

PASTURED RABBIT FOR PROFIT



@ letterbox farm collective
funded by NE-SARE

OUR FARM

Letterbox is a diversified farm in Hudson, Columbia County, NY

- Run by 3 year-round managers & 3 seasonal full-time crew members
- Annual enterprises include:
 - 3 acres of intensively managed greens, herbs & vegetables
 - 2800 meat birds
 - 400 laying hens
 - 24 pigs
 - 30 doe rabbitry to produce 720 fryers

OUR GOALS

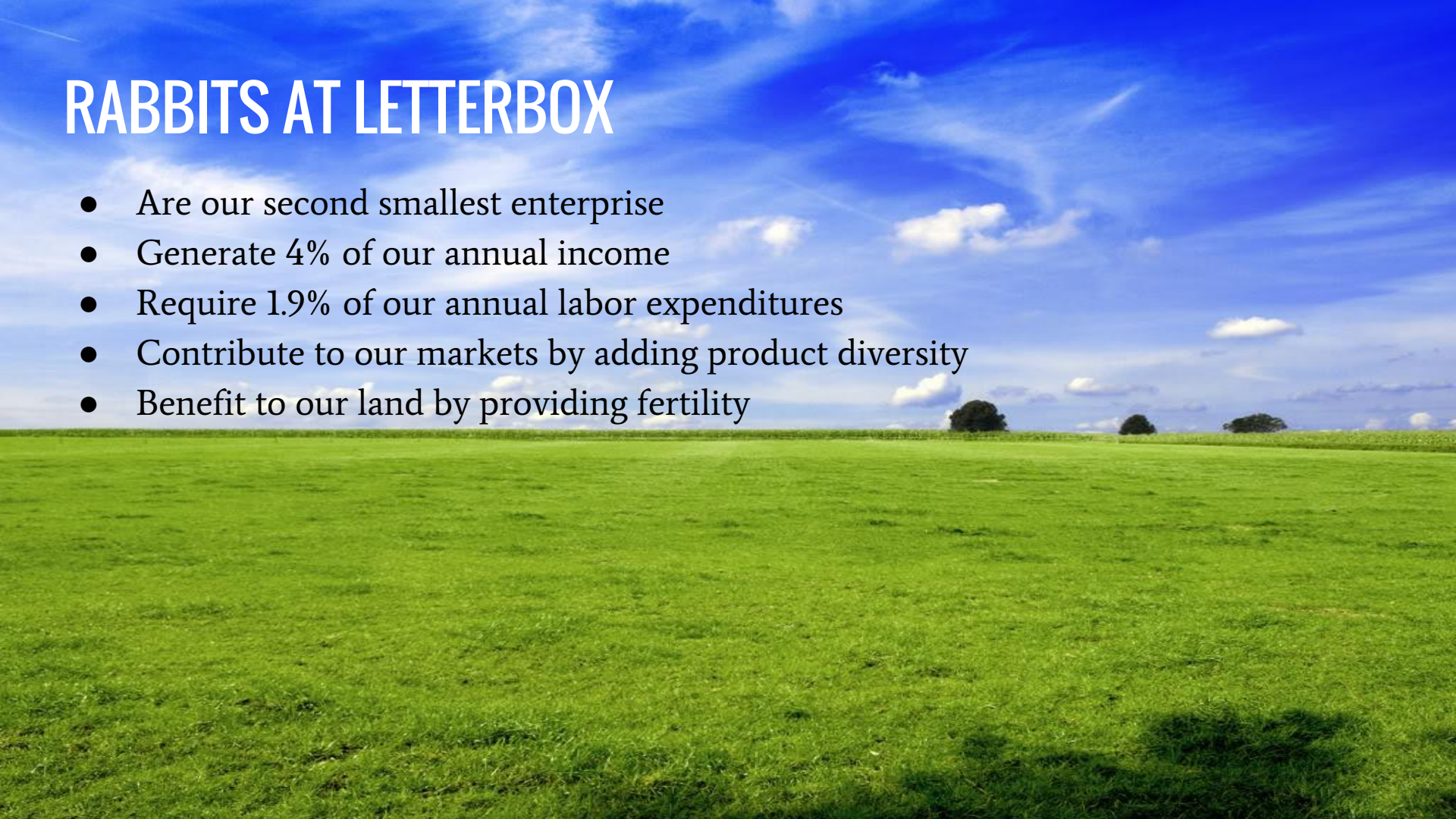
Letterbox is a for-profit farm that prioritizes...

- Land stewardship & animal welfare
- Producing highest quality products sold at appropriate prices
- The health and well-being of its farmers to include:
 - 40 hour work weeks
 - Paid time off & sick leave
 - A teacher's salary
 - Work that is meaningful, engaging and reasonable

Every potential new enterprise is vetted to make sure it contributes to these long term goals!

RABBITS AT LETTERBOX

- Are our second smallest enterprise
- Generate 4% of our annual income
- Require 1.9% of our annual labor expenditures
- Contribute to our markets by adding product diversity
- Benefit to our land by providing fertility



WHY RAISE RABBITS?

- Easy to raise
 - Relatively few health problems, small and easy to handle, simple to process and package
- Have good market potential
 - Rabbit sales for D'Artagnan have doubled over the past 4 years
- Require only light, portable infrastructure
 - Easy to move for farmers without permanent land tenure
- Require a relatively small initial investment
 - Rabbits can repay this entire investment in less than a year
- Efficient Feed Conversion Ratios
 - Rabbits are supposedly 6 times more efficient than beef cattle
- They're good for you
 - Rabbit meat has the most protein and the fewest calories

THE CHALLENGES

- Uniform and reliable production
- Running your rabbitry year round
- Finding a good and legal processor
- Keeping feed costs down and efficiency up
- Getting appropriate pricing



CHOOSING YOUR RABBITS

Some of the more common meat breeds include:

American Chinchilla
Californian*
Champagne d'Argent
Creme d'Argent

Flemish Giant
New Zealand White*
Satin*
Silver Fox



Working with breeds that produce good sized litters, do well on pasture and grow to 3 lbs in under 16 weeks is imperative in our operation.

STARTING YOUR RABBITRY

WHAT ARE THE OPTIONS?

- On Wire
- In Colonies
- Coney-Garth
- Wire/Pasture Hybrid

RAISING ON WIRE



PROS	CONS
easy to manage	requires larger initial investment
space efficient	encourages fewer natural behaviors for the rabbits
faster growth	requires more maintenance
low risk of disease in herd	does not provide extra nutrition
low risk of mortality for kits	might offer less market potential

COLONY RAISING



PROS	CONS
requires minimal initial investment	high mortality in kits
encourages natural behavior in rabbits	higher risk of disease
less labor expended in daily feeding/watering	colonies must be “mucked”
works well in conjunction with pastured system	more difficult to track does
	rabbits grow more slowly

COLONY PAIRED WITH PASTURED SYSTEM



CONEY GARTH



PROS	CONS
rabbits are entirely grass fed, greatly reducing feed cost	labor intensive
rabbits can engage in natural behaviors	high kit mortality
less labor expended in daily feeding/watering	increased risk for disease
potentially low initial investment	risk of escape and predation
increased marketability	rabbits grow much more slowly

WIRE/COLONY HYBRID

The dual system we use at Letterbox



WIRE/COLONY HYBRID CONTINUED

PROS	CONS
low risk of disease	high initial investment
low kit mortality	slightly higher labor requirements
encourages natural behavior in growing rabbits	requires some carpentry skills
provides diversity in diet of growing rabbits with extra (free) feed	does not provide breeding stock as much opportunity to engage in natural behaviors
increases fertility and soil quality in pastureland	rabbits grow more slowly
easy to manage breeding stock	more difficult to catch rabbits for processing
increased marketability	







PROCESSING YOUR RABBITS

HOW TO AVOID DOING BUSINESS IN THE “GRAY-AREA”

- Rabbits are considered “Exotic” or “Non-Amenable” Livestock, and therefore the USDA is not funded or required to inspect them.
- Producers of non-amenable livestock in any state can opt to pay for a “voluntary inspection” - this is costly and impractical for small producers
 - \$90/hr to hire the inspector
 - Inspector must remain on site (and be paid) for the duration of the entire process, even the cool down
 - Only works for large companies like D’Artagnon
- But don’t worry - many states have their own state-wide regulations and inspected facilities!

PROCESSING YOUR RABBITS

REGULATIONS BY STATE

- New York has an independant state run inspection program.
 - Must be processed in a 5-A facility
 - Do NOT qualify for P.L. 90-492 exemption (1,000 Bird Limit Exemption)
- Massachusetts has no state run inspection program.
 - Rabbit producers MAY be able to use licensed facilities in other states that have similar regulations.
- Connecticut and New Jersey allow pre-sold, direct-to-consumer sales.
 - Rabbits must be sold live and to the person who intends to use them
 - Money must be exchanged before the animal is slaughtered
 - The farmer can then choose to slaughter the animal on site “as a favor”
- Rhode Island has one state inspected facility
 - Buffoni’s Poultry Farm in Johnston, RI
 - There are no other approved facilities or methods in the state of Rhode Island

PROCESSING YOUR RABBITS

Things look even better up north...

- Maine & New Hampshire have producer exemptions for slaughter and inspection of rabbits
 - Farmers who raise 1,000 or less can process their own rabbits for sale WITHIN the state of Maine or New Hampshire
 - Rabbits MAY NOT cross state lines, if processed under this exemption
 - Legal sales outlets are limited to:
 - On farm sales
 - Title 7 farmers markets
 - Local restaurants & local groceries
- Vermont allows on farm, uninspected processing without limit
 - Uninspected rabbits may be sold anywhere within state lines

BREEDING SCHEDULES

The breeding schedule utilized has a large impact on the profitability of the commercial rabbitry.

DAYS AFTER KINDLING	LITTERS PER YEAR	FRYERS PER YEAR*	GROSS INCOME PER DOE*	NET PROFIT PER DOE
42	5	30	\$750	\$300
35	5.5	33	\$829	\$331
28	6	36	\$900	\$369
21	7	42	\$1052	\$420
14	8	48	\$1,216	\$486

*6 KITS PER LITTER

*AVERAGE PRICE OF \$25/FRYER

INITIAL INVESTMENTS @ LETTERBOX

- Housing

- 1 cage per doe, 1 cage per buck + additional cages for growing out winter litters
 - We have 32 cages total for our 30 does and 2 bucks
 - Our cages are 3 X 2.5 X 1.5 and come from KW Cages in California
- Pasture pens - 1 per 4 does
- Feeders & Waterers

- Breeding Stock

- Desired number of does + a minimum of 2 bucks

- Misc Items

- Buckets, shovel, wire brushes, j-clip pliers

INVESTMENTS

PER DOE COSTS

ITEM	COST
3x2.5x1.5 wire cage (babysaver)	\$33
4 lb feeder	\$5.15
Plastic tubing	\$0.50
Nipple waterer attachment	\$0.75
5 gallon bucket (1 per 10)	\$0.70
Pasture pen (1 per 4)	\$75
Breeding stock	\$30
TOTAL:	\$145.10

FIXED COSTS

ITEM	COST
Misc Supplies	\$75
Breeding Buck x 2	\$60
Transport crates x 2	\$120
TOTAL:	\$255

TOTAL START UP COSTS BY SIZE

NUMBER OF DOES	INITIAL INVESTMENT	PER YEAR COST*
10	\$1,706	\$170.60
20	\$3,157	\$315.70
30	\$4,608	\$460.80
40	\$6,059	\$605.90

*based on a 10 year depreciation

EXPENSES AND INCOME

30 does and 2 bucks producing 6 litters of 6 kits per year with a 15% loss

ITEM	TERMS	COST
Feed	\$401/ton	\$4,397
Transportation	*See note	\$202.50
Processing	\$5 per rabbit	\$4,500
Labor	182.5 hr/yr @ \$12/hr	\$2,190
Depreciation on equipment	\$4,608 / 10 years	\$460
Total Operating Costs:		\$11,749
Gross Income:	900 rabbits @ \$25/ea	\$22,500
Net Profit:	Income-Expenses	\$10,751

*\$990/3,700 (total number of animals) x 900 (total number of rabbits)

CONSERVATIVE ADJUSTMENT

ITEM	TERMS	COST
Feed	\$401/ton	\$4,397
Transportation	*See note	\$202.50
Processing	\$5 per rabbit	\$4,500
Labor	182.5 hr/yr @ \$12/hr	\$2,190
Depreciation on equipment	\$4,608 / 10 years	\$460
Total Operating Costs:		\$11,749
Gross Income:	720 rabbits @ \$25/ea	\$18,000
Net Profit:	Income-Expenses	\$6,251

HOW THE NUMBERS STACK UP

ENTERPRISE	EXPENSES	GROSS INCOME	NET PROFIT	% MARGIN
Meatbirds	\$36,240	\$56,280	\$20,000	36%
Pigs	\$26,600	\$22,000	\$4,600	20%
Rabbits 1	\$11,749	\$22,500	\$10,751	47%
Rabbits 2	\$11,749	\$18,000	\$6,251	34%

RABBITS ARE A LOW RISK INVESTMENT

Even with a rough start, it's not too difficult to break even.

Model Scenario:

You invest in a 12 doe rabbitry with two bucks. Difficulty breeding leads to two missed litters per year. Poor breeding stock selection means the does have small litters and each doe only produces 25 viable kits per year.

300 rabbits are grown and processed, but sales are slower than anticipated and 40 rabbits go unsold. \$1,000 worth of inventory sits in your freezer.

How the Numbers Break Down

INITIAL INVESTMENT	\$1,995	(\$145.2 / doe + \$255 fixed costs)
OPERATING COSTS	\$4,590	(this includes feed, processing, transport, depreciation & labor - 30 min per day, year round @ \$12/hr)
TOTAL EXPENSES	\$6,585	(\$4,395 without labor)
INCOME	\$6,500	(260 rabbits x \$25)
PROFIT W/ LABOR	-\$85	(but you paid yourself AND you get to eat 40 rabbits)
PROFIT W/O LABOR	\$2,105	(or \$11.50/hr)

SETTING YOUR PRICE

Think about where you're going to sell your rabbits and set your pricing wisely. The difference of \$0.50/lb makes a fairly small difference for the individual consumer, but will matter greatly in the scheme of an enterprise at scale.

WHOLESALE (75%)	RETAIL (25%)	GROSS INCOME
\$7.50	\$8.50	\$20,924
\$8.00	\$9.00	\$22,275
\$8.25	\$9.50	\$23,118
\$8.50	\$9.75	\$23,793

*based on 900 rabbits / year @ 3 lbs each

CHOOSING YOUR MARKETS

If demand permits, make informed decisions about where you choose to sell:

WHOLESALE %	RETAIL %	GROSS INCOME
100%	0%	\$18,360
75%	25%	\$19,305
50%	50%	\$19,710
25%	75%	\$20,385
0%	100%	\$21,060

*based on 720 3lb rabbits/yr at \$8.50/lb wholesale and \$9.75/lb retail

OUR MARKETS INCLUDE

- 10 restaurants
- 2 wholesale accounts
- 40 member CSA
- 2 farmers markets

Being able to lump the marketing costs for your rabbits in with budgets for other enterprises is very helpful when raising rabbits at this scale.

OUR MARKETING/OVERHEAD COSTS INCLUDE

- Insurance
- Website
- Rent
- Advertising materials
- Farmers market fees
- Delivery fees
- Vehicle maintenance
- Etcetera

SAMPLE MARKETING COSTS

Average Marketing Costs @ Letterbox

Farmers Market

ITEM	COST
Booth	\$50
Gas/Tolls	\$40
Labor	\$100
Total Fixed Cost:	\$190
<i>Per Season:</i>	<i>\$5,320</i>

City Delivery

METHOD	COST	/ Season
Delivered by Farm	\$160 (\$40 gas/tolls + \$120 labor)	\$4,480
Added on to another delivery	\$50	\$1,400
Farms 2 Tables	10% of sales	Flex
Hired Delivery	\$100	\$2,800

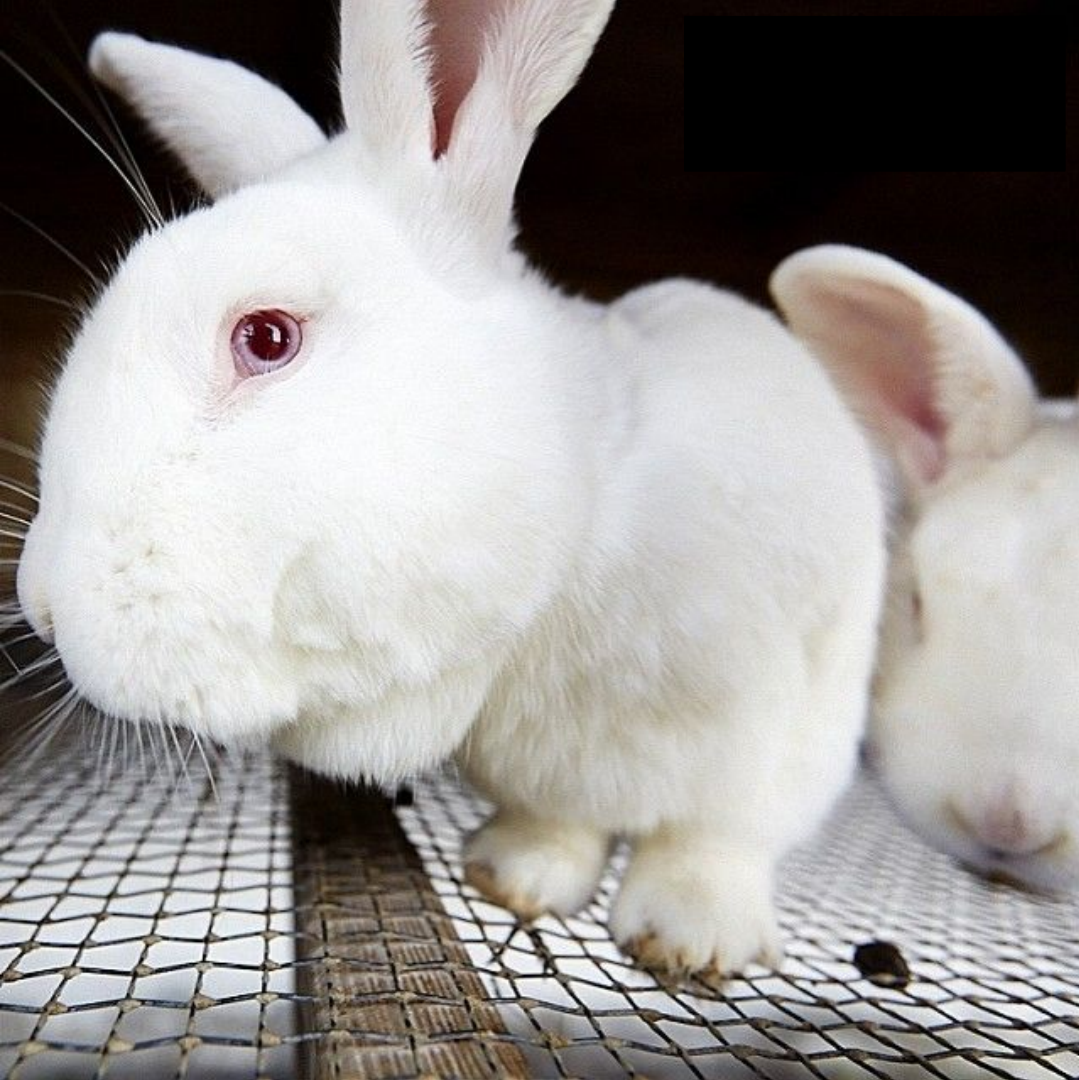
Local Delivery

DIST.	COST	/ Season
>5 mi	\$5	\$140
10 mi	\$12	\$336
20 mi	\$22	\$440
30 mi	\$36	\$1,080

SUMMARY

Rabbits offer great opportunity for the small scale farmer, given the following:

- Other, larger enterprises exist to help carry overhead costs
- The farm is already operating year round
- You can find good feed at an affordable price
- You have consistent access to a legal processor
- Markets in your area support appropriate pricing and purchase in high enough volume



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