

# Marketing Pastured Poultry



# Topics for Discussion

- Developing Direct Relationship Markets
- Tips for Success
- Challenges to Direct Marketing
- Alternative Marketing Channels
- Poultry Cooperatives
- Labeling & Signage
- Enterprise Budgets



# Developing Relationship Markets

- Develop a high quality product, and folks will buy from you.
- Tell your story and know your product.
- Find your customers by developing a customer list.
- Promote your product through newspapers, websites, brochures and newsletters.
- Find your niche on the local market.

# Tips for Success in Direct Marketing

- Maintain your customer base and business.
- Set your prices and stay there.
- Promotion is key.
- Extend your marketing season by freezing birds.
- Make it easy for people to buy from you.
- Add value.



# More Tips on Marketing

- Talk with other farmers.
- Do your market research.
- Create a marketing plan.
- Remain consistent.
- Don't undersell your product or your neighbor.
- Stay attentive to market changes.
- Be organized and deliver on time.



# Challenges to Relationship Marketing

- Time.
- Good communication & people skills.
- Quality & consistency.
- Legal regulations.
- Market saturation & oversupply.



# Farmers' Markets

- Great way to break into local markets.
- Can be competitive if others have eggs or meat.
- Can lead to other sales outlets and loyal customers.
- Find out about having samples of your meat at the booth.
- Can sell vegetables and other products along with eggs/meat.



# Restaurants & Specialty Stores

- Pay good prices.
- Takes time to establish a relationship.
- Quality, consistency and supply are issues.

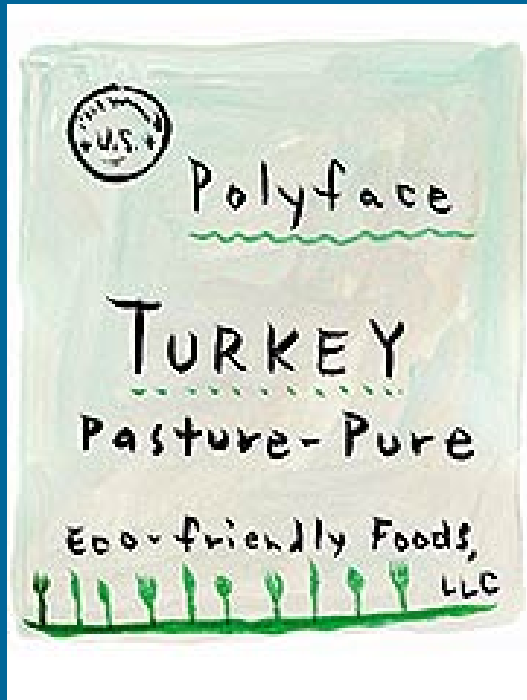


- Gives new opportunities for niche or specialty products.

# Producer Cooperatives

- A way to pool farm products in order to sell to one or multiple buyers.
- Coops can help share in marketing expenses and risks.
- Coordination and quality standards are challenges.
- Can lead to expanded products, diversification and added value.
- Growers need to have a commitment to work together and make group decisions.

# Labeling & Signs



A fashionable **eēēē**



Poultry producers could gather more income with omega-3 'designer eggs'







# How much money can I *really* make?

- Case Study of 5 producers in MN & WI
  - 3 – 10 years experience
  - Average charge per bird was \$1.90/lb
  - Average net return all farms \$2.43/bird
  - Range -\$2.82 to +\$7.05/bird
  - Average net return all farms +\$3,580.25
  - Range -\$1,609 to +\$11,040
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- Labor averaged 24 hours/week

# Supplementary or Primary Enterprise?

- 1,000 bird supplementary enterprise.
- \$5,000 net return after five years.
- Labor is 20 – 22 hours/week for 4 months.
- An efficient farmer could earn \$10 - \$15/hr.
- For primary, \$18,000 net return, after 10 years.
- 35-42 hours/week for 6 months, \$12 – 18/hr.

# Enterprise Budgets & Planning

- Useful planning tools to help you determine the most profitable enterprise.
- Split out into variable operating costs, fixed costs and expected production returns.
- Can be simple or complex, but should give you a clear idea whether you can break-even, make a profit or lose money.



## Sample Budget for Organic Brown Egg Flock

1,000 organic hens kept to 70 weeks of age.

Item	Quantity	Unit	Price	Total	Your Estimate
<b>Receipts</b>					
Jumbo and extra large	8,311	doz			_____
Large	9,638	doz			_____
Medium	3,981	doz			_____
Receipts from eggs	21,930	doz	\$2.00	\$43,860	_____
Fowl sold: 922 @ 4.85 lb	4,472	lb	\$0.70	\$3,130	_____
<i>Total receipts</i>				\$46,990	_____
<b>Variable costs</b>					
Organic pullets	1,000	bird	\$3.35	\$3,350	_____
Organic feed	865	cwt	\$16.00	\$13,840	_____
Advertising				\$400	_____
Electricity				\$185	_____
Auto, truck, misc. supplies				\$450	_____
Repairs and maintenance				\$150	_____
Egg cartoning and packaging				\$3,289	_____
<i>Total variable costs</i>				\$21,664	_____
<i>Returns above variable costs</i>				\$25,325	_____
<b>Fixed costs</b>					
Labor	1,040	hr	\$0.00	\$0	_____
Insurance and taxes				\$125	_____
Egg and cooling room	\$2,500	10 yr		\$250	_____
Building	\$6,600	10 yr		\$660	_____
Equipment	\$4,052	10 yr		\$405	_____
<i>Total fixed costs</i>				\$1,440	_____
<b>Total costs</b>				\$23,105	_____
<b>Net returns</b>				\$23,885	_____

Assume birds are housed at 18 weeks of age and sold at 70 weeks of age (52 weeks of production).

Feed fed during the 52 weeks = 90 lb/bird.

Mortality estimated at 0.15% per week.

### Initial resource requirements

- Land: 2 acres (needed land includes buildings and waste disposal)
- Labor: 1,040 hours
- Harvesting costs: \$800 per acre
- Capital
  - Pullets: 1,000 birds X \$3.35 = \$3,350
  - Buildings, equipment (including egg cooler): \$13,152
  - Total capital investment: \$16,502

# Resources on Marketing

- USDA Agricultural Marketing Service, [www.ams.usda.gov](http://www.ams.usda.gov)
- Oregon State University Small Farms Program, <http://extension.oregonstate.edu/sorec/about/smallfarms.php>
- Appropriate Technology Transfer for Rural Areas (ATTRA), [www.attra.org](http://www.attra.org)
- The New Farm: Farmer-to-Farmer Know-How, [www.newfarm.org](http://www.newfarm.org)
- Alternative Farming Systems Information Center [www.nal.usda.gov/afsic](http://www.nal.usda.gov/afsic)
- Attend the Oregon Small Farms *Farm Direct Marketing* Conference in February and the *Food Connection* in October.