

Pastured Turkey Short Course



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Feasibility of Adding Pastured Turkeys to Your Farm



- Feasibility Considerations
- Integrating Turkeys Into Your Farm Enterprises

Feasibility Considerations

- Assess Your Resources
 - (Planning Task 2 in BSB Guide, page 38)
- Processing Facilities
- Feed
- Poults
- Land, Buildings, Equipment
- Economics



Feasibility Considerations: Processing Facilities

- Type of processing available will determine
 - How many birds you can sell/year
 - Where and to whom you can sell the birds
- USDA-inspected: no restrictions
- State-inspected: any number, sell only in-state

Feasibility Considerations: Processing Facilities

- Uninspected Processing:
- Regulations vary from state to state
- Generally 250 birds/year if processed on-farm
- Sell only direct to consumers in-state
- Do you want to process turkeys yourself?
 - Get some experience first if possible
 - Salatin: Turkey yield 3-4x chicken for almost same work



Feasibility Considerations: Availability of Quality Feed

- Need a reliable feed source
- Bulk or bagged?
- Locally available?
- Delivery charges?
- Will the mill mix custom rations?
- Can you mix feed on-farm?
- Feed storage needs



Feasibility Considerations: Modern or Heritage Breeds?

- Heritage Pros
 - Better suited to pastured production
 - Better prices and profit potential
 - Easier to produce a smaller bird
 - High market demand
 - Heritage Foods USA sold 10,000 birds in 2004, up from 5,000 in 2003
- Heritage Cons
 - Poults are expensive—up to 5x cost of BBW
 - VERY long growing season—7-8 months
 - May be difficult to find processor

Feasibility Considerations: Availability of Poults

- Source of desired breeds
- Heritage breeds are in limited supply
- Some strains of Broad-Breasted (BB) types better suited for range



Feasibility Considerations: Land, Buildings, Equipment

- Available land will determine your production potential
- Mike recommends ~100 turkeys/acre
- Brooding facilities, fencing, shelters, etc.

Feasibility Considerations: Economics

- Poults are expensive so start small to minimize losses
- Minimal management needs
 - Turkeys easy to work with
 - One time harvest
- Marketing relatively simple
- Business planning essential
 - Turkeys are a seasonal enterprise
 - Cash flow considerations: Need to have money available when you need it



Integrating Turkeys Into Your Farm

- Salatin's "Stacking" Concept
 - Multi-tiered production system modeled on natural diversity
 - Integrate different enterprises
 - Avoid problems of monoculture
 - Maximize potential benefits from each enterprise
 - More income per acre



Integrating Turkeys into Your Farm

- Turkeys are very “stackable”:
 - Generate extra income on crop production acreage and acreage grazed by other species
 - Add fertility to soil
 - Provide mowing services
 - Excellent foragers--eat insect pests, weed seeds, nutsedge...
 - You can often use underutilized broiler production and processing equipment late in the year

Integrating Turkeys into Your Farm

- Timing Issues:
 - Will labor, resources be available at times needed?
 - Are there conflicts with existing enterprises??
 - See page 147 in BSB Guide
- Turkeys require most labor at
 - Poult brooding stage (April-June)
 - Processing, packaging, shipping (Oct-Dec)

Next Up: Marketing Pastured Turkey

- Nature of the Market
- Your Processing Options Will Determine Your Marketing Options
- Direct Markets
- Indirect Markets
- Marketing Pastured Turkey



Nature of the Market

- Whole Turkey is a Seasonal Product
- Holiday Market:> 90% of sales at Thanksgiving and Christmas
- Pricing not much of an issue
 - People are willing to spend for special holiday meals



Marketing Options Depend on Your Processing Options

- USDA-inspected: market anywhere
- State-inspected: market anywhere within state
- Uninspected Processing: market direct to consumers only, only within state
 - On-farm processing
 - Use of custom processor

USDA-inspected processing

- All markets are accessible
- Farmers' market possible
- Internet and mail order sales possible
- Most stores and food service require USDA-inspected processing
- Sales to other states possible

State-Inspected Processing

- You can market your birds anywhere in the state where they were processed
- Direct markets are accessible
- Acceptable in many indirect markets
- State inspection equivalent to USDA but many markets still don't recognize this

Uninspected Exempted Product

- Most states have exemptions for uninspected processing
- Regulations vary from state to state
- On-farm processing: Exemptions usually 250 turkeys/year
- Direct sales on-farm only
- Up to 5,000 turkeys/year if processed and labeled under specific regulations

Marketing Pastured Turkeys

- Transportation Considerations
 - From farm to processor
 - From processor to buyer
 - Must maintain at or near 32 degrees
 - Shipping considerations
 - Mike's experience

Direct Markets

- Take orders for delivery at holidays
 - On-farm sales
 - Farmers' markets
 - Gourmet and natural foods stores
 - Stores may take orders and earn commissions
 - Internet and mail-order

Internet and Mail Order

- Internet and Mail-Order
- Best, and often only way to reach target buyers
- Effective, low-cost consumer education and promotion
- Need to be able to package appropriately
- Need to price with shipping costs in mind

Internet Marketing

- Mike:
 - Web site allows consumer education and product promotion
 - Takes orders via his Web site
 - Requires orders w/deposits in April
 - Processes November 23
 - Ships overnight November 25

On-farm Sales

- May be required due to type of processing
- Need to have proper meat storage
- Need to be able to deal with people coming on your farm
 - Be able to set boundaries
 - Consider liability issues

Farmers' Markets

- A great place to assess interest in turkey
- Survey farmers' market customers
- Take orders and deliver at the market
- Sell meat at the market
 - Not all markets allow meat sales
 - Need to keep product cold
 - Need product liability insurance



Direct Marketing Caveats

- The closer you get to the final customer, the more liability you assume for food safety
- “Direct market price premiums are the reward for taking on the promotion responsibilities, food safety liability, and sales risk usually adopted by intermediaries.” --Neil Hamilton, Drake University

Indirect Markets

- Seek out retailers and food service that
 - Will work with you to help you meet their supply, delivery, packaging requests (natural foods stores, chefs...)
 - Support local foods and producers
- Need to keep in contact regularly with your buyers to
 - Learn about their needs
 - Communicate your product availability

Marketing to Chefs

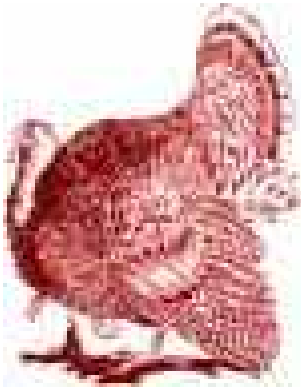
- Stop by and introduce yourself in person
- Drop off samples
- Promise regular delivery service
- Supply references
- “Try to provide a consistent, high quality product. As a chef, I need to know that the chicken I served last week will look and taste the same again this week.”-- Mike Phillips, Chef (WI)



Marketing Pastured Turkey : Consumer Preferences

- “Pasture Raised Products Message and Strategy (Midwest) 2002 study of consumer preferences:
- Purchase poultry based on appearance
- Desire health benefits but not at the expense of taste
- Are most concerned about disease and bacteria; are less concerned with antibiotics
- Will ultimately purchase products that offer direct benefits (low fat, healthier, etc.)

Marketing Pastured Turkey : Small is Beautiful



- Today's consumer wants a smaller bird
- Only growing segment of conventional turkey market is in 8-10 lb. range
- Families are smaller
- People seek convenience and speed
- Turkey fryers getting more popular

Marketing Pastured Turkey : Identify Your Markets

- Gourmet market
 - “Foodies”
 - Slow Foods
 - Martha Stewart thinks heritage turkeys are a “Good Thing”
- Health market
 - Natural-foods shoppers
 - Fitness-minded shoppers

Identify Your Markets

- Survey farmers' market customers
- Work with local gourmet or natural foods stores to
 - Publicize your products
 - Assess interest

Marketing Pastured Turkeys

- If you're already marketing your ag products, marketing is easy
 - Newsletters are great ways to tell people about your pastured and heritage turkeys
 - Assess interest in turkey
 - Take orders from your existing customer base
 - Deliver turkeys in same way you deliver other products
- Offering turkey can be a great way to get new customers for your other pastured meats
 - Attract buyers to your farm in slow season (end Fall)



Marketing Pastured Turkey :

Research the Markets

- Research your competitors and local prices
- Visit markets you're interested in
 - Farmers' markets
 - Restaurants and stores
- Check out directory sites such as state ag. dept. local foods directories
- Find out who else is in the market, what they offer, what their prices are

Marketing Pastured Turkey : Consumer Education

- Provide recipes and tips for cooking
- Tell buyers how you produce your turkey...and why
- Heritage turkey carcass looks different because of the longer leg and keel



Next Up: Business Planning

- Costs of Production
- Cash Flow Considerations
- Sample Economics
- Steps to a Business Plan
- Further Resources for Developing a Poultry Business Plan



Costs of Production

- Poultry costs are relatively high, especially for heritage breeds
- Feed Costs
 - 28% protein needs mean that feed costs are more for Heritage
 - Turkeys meet % of feed requirements with pasture
 - Stimulate foraging--provide enough grit

Sample Economics, Heritage vs. BBW

<p>Heritage</p> <p>Production costs for processed product generally about \$2/lb and up</p>	<p>Broad-breasted</p> <p>Production costs for processed product about \$1/lb</p>
<p>Sales price \$2-\$6/lb.</p>	<p>Sales price \$2-\$3/lb.</p>

- Labor about 30 mins/day—water, feed, moving shelters and moving birds to new pastures
- Alex Hitt article

Sample Economics, Heritage vs. BBW

- Kip Glass article
- 16-lb. BBW @\$36.80 gross income
- 14-lb. Heritage @\$47.60 gross income
 - Less \$6 extra poult cost
 - Less some feed cost
- At least \$4.80 more per-bird with Heritage

Cash Flow Considerations

- 90% of your income comes in 2 months
- Expenses are concentrated in Spring and Fall but occur throughout the year
- Need to make sure that you have cash on hand to meet expenses
- Follow labor example and chart out when money goes in and goes out
- See BSB Guide p.174 and 178

Example Cash Flow Chart												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Income				50							500	500
Expenses	100			50	50	10	10	10	10	10	250	

Building a Sustainable Business: Steps to a Business Plan

- 5 Critical Planning Tasks
 - Identify Values
 - Take Stock of Your Current Situation
 - Figure Out Where You Want to Go
 - **Evaluate Alternatives for Getting Where You Want to Go (page 103 in BSB Guide)**
 - **Developing Strategy for A New Enterprise**
 - **Marketing Strategy**
 - **Operations Strategy**
 - **Human Resource Strategy**
 - **Finance Strategy**
 - Decide on a Plan and Implement It

Marketing Strategy

- Define
 - Markets: Who Are Our Target Customers and What do They Value?
 - Product: What Product Will We Offer and How Is It Unique?
 - Competition: How Do We Compete?
 - Distribution and Packaging: How and When Do We Move Our Product to Market?
 - Pricing: How Will We Price Our Product?
 - Promotion: What and How Will We Communicate With Customers?

Operations Strategy

- Define
 - Production: How Will We Produce?
 - Regulation: What Are the Regulations and How Do We Meet Them?
 - Resource Needs and Gaps: S
 - Size and capacity
 - Storage and inventory

Human Resources Strategy

- Define
 - Labor and Skills Needs: What are our Future Workforce Needs?
 - How Will We Fill Gaps?
 - Compensation: How Will We Pay Family and Members of Our Workforce?
 - Management and Communications: Who Will Manage the Business and How?

Finance Strategy

- Define
 - Risk Management: How Will We Manage for Risk?
 - Organizational Structure: How Will We Legally Organize and Structure the Business?
 - Finance: How Will We Finance Capital Requirements?
- Contingency Planning
 - Page 182 in BSB Guide

Additional Poultry Business Planning Resources



- CIAS Tools
 - Enterprise Budget Templates for Pastured Poultry
 - Poultry Marketing Options Guide
 - www.cias.wisc.edu

Additional Poultry Business Planning Resources

- ATTRA Publications
 - Agricultural Business Planning
Templates & Resources
 - Growing Your Range Poultry
Business
 - www.attra.ncat.org

