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 egg

Poultry producers could garner more income with omega-3 ‘designer eggs’
LET'S TALK
TURKEY
NOW TAKING
ORDERS
FOR FRESH FREE-RANGE
TURKEY FOR THE
THANKSGIVING
HOLIDAY
<table>
<thead>
<tr>
<th>Meat Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chicken:</strong></td>
</tr>
<tr>
<td>Whole Chicken</td>
</tr>
<tr>
<td>Whole Cut-up Chicken</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Sausages:</strong></td>
</tr>
<tr>
<td>Breakfast Sausage (Mild or Spicy)</td>
</tr>
<tr>
<td>Specialty Sausages (12/lb.)</td>
</tr>
</tbody>
</table>

**Note:** All prices are approximate and subject to change.
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
- 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.

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

Assume birds are housed at 16 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: $380 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

- Oregon State University Small Farms Program, [http://extension.oregonstate.edu/sorec/about/smallfarms.php](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)
- Attend the Oregon Small Farms *Farm Direct Marketing* Conference in February and the *Food Connection* in October.