problems, but from a marketing standpoint, the lack of eggs of different sizes and quality to meet the needs of customers make this form of management less feasible.

Eggs can be sold wholesale to an egg processor who is responsible for cleaning, sizing, grading (candling) and packaging the product or these processes can be done by the egg producer. State regulations dictate egg size and quality standards that must be used in grading eggs and in the marking of containers or signs. For more information on these regulations see <http://animalscience.ucdavis.edu/Avian/pfs24a.htm>). The local Agricultural Commissioner's office is responsible for enforcing these standards and is a useful source of information if you intend to market eggs.