



# Pastured Poultry On the Diversified Farm

Presented by  
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**This Project  
Was Funded  
By Northeast  
SARE**



# Presentation Outline



## TOPICS FOR TODAY

- Introduction to Our Farm
- Why Add Meat Birds?
- Poultry Husbandry Basics
- Choosing Your Production Method
- Economics of Small Scale Production
- Processing Your Birds
- Marketing a Product





Letterbox Farm is the combined effort of an invested team.

# Who are we?

3

OWNER / OPERATORS

2

YEAR ROUND TEAM MEMBERS

2

SEASON CREW MEMBERS

1-2

HIGH SEASON INTERNS



# Our Priorities



*We seek work that is  
engaging, meaningful and manageable.*

## LAND STEWARDSHIP + ANIMAL WELFARE

Using organic and regenerative practices wherever possible.

## PRODUCING HIGH QUALITY PRODUCTS

Sold for a fair price for both the farmer and the consumer.

## TAKING CARE OF OURSELVES

With manageable work weeks, a civil servant's salary + paid leave.



# What do we do?

## WE STEWARD

64 acres of fields, ravines and woodlands

## WE GROW

3 acres of intensively managed vegetables, greens and herbs

## WE RAISE

3,000 meatbirds, 500\* rabbits, 400 layers and 30 pigs annually

\*varies year to year



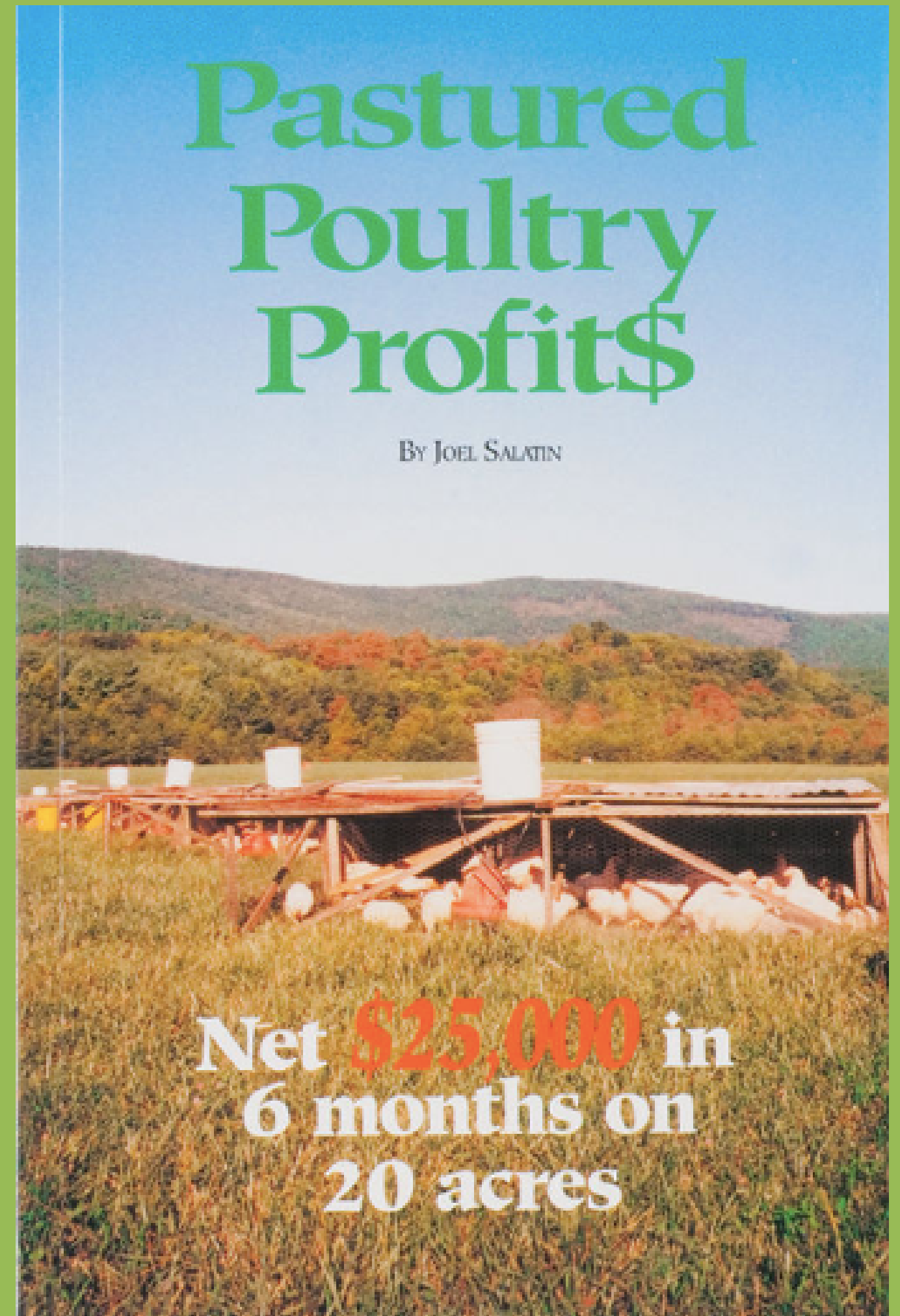
AVERAGE REVENUE SPLIT:  
55% VEG + 45% LIVESTOCK

	2013-2014	2015	2016
<b>Business Structure</b>	2 Sole Proprietorships: Letterbox Farm and the Woolly Pig Pastured Poultry	Merged businesses into multi-member LLC. Set up member loan to equalize equity between 3 equal partners.	
<b>Members/Team</b>	1 - 2 people part-time	3 owners, 1 hired co-manager, all full-time	3 Owner-operators, 3 seasonal crew
<b>Products &amp; Services</b>	Half to 1 acre of vegetables & herbs, 500+ meat birds, trials of new enterprises	2 acres vegetables/herbs, 1500 meat birds, 13 pigs, 150 layers, 125 rabbits, value-adding enterprise	2.5 acres vegetables/herbs/flowers, 24 pigs, 300 layers, 2800 meat birds, 500 rabbits, events
<b>Marketing/ Customers</b>	Restaurants and limited farmers markets	2 Farmers Markets, 10 core restaurants, 15 CSA members, 2 small distributors	3 Farmers markets, 3 small distributors, 10 restaurants, 25 CSA members
<b>Land, Equipment, Infrastructure</b>	Insecure hand-shake lease with no security, very limited access to infrastructure. Hand tools, small equipment, truck and van.	Land purchased! Financed purchase of BCS, compact utility tractor, greenhouse, fencing, irrigation, livestock housing.	Maximizing space with current equip & infrastructure; Developing standard operating procedures; minimal equip investments
<b>Financing</b>	Self-financed; cash-flowed investments out of earnings and off-farm jobs.	USDA 7 Year Microloan + Operating Loan + Member Loan	Servicing debt & cash-flowing investments out of earnings.
<b>Needed Skills</b>	Running a business; basic production skills, administration, marketing, managing land acquisition process; negotiation.	First year "just farming" – focusing on growing production and building systems. Advanced financial and cash flow mgmt, construction & development projects, machine repair, communication/teamwork	All of the previous + managing staff Foray into agritourism/larger land management
<b>Revenue</b>	14k - 45k	137k	210k
<b>% Growth</b>		200% (3x)	55%



## WHY WE CHOSE MEATBIRDS

They have a low barrier to entry and they're marketable!



# HOW THEY FIT IN

21% of Annual Sales

15% of Annual Expenses

8.5% of Annual Labor\*

\*includes all overhead



# THE BENEFITS



- **SIMPLE TO RAISE**  
Grow quickly  
Relatively few health problems  
Fairly easy to process + pack

- **PORTABLE**  
Simpler to move for farmers  
with insecure land access

- **MARKETABLE**  
Chicken is a staple in most  
American households

- **QUICK RETURN ON INVESTMENT**  
Require just 6-16 weeks,  
from start to finish

- **EASY TO INTEGRATE**  
Works well in tandem with  
existing enterprises and  
markets

- **PROFITABLE**  
Surveyed NY producers  
report margins of 25%-50%

# THE CHALLENGES

## KEEPING COSTS DOWN + EFFICIENCY UP

Feed and other operating costs  
can add up fast

## PRODUCING AT SCALE

Labor is expensive -  
profitability requires us to  
maximize output for every hour  
spent

## LEGAL PROCESSING

Rules and Reg vary from state  
to state and USDA slaughter  
can be pricy

## GETTING A FAIR PRICE

Commercially produced  
chicken is widely available at  
much lower cost

CHOOSING A BREED, BROODING, SLAUGHTERING,  
FEEDING + KEEPING THEM HEALTHY



# THE BASICS OF POULTRY HUSBANDRY



WITH AN EMPHASIS ON  
ECONOMICS!

# Choosing Your Breed

OPTIONS FOR A VARIETY OF MARKETS



Cornish X



Red Ranger



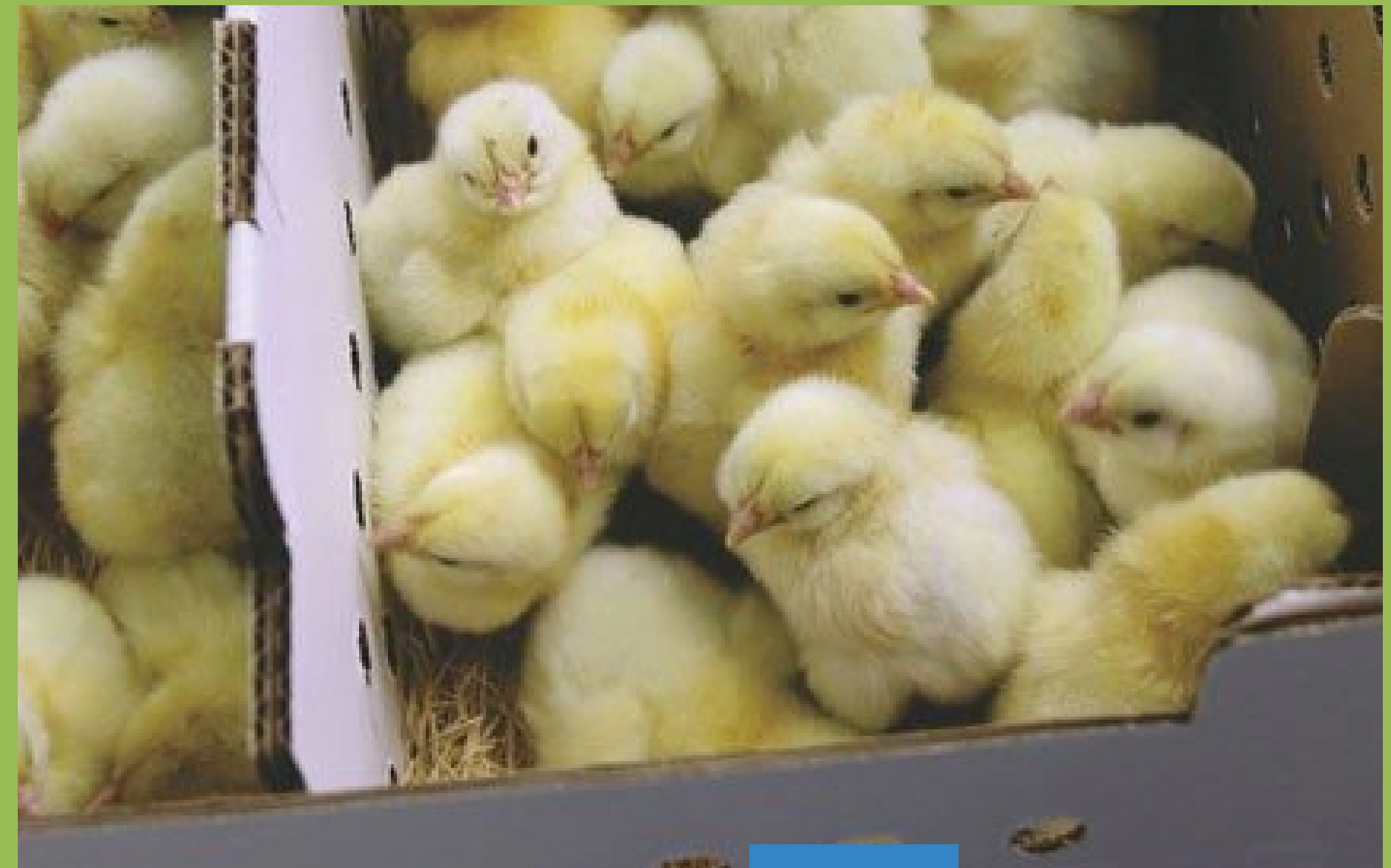
Bress



Silkie



# Ordering & Receiving Your Chicks



Most farmers order their chicks by mail.

They arrive 2-3 days old and can be shipped year round.

# THE BROODER

IS A MAKESHIFT MOTHER HEN



## IT NEEDS TO:

KEEP CHICKS WARM + DRY

PREVENT DRAFTS

PROTECT FROM  
PREDATORS

PROVIDE ACCESS TO  
CLEAN FOOD + WATER



# CHIC ECONOMICS

PRICE  
PER  
CHICK

FOR  
BATCH OF  
100+

CORNISH  
X  
\$1.75

RED  
RANGER  
\$1.25

AMERICAN  
BRESS  
\$5.00

SILKIE  
BROILER  
\$2.65

**SHIPPING: \$30**



# BASIC BROODER STATS

PROVIDE MIN .25 SQ FT  
PER CHICK

+

EASY ACCESS TO 90  
DEGREE HEAT

-

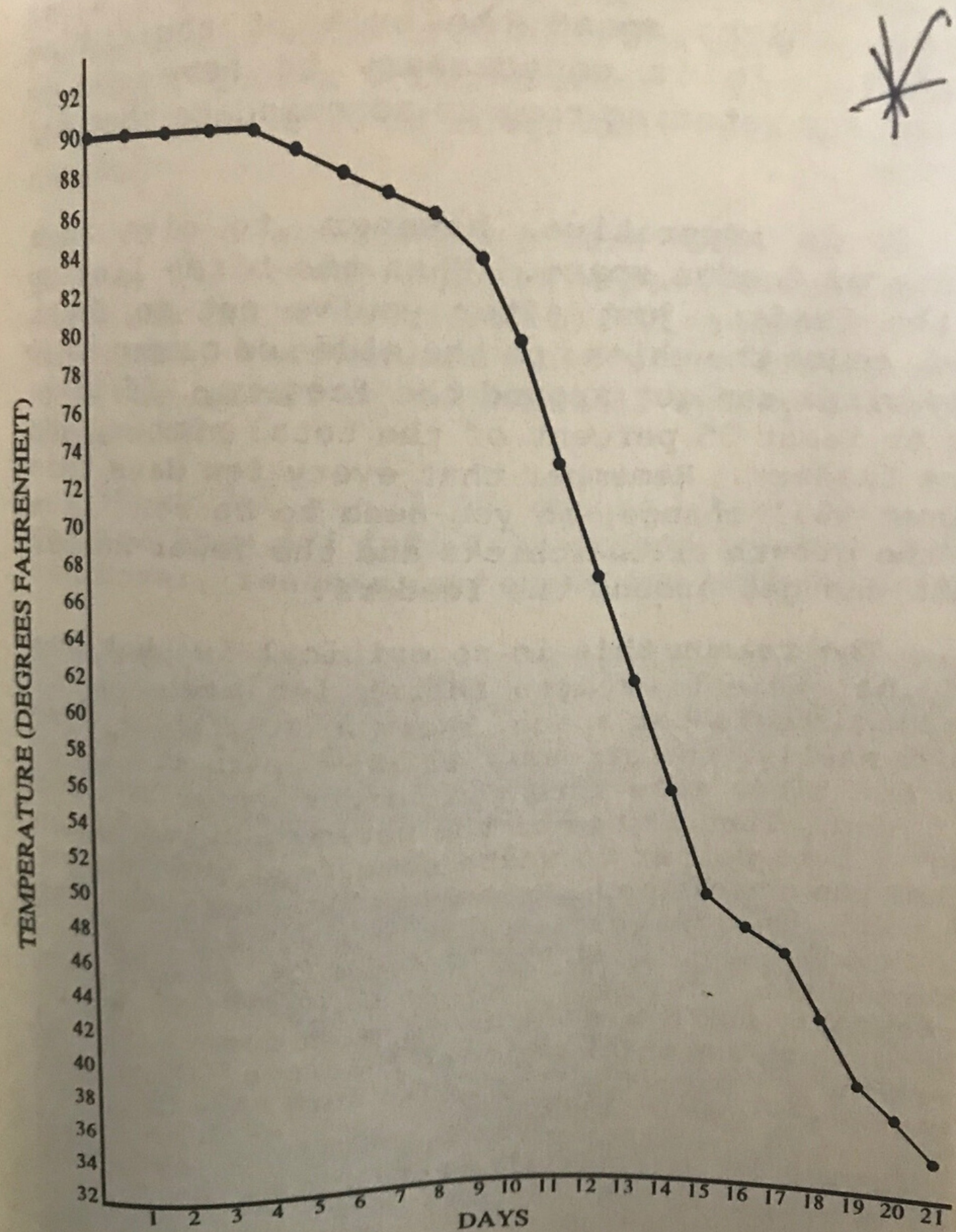


Figure 7-1. *Temperature Requirements for Chicks*

# TEMP REQUIREMENTS BY AGE

FROM PASTURED POULTRY  
PROFITS BY JOEL SALATIN

-



**A WELL MANAGED BROODER CAN FOSTER HEALTHY IMMUNE SYSTEMS**



# BROODER ECONOMICS

BUILDING OUR BROODERS

## Specifications

- 2 dirt floor brooders
  - 220 chicks ea.
  - 8' X 8' ea.
    - .29 sq ft / bird
- Materials
  - hog panel, t-posts, plastic mesh + plywood

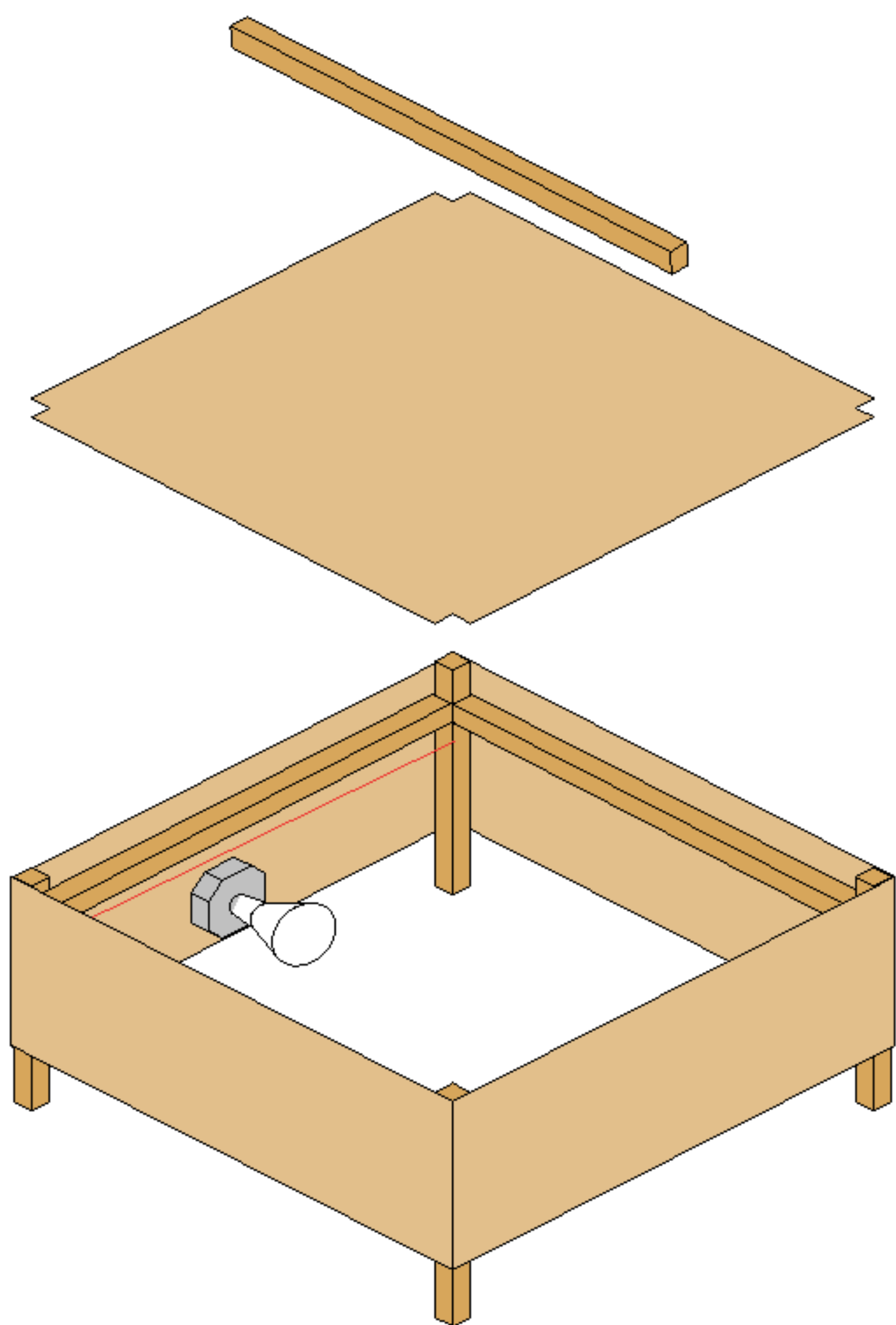
One  
8' x 8'  
Pen

# BROODER ECONOMICS

Holds  
220  
Chicks

BUILDING THE PERIMETER

ITEM	QUANTITY	COST	TOTAL
16' hog panel	2	\$25	\$50
4' t-posts	4	\$5	\$20
150' plastic mesh	0.5	\$25	\$13
100 pk 6" zip ties	1	\$8	\$8
spool of wire	1	\$5	\$5
		<b>TOTAL</b>	<b>\$96</b>



# THE OHIO BROODER

COMFORT ON A BUDGET

**Image & plans from  
[www.plamondon.com](http://www.plamondon.com)**

One  
4' x 4'  
Brooder

# BROODER ECONOMICS

Warms  
220  
Chicks

BUILDING AN OHIO BROODER

ITEM	QUANTITY	COST	TOTAL
1/4" plywood	1	\$20	\$20
1" x 1" x 8'	2	\$2	\$4
2" x 2" x 6'	1	\$9	\$9
bulb sockets	2	\$6	\$12
electric plug w. cord	1	\$16	\$16
heat bulbs	2	\$5	\$10
		<b>TOTAL</b>	<b>\$71</b>



**Feeds  
+ Waters  
220 Chicks**

# **BROODER ECONOMICS**

FEEDERS & WATERERS

<b>ITEM</b>	<b>QUANTITY</b>	<b>COST</b>	<b>TOTAL</b>
Plasson Bell Drinkers	1	\$45	\$45
10' PVC - 4" ID	1	\$12	\$12
		<b>TOTAL</b>	<b>\$57</b>

# BROODER ECONOMICS

TOTAL COST PER BROODER

**\$225**



Build Your Brooder In Any Secure, Dry and Draft-free Location





# BROODER ECONOMICS

BUILDING OUR BARN

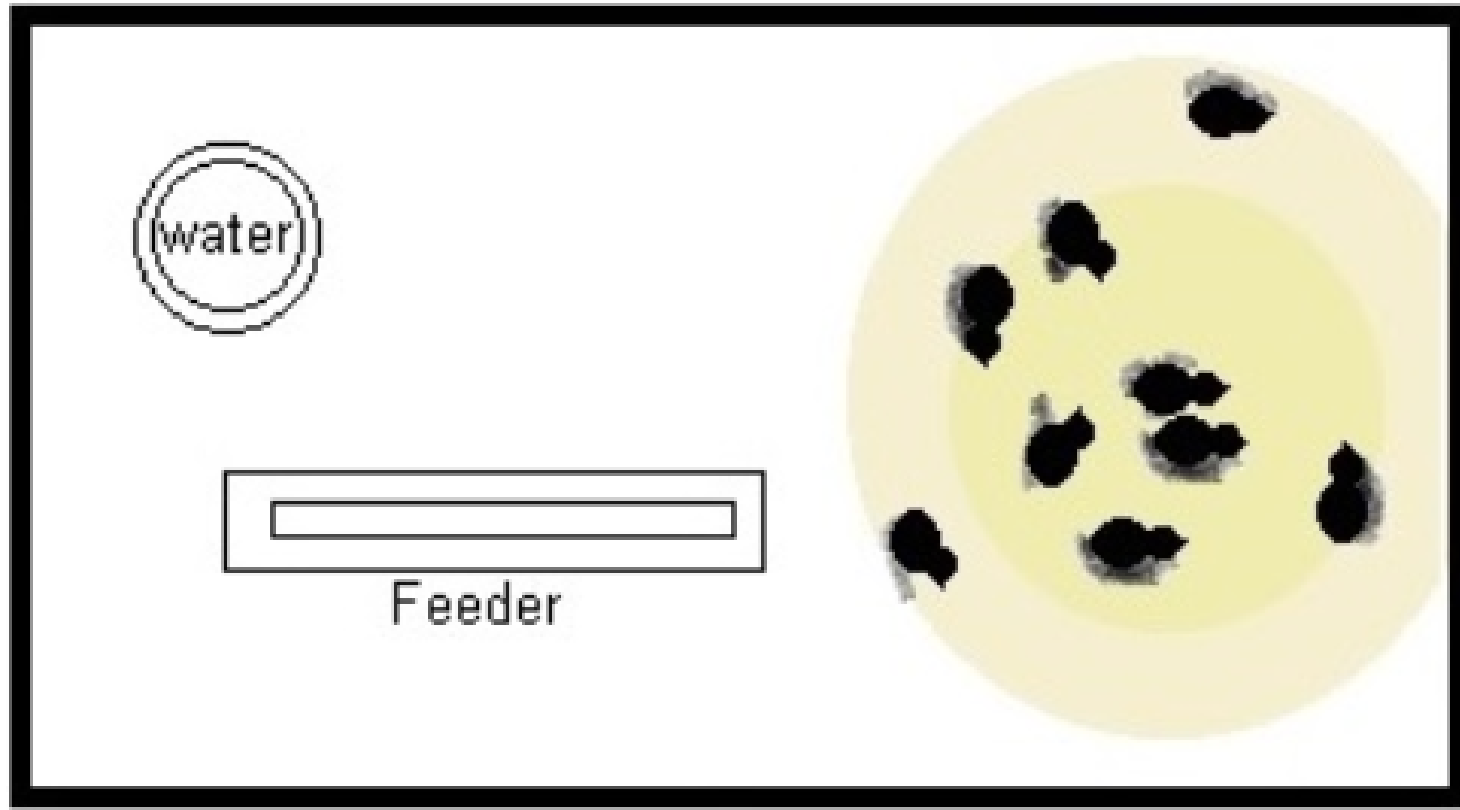
ITEM	QUANTITY	COST	TOTAL
96'x30' GH Kit	1	\$7,833	\$7,833
Construction	0.33	\$6,600	\$2,178
Site Work	0.33	\$3,660	\$1,208
Electric w. Install	0.33	\$5,700	\$1,881
Fans	2	\$150	\$300
Shade Cloth	1	\$400	\$400
		<b>TOTAL</b>	<b>\$13,800</b>



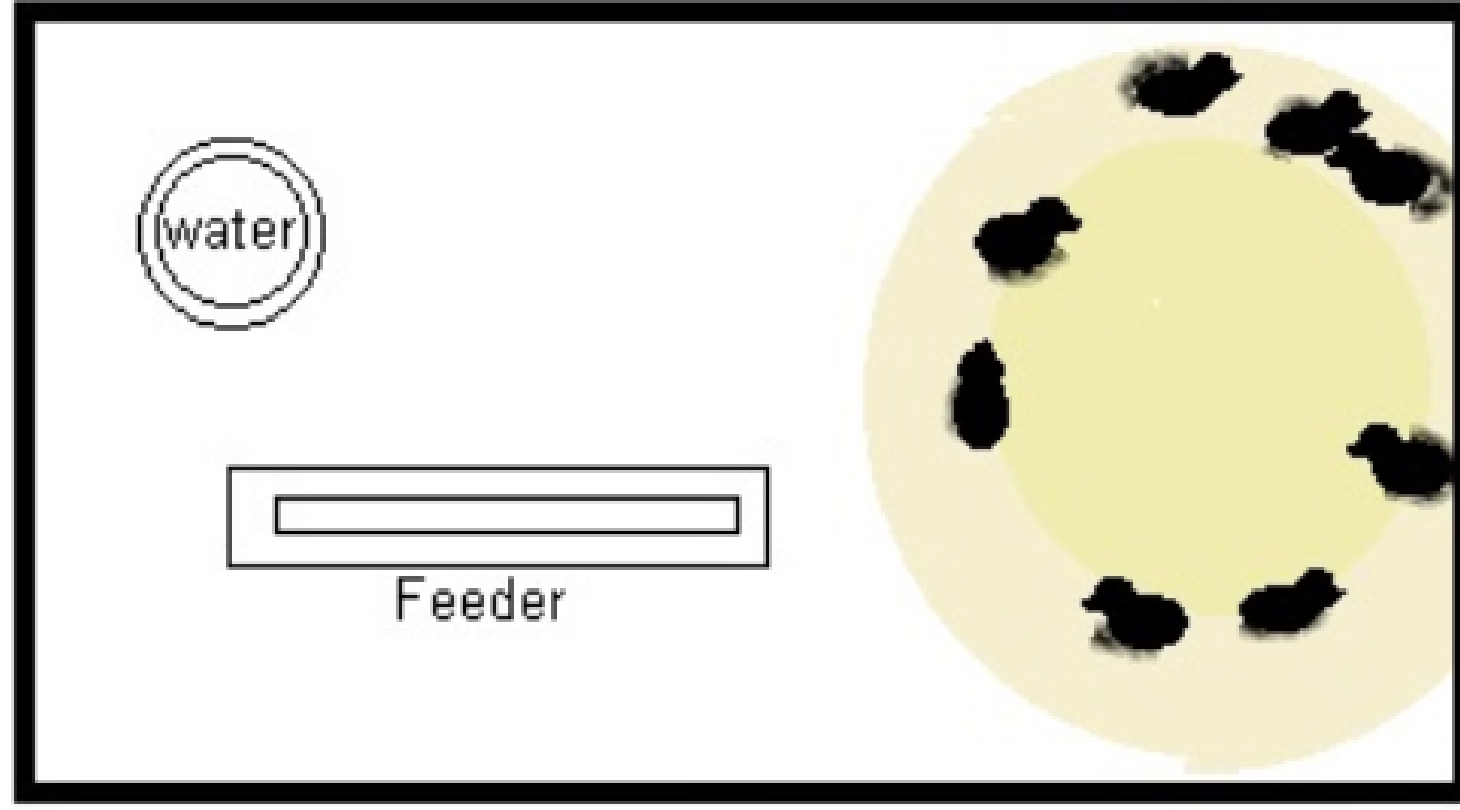
When your chicks are due to arrive...

- **Fill feed + water**
- **Warm up the heat lamps**
- **Put chicks in the brooder**

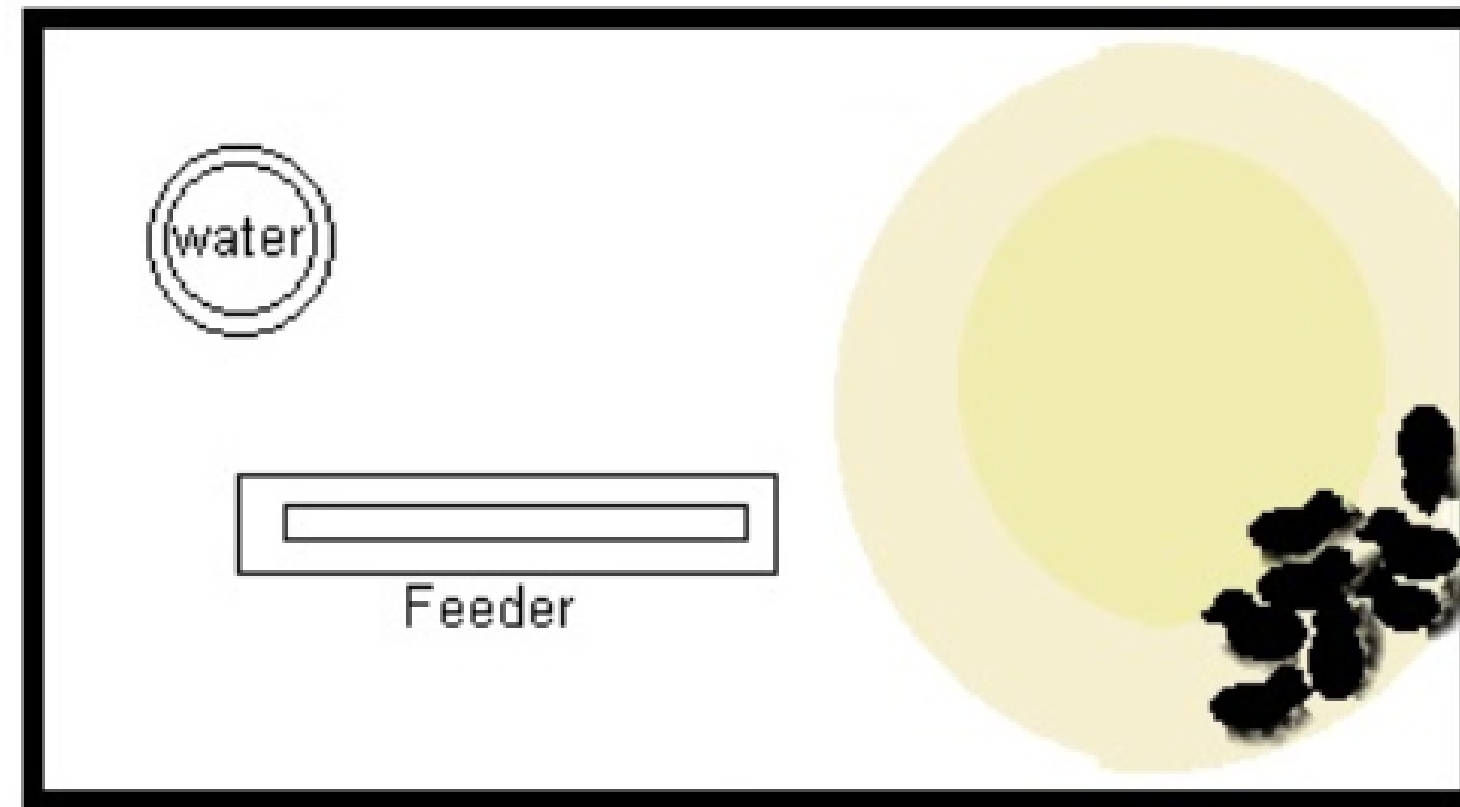
***\*We don't dip beaks in water, although many do***



Correct: Chicks are not piled and have a range of activity.



Incorrect: Too Warm, slightly adjust light higher to correct.



Incorrect: Possible Draft, when chicks angle themselves off to a specific side there could be a draft or the brooder light is not at the needed temperature.



Incorrect: Too Cold, chicks are piled on top of each other and also may be chirping more than usual. Check indoor outdoor Thermometer and lower light slightly.



# How To Practice Deep Bedding

AFTER YOU REMOVE ONE BATCH OF CHICKS, TURN OVER THE BEDDING AND SPRAY IT DOWN WITH WATER.

NEXT, ADD 1-2 INCHES OF CLEAN, DRY BEDDING.

ADD NEW CHICKS

REPEAT AFTER EACH BATCH.





# Choosing Your Field Production Method

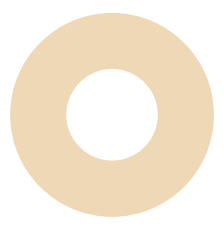
THERE IS NO ONE WAY TO FARM

The system you choose will depend on your unique restraints and opportunities



# Free Ranging

FREE RANGING



# Pros

- INEXPENSIVE
- LESS HOUSING TO MOVE
- PROVIDES A LOT OF SPACE
- OFFERS LOTS OF FORAGE



FREE RANGING

# Cons

- PREDATORS
- EXPOSURE TO THE ELEMENTS
- DIFFICULT TO CATCH
- HARDER TO MANAGE PASTURE
- FENCING
- SLOWER GROWTH



FREE RANGING

# Day Ranging



DAY RANGING

# Pros

- PROVIDES MORE SPACE
- OFFERS MORE FORAGE
- REQUIRES SMALLER, CHEAPER HOUSING
- FEWER TRACTORS TO MOVE



DAY RANGING

# Cons

- FARMERS HAVE TO CLOSE UP EACH NIGHT
- PREDATION RISK
- REQUIRES FENCING
- SLOWER GROWTH



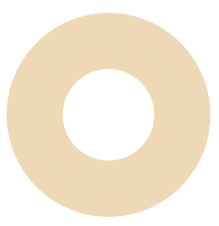
DAY RANGING



# Pen Raising



PEN RAISING



# Pros

- REDUCED PREDATION
- DON'T NEED TO BE CLOSED AT NIGHT
- MORE CONTROL OVER THE PASTURE
- PROTECTS BIRDS FROM ELEMENTS



PEN RAISING

# Cons

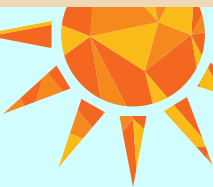
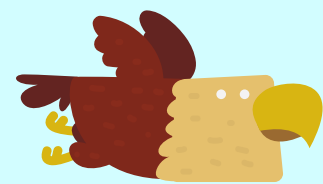
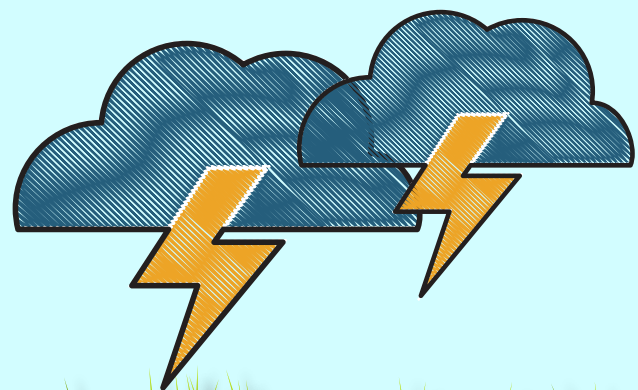
- PROVIDES LESS ROOM FOR THE BIRDS
- OFFERS LESS FORAGE
- REQUIRES MORE OR LARGER HOUSING
- DAILY MOVING OF MORE HOUSING



PEN RAISING

**The Question:**

**How can we provide the most benefits while mitigating the biggest risks?**





**Our Answer:**  
**PEN RAISING**

**But the answer may be different for you!**



**from  
polyfacefarms.com**





from  
[@pasturebird](#)



**Move the  
chicks  
outside  
sometime  
in weeks  
3-5**







**Move the  
tractors  
once every  
day**







**Feed +  
water 2x  
per day**



**Don't  
forget to  
close the  
doors  
behind you**

**....**








One  
10x12  
Tractor

# PEN ECONOMICS

BUILDING OUR CHICKEN TRACTORS

Grows  
Out 80  
Birds

ITEM	QUANTITY	COST	TOTAL
10x12 Tractor	1	\$400	\$400
Never-flat Tires	2	\$34	\$68
Bell Waterer	1	\$45	\$45
PVC Trough	2	\$10	\$20
5 Gallon Bucket	2	\$4	\$8
12x20 Tarp	1	\$28	\$28
		<b>TOTAL</b>	<b>\$569</b>



**For 2020, we'll have 9 chicken tractors & 3 brooders for producing 3,200 birds.**

**Total Housing Investment: \$5,240**

1-2  
FARMERS

# ECONOMICS OF DAILY CHORES

FEB 15  
-  
OCT 31

MOVING, FEEDING + WATERING

ITEM	FARMERS	HRS EA.	TOTAL	COST
Servicing Brooder	1	.25	.25	\$3
Servicing Tractors	2	.75	1.5	\$18
Afternoon Chores	1	.5	.5	\$6
TOTAL LABOR/CHORES/DAY *12/hr			<b>2.25</b>	<b>\$27</b>
TOTAL LABOR/CHORES/SEASON *220 days			<b>495</b>	<b>\$5,940</b>

**PROCESSING**

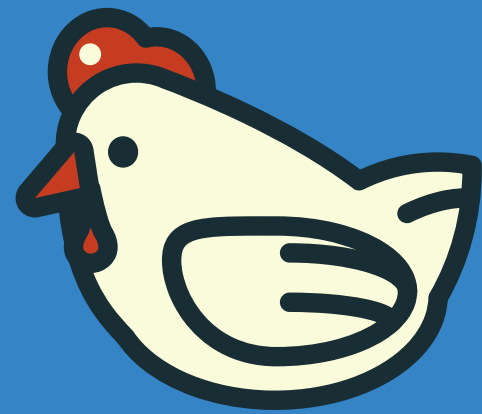
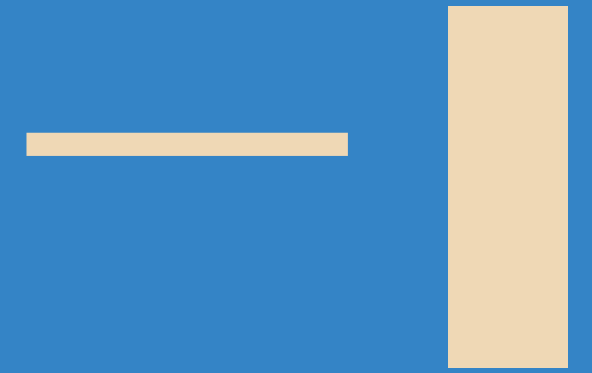


**Bring to  
slaughter  
when  
they're the  
size you  
want them**



**Weighing  
live birds  
allows you  
to know  
exactly  
how big  
they are**

# Average Dress Percentages



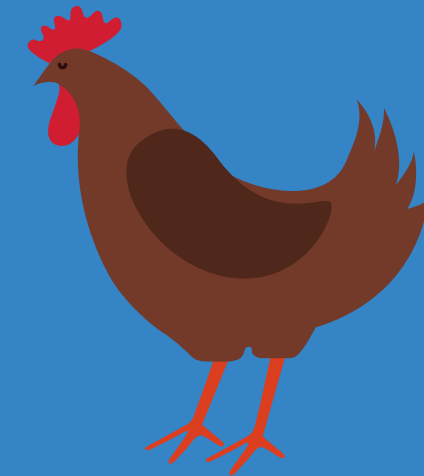
CORNISH X

70%



SILKIE

66%



RED BROILER

68%

120  
BIRDS  
PER WK

# SLAUGHTER ECONOMICS

AT A  
NYS 5-A  
FACILITY

PROCESSING OUR BIRDS - AN AVERAGE WEEK

ITEM	QUANTITY	COST	TOTAL
Transport (by Mileage)	120	\$0.25	\$30
Processing Whole Birds	70	\$3	\$210
Processing Quarters	20	\$4	\$80
Processing Bulk	30	\$2.50	\$75
		<b>TOTAL</b>	<b>\$395</b>
		<b>AVG COST PER BIRD</b>	<b>\$3.29</b>



1 X  
WEEK

# SLAUGHTER ECONOMICS

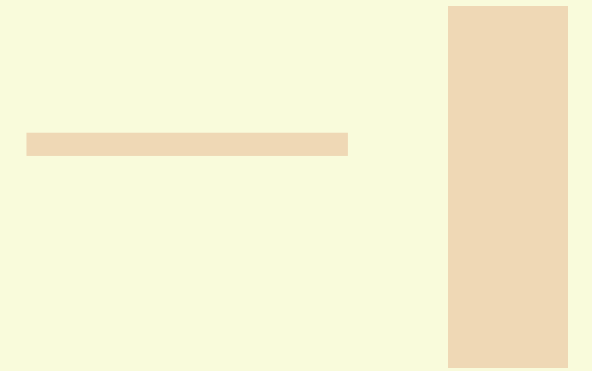
MAY  
-  
OCT

AVERAGE WEEKLY LABOR

ITEM	QUANTITY	COST	TOTAL
Loading (1 hr, 2 ppl)	2	\$12	\$24
Travel	4	\$12	\$48
Picking Up	0.5	\$12	\$6
Unpacking	0.5	\$12	\$6
		<b>TOTAL</b>	<b>\$84</b>

# When To Slaughter

CONSIDER YOUR FIXED COSTS



Your fixed costs are those that stay the same, no matter what size you raise your birds to.

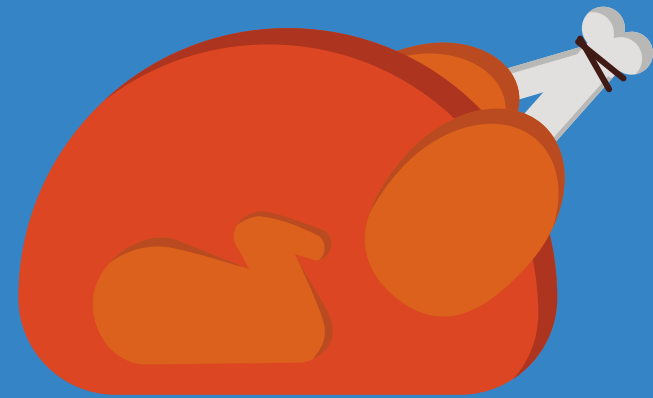
# When To Slaughter

SAMPLE FIXED COSTS



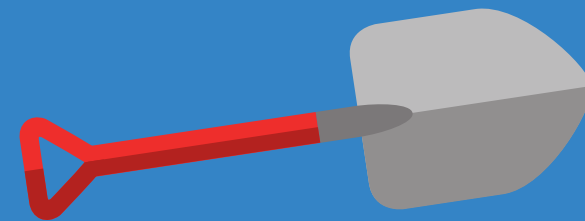
CHICK

\$1.25



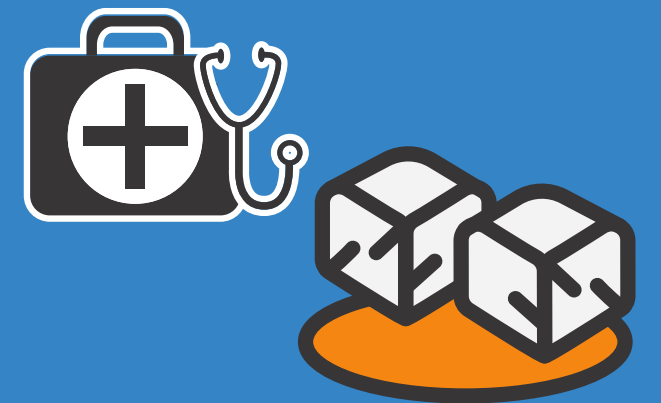
PROCESSING

\$3.29



TOOLS +  
EQUIPMENT

\$0.47



MISC

\$0.67

**\$5.68 per bird**

# When To Slaughter

THEN CONSIDER YOUR MINIMUM  
FLEX COST



FEED

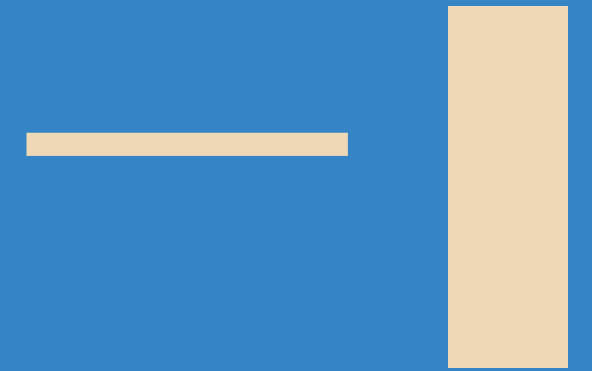
\$1



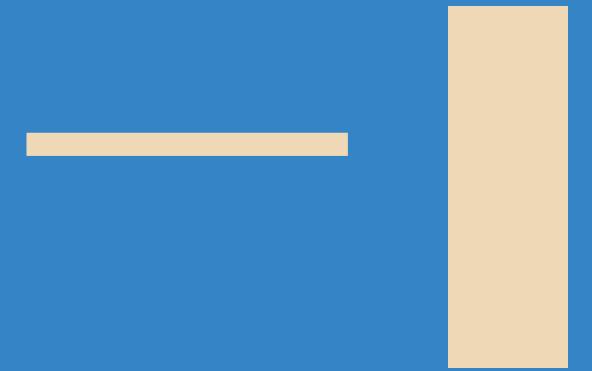
LABOR

\$1

**\$2 per bird**



# Total Fixed Costs



**\$7.68 per bird**

You can't raise a salable bird of any size cheaper than this, so do your best to maximize this investment!

# Average Letterbox Slaughter Schedule

## **WHOLESALE (30%)**

**Age..... 7 wks**

**Live Weight ..... 3.8 lbs**

**Dress Weight ..... 2.5 lbs**

**Sale Price .....\$15.75 ea**

## **RETAIL (70%)**

**Age..... 10-12 wks**

**Live Weight ..... 6-9 lbs**

**Dress Weight ..... 4-6 lbs**

**Sale Price .....\$23 - \$34**



# OPERATIONS

What it costs to run

your poultry

enterprise

# Calculating Depreciation

WE EXPECT OUR EQUIPMENT TO LAST 10 YEARS

INVESTMENT	COST	\$ / YR	\$ / BIRD *
9 chicken tractors	\$4,565	\$457	\$0.14
3 brooders	\$225	\$23	\$0.01
25% of the barn	\$3,450	\$345	\$0.11
14 poultry crates	\$980	\$98	\$0.03
misc equiptment	\$1,000	\$577	\$0.18
<b>TOTALS</b>	<b>\$10,220</b>	<b>\$1,022</b>	<b>\$0.47</b>

**\*3200 birds**



# Calculating Feed Costs

DEPENDS ON WHAT YOU FEED THEM



CONVENTIONAL

\$425



NON-GMO

\$590



ORGANIC

\$780

SAMPLE COST PER BAGGED TON IN NEW YORK STATE

# Calculating Feed Costs

COST VARIES, DEPENDING ON  
YOUR OWN UNIQUE FCR

**CONVENTIONAL  
WISDOM**

**15# Grain  
Yields**

**4# Dressed Bird**

**ON  
OUR FARM**

**21# Grain  
Yields**

**3.9# Dressed Bird**

# Calculating Feed Costs

SOME SAMPLE STATS - PICK YOUR POISON

TYPE OF FEED	COST/LB	15#/BIRD	21#/BIRD
<i>conventional</i>	\$0.22	\$3.30	\$4.62
<i>non-gmo</i>	\$0.30	\$4.50	\$6.30
<i>organic</i>	\$0.39	\$5.85	\$8.19

WE USE AN AVERAGE OF 21 POUNDS  
OF NON-GMO FEED PER BIRD  
FOR A TOTAL FEED COST OF \$6.30 EACH

# Other Expenses

THAT MAY APPLY TO YOUR  
POULTRY ENTERPRISE

## LABOR

How many hours does it take to get the job done and at what wage?

## PROCESSING

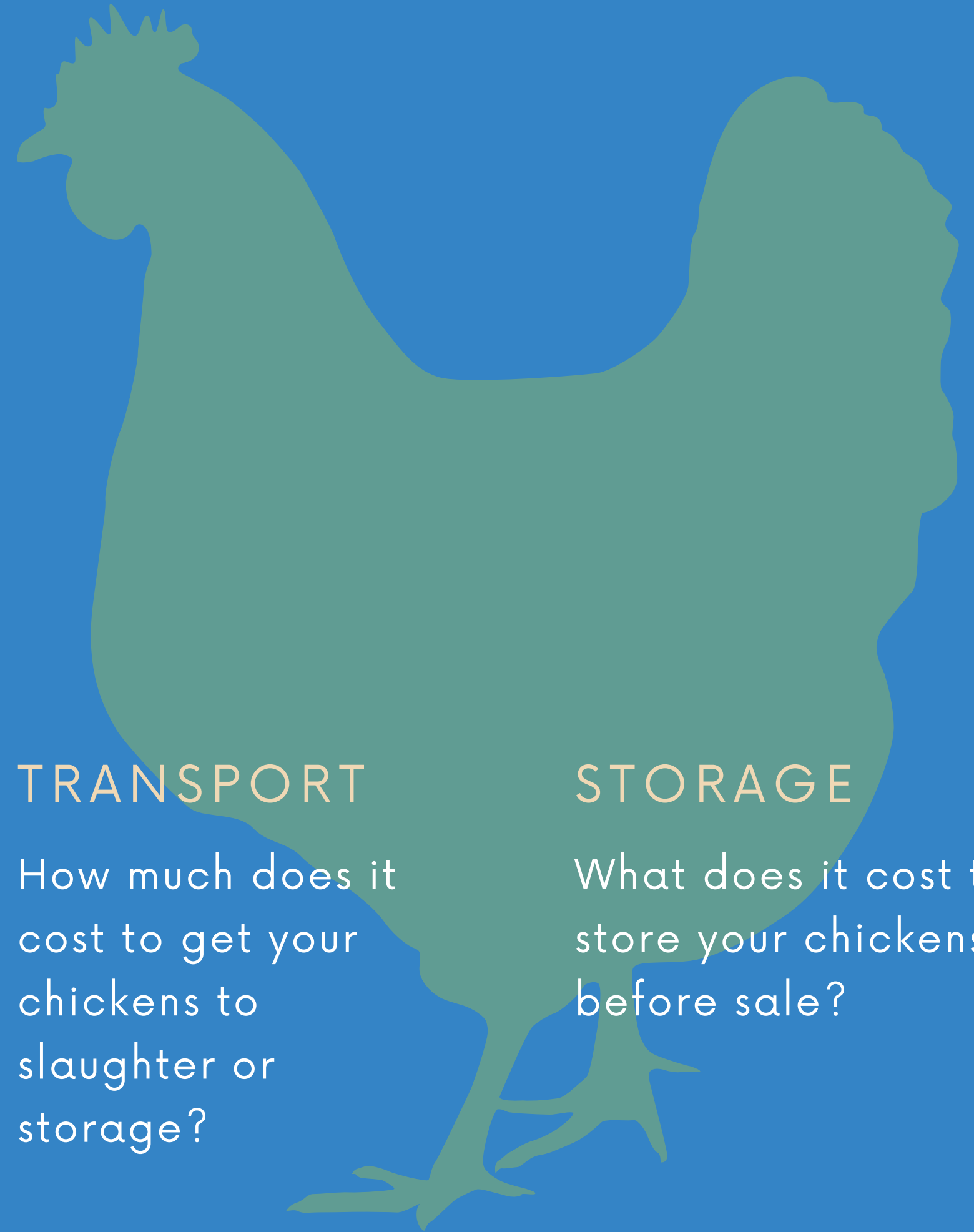
What does it cost to slaughter your chickens for market?

## TRANSPORT

How much does it cost to get your chickens to slaughter or storage?

## STORAGE

What does it cost to store your chickens before sale?



# SAMPLE OPERATING BUDGETS

AT 500, 1000, 2000 + 3000 BIRDS PER YEAR

<b>EXPENSE</b>	<b>COST/BIRD</b>	<b>@ 500</b>	<b>@ 1,000</b>	<b>@ 2,000</b>	<b>@ 3,000</b>
FEED	\$6.30	\$3,150.00	\$6,300.00	\$12,600.00	\$18,900
PROCESSING	\$3.29	\$1,645.00	\$3,290.00	\$6,580.00	\$9,870
LABOR	\$3.39	\$1,695.00	\$3,390.00	\$6,780.00	\$10,170
CHICK	\$1.05	\$525.00	\$1,050.00	\$2,100.00	\$3,150
DEPRECIATION	\$0.47	\$235.00	\$470.00	\$940.00	\$1,410
MISC	\$0.50	\$250.00	\$500.00	\$1,000.00	\$1,500
STORAGE	fixed	\$600	\$600	\$600	\$600
<b>TOTAL</b>	<b>\$15</b>	<b>\$8,100.00</b>	<b>\$15,600.00</b>	<b>\$30,600.00</b>	<b>\$45,600</b>

\*USING LETTERBOX FARM 2019 ACTUALS



SALES

How are you selling  
your chickens?



# Our Marketing Costs + Values

<i>Market Sales</i>		<i>Annually</i>	<i>Wholesale</i>		<i>Annually</i>	<i>CSA Sales</i>		<i>Annually</i>
<b>EXPENSE</b>	<b>COST</b>	<i>28 wks</i>	<b>EXPENSE</b>	<b>COST</b>	<i>34 wks</i>	<b>EXPENSE</b>	<b>COST</b>	<i>34 wks</i>
RENT	\$60	\$1,680.00	FUEL	\$10	\$340	LABOR	\$36	\$1,224
FUEL	\$50	\$1,400.00	LABOR	\$24	\$816			
TOLLS	\$8	\$224.00						
LABOR	\$150	\$4,200.00						
ICE	\$15	\$420.00						
<b>TOTAL</b>	<b>\$283</b>	<b>\$7,924.00</b>	<b>TOTAL</b>	<b>\$34</b>	<b>\$1,156</b>	<b>TOTAL</b>	<b>\$24</b>	<b>\$1,224</b>

**\$31**

**\$18**

**\$26**

**AVERAGE VALUE OF BIRD PER VENUE**



Farming margins are SLIM  
so when you have the  
option, prioritize your  
most profitable markets.



# RECORDS

Having good data can earn  
you more cash for the same  
amount of work!

# What You Should Know

## HOW TO FIND OUT + WHAT IT CAN TELL YOU

- **QUESTION:** How many birds you bought / how many you slaughtered?
- **HOW TO KNOW:** Keep your hatchery and processing receipts and put the data in a spread sheet. At the end of the season, total up how much you spent and subtract how many birds you had processed with from how many chicks you purchased.
- **WHAT IT CAN TELL YOU:** Your percentage of loss + how many birds went unsold + your average processing cost per bird

**Freedom Ranger Hatchery, Inc.**

187 N Windy Mansion Rd  
Reinholds, PA 17569  
Office - 717 336 4878



U.S. PULLORUM-TYPHOID CLEAN  
A.I. CLEAN, NPIP# 23-531

Nichki Carangelo  
4161 Route 9  
Hudson, NY 12534

**Sales Receipt**

Date	Sale No.
8/8/2019	33903
Fax - 717 336 3711	
www.freedomrangerhatchery.com sales@freedomrangerhatchery.com	

**POSTMASTER: CALL UPON ARRIVAL:**

203 560 0322

225 FRM Broiler Chicks

Hatched 7 am same date as postmark

			Ship Date
			8/13/2019

Qty	Description	Rate	Amount
220	Freedom Ranger Day Old Chick - Male	1.00	220.00
5	Freedom Ranger Day Old Chick - Extra	0.00	0.00
1	Shipping	30.00	30.00

DATE	BULK	WHOLE	CUTUPS	TOTAL
5/8	20	93	75	629
5/15	30	35	49	376
5/22	30	50	25	325
5/29	30	68	30	399
6/5	30	56	25	343
6/12	30	52	30	351
6/19	30	71	25	388
6/26	30	22	21	225
7/3	30	32	10	211
7/10	60	62	34	472
7/17	30	42	14	257
7/24	55	22	20	283.5
7/31	30	32	10	211
8/7	40	28	11	228
8/14	30	98	14	425
8/21	30	58	20	329
8/29	30	32	18	243
9/4	30	38	12	237
9/11	30	43	20	284
9/18	30	30	34	301
9/25	25	36	20	250.5
10/2	30	29	11	206
10/9 + 10/23	75	101	61	734.5
10/17	25	25	25	237.5
10/30	9	123	75	691.5
<b>TOTALS</b>	<b>819</b>	<b>1278</b>	<b>689</b>	<b>8637.5</b>
<b>TOTAL BIRDS</b>	<b>2786</b>			

# What You Should Know

## HOW TO FIND OUT + WHAT IT CAN TELL YOU

- **QUESTION:** How much feed did you use?
- **HOW TO KNOW:** Keep records yourself or ask for an expense report by item from your feed mill.
- **WHAT IT CAN TELL YOU:** How much you spent + what your feed conversion is + what it costs to raise each bird

# What You Should Know

## HOW TO FIND OUT + WHAT IT CAN TELL YOU

- **QUESTION:** How many total chickens did you sell? How many pounds did you sell?
- **HOW TO KNOW:** For every sale, record the total units and the total weight. For wholesale birds in a specific weight range, just record the units and use your average weight for records that are totally "good enough."
- **WHAT IT CAN TELL YOU:** Total units sold + total units unsold + total income earned + average sale price per venue + average dress weight + feed conversion ratio

# MARKET RECORDS: STEP 1

MARKET DATE: *May 11, 2019*    CONDITIONS: *70 degrees and sunny*

ITEM	/# PRICE	UNITS SOLD
Chicken, whole	\$5.75	<i>4.56 3.75 6.2 5.5 4.23</i>
Chicken, half	\$6.50	<i>3 2.2 1.6 2 2.1 2.75</i>
Chicken, leg	\$6.50	<i>1.76 2.23 1.55 2.25 3</i>
Chicken, breast	\$6.50	<i>2.22 1.75 2.4</i>
Chicken, liver	\$6	<i>1.11 2 1.3</i>
Chicken, hearts	\$4	<i>.75</i>
Chicken, necks	\$2.50	<i>3.4 2.5</i>
Chicken, feet	\$2.50	<i>4.6</i>

# MARKET RECORDS: STEP 2

<b>MEAT</b>	<b>UNIT</b>	<b>BROUGHT ALL MARKETS</b>	<b>PRICE</b>	<b>UNITS SOLD</b>	<b>POUNDS SOLD</b>	<b>INCOME</b>
Chicken, Whole	LB		5.75	8	35.47	203.9525
Chicken, Breast	LB		6.5	3	7.12	46.28
Chicken, Half	LB		6.5	5	11.07	71.955
Chicken, Leg/Thigh	LB		6.5	5	11.27	73.255
Chicken, Liver	LB		6			0
Chicken, Feet	LB		2.5			0
Chicken, Necks	LB		2.5			0
Chicken, Heart	LB		4			0



# WHOLESALE RECORDS

14-Jan				WEEK TOTAL:		<b>1577.84</b>
	GFFN	Salad	BAG	26	5.76	<b>149.76</b>
		Arugula	BAG	18	5.76	<b>103.68</b>
		Cilantro	BU	18	1.8	<b>32.4</b>
		Chicken, whole	EA	10	22.5	<b>225</b>
		Chicken, half	EA	30	12	<b>360</b>
	F2T	Cilantro	CS	2	22	<b>44</b>
		Eggs	DOZ	15	5	<b>75</b>
	Feignon	Rabbit	LB	84	7	<b>588</b>

# CSA RECORDS

fx		=5.11+5.61						
	A	B	E	F	G	H	I	J
1		<b>PRICE/LB</b>	<b>Nina</b>	<b>651.72</b>	<b>Maggie</b>	<b>725.6375</b>	<b>Jamie</b>	<b>678.315</b>
2			<i>Weight</i>	<i>Value</i>	<i>Weight</i>	<i>Value</i>	<i>Weight</i>	<i>Value</i>
3	<b>chicken, whole</b>	5.75	10.72	61.64	17.33	99.6475	20.99	120.6925
4	<b>chicken, half</b>	6.5		0	6.64	43.16	7.33	42.1475
5	<b>chicken, breast</b>	6.5		0		0		0
6	<b>chicken, leg</b>	6.5	4.6	29.9		0	2.45	15.925
7	<b>chicken, liver</b>	6	1.34	8.04		0		0
8	<b>chicken, heart</b>	4	3.81	15.24		0		0
9	<b>chicken, ground</b>	9		0		0		0
10	<b>chicken, feet</b>	2.5		0		0		0
11	<b>chicken, necks</b>	2.5		0		0		0

# What You Should Know

## HOW TO FIND OUT + WHAT IT CAN TELL YOU

- **QUESTION:** How much labor did your poultry enterprise require?
- **HOW TO KNOW:** Time all routine and miscellaneous tasks and multiply by however many times they occur - then multiply by the hourly wage
- **WHAT IT CAN TELL YOU:** Where you're spending your time, your cost of production, your profit margins

# How The Numbers Stack Up

INCOME / BIRD	\$21.97		COST / BIRD	\$15	
Total Birds Sold	500	1000	2000	2,786	3,000
Gross Revenue	\$10,985	\$21,970	\$43,940	\$61,208	\$65,910
Operating Expenses	\$7,500	\$15,000	\$30,000	\$41,790	\$45,000
Net Profit	\$3,485	\$6,970	\$13,940	\$19,418	\$20,910
Gross Margin	(Gross Revenue – Expenses)/Gross Revenue)				31.73%

**\*2019 Actuals**

# Our Goals

INCREASE PRODUCTION TO 3,200 BIRDS  
 SHIFT TO 100% RETAIL, INCREASING THE INCOME  
 PER BIRD \$3 PER UNIT, WHILE ONLY ADDING \$1  
 PER UNIT IN ADDITIONAL EXPENSES

INCOME / BIRD	\$25.00		COST / BIRD	\$16	
Total Birds Sold	500	1000	2000	3,000	3,200
Gross Revenue	\$12,500	\$25,000	\$50,000	\$75,000	\$80,000
Operating Expenses	\$7,750	\$15,500	\$31,000	\$46,500	\$49,600
Net Profit	\$4,750	\$9,500	\$19,000	\$28,500	\$30,400
Gross Margin	(Gross Revenue – Expenses)/Gross Revenue				38.00%

**\*Our Plan for Growth**

**Table 12.12. Theoretical Business Budget**

<b>Expense</b>	<b>Terms</b>	<b>Annual Total</b>
Rent	\$250 per month	\$3,000
Utilities	\$150 per month	\$1,800
Market stand	\$190 per week at 28 weeks, including booth, gas, tolls, labor	\$5,320
Web hosting	\$200 per year	\$200
Insurance	\$1,000 per year	\$1,000
Cold storage	\$50 per month	\$600
City deliveries	\$100 per week	\$5,200
Farmer's salary	\$30,000 per year	\$30,000
Part-time salary	\$10,000 per year	\$10,000
	<b>Overhead Total</b>	<b>\$57,120</b>

Farms have a lot of overhead expenses, which every enterprise needs to contribute to.

To determine how much to allocate each enterprise, start with the formula:  
***total overhead / total labor hours = overhead allocation rate***

For our farm in 2019 this looked like:

$$***\$46,000 / 8200 = \$5.60***$$

For every hour spent exclusively on poultry, we need to apply \$5.60 worth of overhead to that product.

For our farm in 2019 this looked like:

$$***787 hrs x \$5.60 = \$4,408***$$

Thus, our real profit was **\$15,010**

*(\$19,418 - \$4,408)*

*+ our gross margin was **25%***

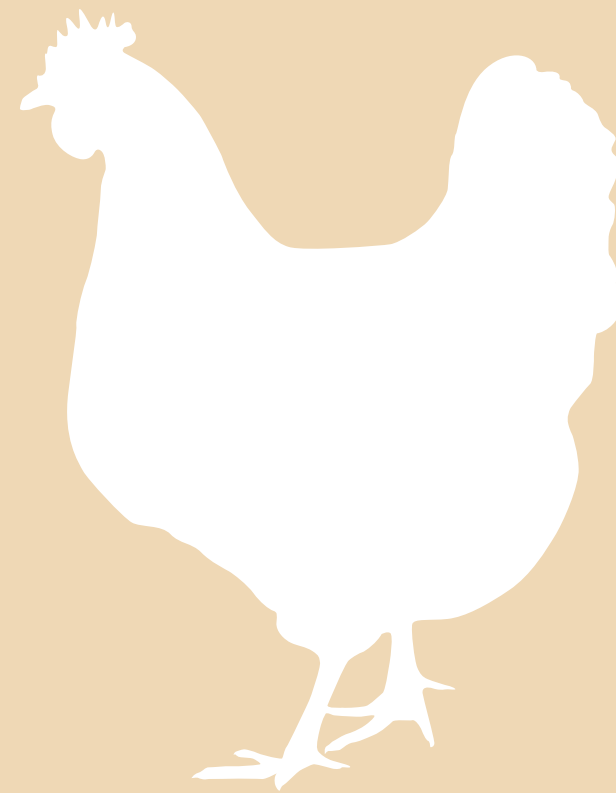
# An Argument For Integration



MEAT BIRDS ARE EASY TO TUCK  
INTO LARGER BUSINESSES  
but running a stand-alone chicken farm  
requires a larger scale or much lower  
overhead



# Questions?



**WEB: [www.letterboxfarm.com](http://www.letterboxfarm.com)**

**INSTA: [@letterboxfarmers](https://www.instagram.com/letterboxfarmers)**

**EMAIL: [letterboxcollective@gmail.com](mailto:letterboxcollective@gmail.com)**

