

KNOW YOUR NUMBERS – inside & out & upside down

The cost of doing business...based on a 100 bird batch dressing at 5 lb./bird...

<u>COST</u>	<u>WHOLE</u>	<u>CUT-UP</u>
Chick	\$1.25 each	\$1.25 each
Feed	\$4.50 each	\$4.50 each
Labor	\$4.20 each	\$4.20 each
Misc.	\$1.00 each	\$1.00 each
Processing	\$3.00 each	\$4.50 each
Bags	\$0.50 each	\$1.50 each
TOTAL	\$14.45	\$16.95
NET	\$7.35	\$16.05 – 118.37% More
NET + LABOR	\$11.55	\$20.25 – 75.3% More
Over the Course of the Season...	\$5,775 / 500 birds	\$10,125 / 500 birds

NOTES on COSTS:

Chick Cost can certainly vary depending upon whether or not you are paying shipping, how many you order, etc.

Feed Costs are based on a generally accepted 3 lb. of feed per 1 lb. of dressed carcass and \$0.30/lb. feed cost. (5 lb. dressed bird x 3 lb. feed/1 lb. dressed carcass = 15 lb. feed/bird x \$0.30/lb. feed cost = \$4.50 feed.)

Labor Costs are based on producing a 5 lb. dressed carcass over the course of 8 weeks, or 56 days, at a rate of pay of \$15/hour. (56 days x ½ hour/day = 28 hours x \$15/hour = \$420 / 100 birds = \$4.20//bird labor cost.)

Miscellaneous Costs include bedding, feeders, waterers, shelters, electric, etc.

Processing Costs are based on our mobile unit and the average cost for our regular customers to process. If you are taking your birds to a custom processor, you would need to figure out your cost of processing based on your mileage/gas to get there and back to your farm; your time to pack the birds up, drive there, wait for them to be processed, drive home, and unload everything; the actual cost you pay for each bird to be processed; and any other costs you may incur, such as buying lunch/snacks, etc., for the trip. Even though we process our own birds, we still figure in processing cost and pay ourselves, so to speak.

Bag Costs are based on shrink bags costing an average cost of .30 each, using 5 bags per bird (1 – breasts, 1 – wings, 1 – leg/thigh quarters, 1 – back, 1 – giblets).

TO PART OR NOT TO PART...

5 LB. DRESSED BIRD...

Whole

Whole – 5 lb. – \$4/lb. – \$20

Heart, Liver, Gizzard – ½ lb. - \$3.60/lb. – \$1.80

TOTAL: \$21.80/whole bird

Cut-Up

Boneless/Skinless Breasts – 1 lb. – \$10/lb. – \$10

Leg/Thigh Quarter – 3 lb. – \$5.50/lb. – \$16.50

Wings – ¼ lb. – \$4.50/lb. – \$1.10

Back – 1 lb. – \$3.60/lb. – \$3.60

Heart, Liver, Gizzard – ½ lb. – \$3.60/lb. – \$1.80

TOTAL: \$33.00/boneless-skinless cutup – 51.4% More

OVER THE COURSE OF THE SEASON...

500 Birds – Whole – \$21.80 each x 500 = \$10,900

500 Birds – Cut-Up - \$33.00 each x 500 = \$16,500

And now, for the rest of the story...

Table 1: Average price per dozen by market, feed, and certification

Market	Avg.	By Feed Type			By Certification		
		Non-GMO Feed	Soy-Free Feed	Conventional	Certified Organic	AWA	Organic Practices, Not Certified
On-Farm Sales	\$4.27	\$4.18	\$4.91	\$3.72	\$4.68	\$5.55	\$4.45
Farmers Markets	\$4.45	\$4.41	\$5.65	\$3.73	\$4.80	\$6.16	\$4.61
Restaurants	\$3.93	\$3.88	4.50	\$3.85	\$3.63	\$5.00	\$3.83
Grocery Stores	\$4.31	\$4.18	\$4.33	\$3.37	\$5.50	n/a	\$3.92
Wholesale	\$3.94	\$4.05	\$4.42	\$3.71	\$3.50	\$4.50	\$4.00
Cooperatives	\$3.95	\$3.95	\$3.98	n/a	n/a	n/a	n/a
CSA	\$4.43	\$4.05	4.57	\$3.96	\$4.50	n/a	\$4.85

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appear to follow that trend based on the averages reported in the survey; however, only 4 of 79 responses indicated they sold chicken in this way, with half of the responses indicating a flat rate surcharge.

The other glaring outlier in the individual survey results was with regard to boneless/skinless breasts. One respondent indicated a boneless/skinless breast selling price of \$4.00 per pound with a whole bird price of \$2.50 per pound. This is an example of a producer potentially leaving money on the table. The average selling price for a boneless/skinless breast is \$10.43 per pound.

The cut-up pricing does not have enough data to try to identify the price per pound by feed or certification. However, if you compare the cut up price listed in the table with the average price in table 1, you can generally see the percent increase from each market.

Table 2: Average Cut-Up Pricing	
Cut	Avg. Price /Lb.
Whole chicken, cut-up	\$4.09
Boneless/Skinless Breasts	\$10.43
Bone-in breasts	\$7.72
Dark meat quarters	\$5.29
White meat quarters	\$5.85
Wings	\$4.32
Hearts, livers, giblets	\$3.64
Ground chicken	\$6.33
Raw dog food	\$2.82

Growing Practices

Table 3 shows the individual responses to the question about growing practices, which asked respondents to