



# PLANNING FOR PROFIT



BRITISH COLUMBIA

Ministry of Agriculture and Food

**Quail Eggs  
(4,000 Hens)  
Fraser Valley  
Summer 1998**

**Agdex 454 - 810**

## Introduction

The planning process provides producers with the opportunity to look at their operation as a group of distinct enterprises. Alternative enterprises should be evaluated on the basis of **Contribution Margin**, taking into consideration resource constraints, market opportunity, risk and uncertainty.

The **Contribution Margin** must provide funds for interest, overhead and other indirect expenses as well as a return for living expenses, loan repayment and investment. These items should be included in the overall farm plan which will include a **Projected Income Statement** and **Projected Cash Flow Statement**

## Key Factors Affecting Profit

	<b>Target</b>
Days of Laying	183
Eggs/hen/cycle	136
Cycles in 422 days	2

Japanese quail are brooded on the floor and placed in cages pre-lay. Quail will commence laying at 7 weeks of age and will lay up to 136 eggs per cycle. Feed conversion ratio for quail is 2.4 kg feed per kg of eggs produced. Commercial quail rations are available from feed manufacturers, however quail can be raised on commercial turkey feed formulations. This budget is assumed to have 2 cycles in 422 days with 4,000 laying hens and 1,000 roosters/cycle. Replacement birds are raised from eggs produced by the laying/breeding hens and roosters.

## Marketing Alternatives

Quail eggs are a common food product in Asian and ethnic cuisine. All of the quail egg production in B.C. is consumed locally. Quail egg producers sell their eggs through distributors or directly to restaurants, supermarkets or specialty poultry retailers. Quail eggs are sold in cartons of 24 eggs each.

## Cash Flow Timing

	J	F	M	A	M	J	J	A	S	O	N	D
%Inc	8	8	8	8	8	8	8	8	8	8	8	8
%Exp	15	5	5	15	5	5	15	5	5	15	5	5

The above information indicates the monthly timing of funds included in the **Contribution Margin** only. A completed **Projected Cash Flow** should include fixed expenses, capital sales and purchases, loans and personal expenses.

## Rules of Thumb

Direct Expenses % of Income	35% - 40%
Labor estimate	5 hr/day/4,000hens

The above indicators are provided for comparison purposes. They are set out as potential targets for ostrich production.

Contact: STEWART PAULSON, P. Ag.  
Poultry Industry Specialist  
Abbotsford  
LAWRENCE HURD, P. Ag.  
Business Management Specialist  
Abbotsford  
Prepared by: DIANE KERMODE, P.Ag.  
Contractor

# QUAIL EGGS

## Target Yield - 11.3 doz/hen/cycle

### Contribution Margin 4,000 hens, 2 cycles in 422 days Fraser Valley

#### Income

	Yield	Price	Unit	Income
Egg Sales	82,818.9	\$0.86	doz	\$71,224
Spent Birds	1,275	3.52	kg	4,488
Extra Birds	699.6	5.04	kg	3,525

**Total Income** **\$79,237**

**Total Income/dozen** **\$0.95**

#### Direct Expenses

	Quantity	Price	Unit	Expense
<u>Feed</u>				
28%layer	33.855	\$350	tonne	\$11,849
Replacement	14.654	350	tonne	5,129

#### Other Costs

Litter, Energy & Medication	313
Transportation (Fuel)	2,077
Packaging	1,094
Custom Processing	8,719
Building R & M	571
Machinery R & M	856

**Total Direct Expenses** **\$30,608**

**Total Direct Expenses/dozen** **\$0.37**

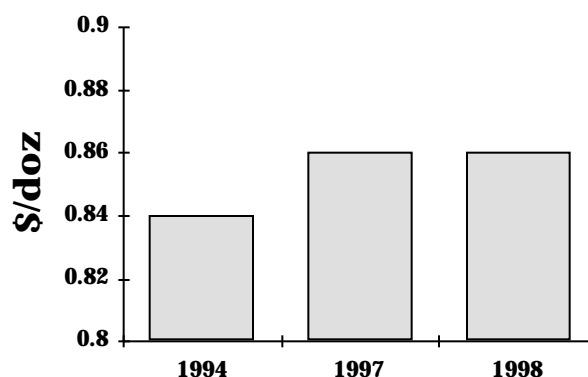
**Contribution Margin** **\$48,629**

**Contribution Margin/dozen** **\$0.58**

### Building & Machinery Replacement Costs 5,000 Bird Flock

Buildings	\$49,000
Equipment	<u>37,000</u>
<b>Total</b>	<b>\$86,000</b>

### Quail Egg Prices



### Contribution Margin/doz - Sensitivity Analysis

The table below lists the changes to contribution margin as the cost of feed and the wholesale price per dozen eggs vary.

Feed \$/tonne	Price (\$/dozen eggs)			
	0.66	0.76	0.86	0.96
300	0.41	0.51	0.61	0.71
350	0.38	0.48	0.58	0.68
400	0.35	0.45	0.55	0.65
450	0.32	0.42	0.52	0.62

This information is provided as a guideline only. Target yield indicates above average production. An individual livestock plan should be developed by each producer. Planning forms may be obtained from your local office of the B. C. Ministry of Agriculture and Food.