

Double-Exempt (USDA & CDFA) Poultry Processing

Chicken & Turkey, 1,000 birds/year, sold primarily at farmers markets

- 1. What is the rough cost for the equipment/improvements you have invested in your poultry processing operation? (Processing only. Not including coops, enclosures or other investments in the *raising* of the birds)**

"This is a hard question to break out. I would estimate that the direct costs can only be the scalding/plucker, the crates, and perhaps the ice machines. All of the "other" equipment is shared by other farm enterprises. So figure less than \$7000 at today's prices for the poultry equipment. Then add in another roughly \$15,000 for about 25% of the remaining \$60,000 for the entire building. \$21,000 dollars!! wow, that sounds scary. But the reality is that it was all done incrementally over 5 years as cash-flow allowed. Mostly paid for by chicken sales. A plucker, scalding, and tables, a few knives and containers and you can start. Most everything can be found used and cheap. Just understand food safety and follow guidelines....."

- 2. Roughly, what is the difference between the costs (birds, feed, labor, processing materials, marketing) and the revenue from your poultry processing activities? (Not including capital investments in equipment, facilities, etc.)**

"Roughly, I figure about \$18/bird costs while we roughly figure \$24/bird sales price. In reality the costs are about correct but we gross much more per bird because we part out birds."

- 3. How does the poultry operation fit with your overall business? Is it a loss-leader? Does it carry other, less profitable parts of the farm?**

"The poultry parts of the business are about half of the total gross, but they fit in really well with the lamb and pork. Customers already "trust" the poultry, so they're willing to try the other meats we sell. Actually, after ten years at the markets we have an even split between the customers who buy a bit of everything and those who just buy one species. Ground turkey is a definite hit as are chicken breasts. Why? I don't honestly know...."

- 4. What has been the biggest surprise for you as you have grown, improved and gotten more comfortable with your operation?**

"The biggest surprise is that we seem to be getting better at what we do. I know that sounds like "duh", but it was a real epiphany last year when I realized that I had eviscerated roughly 10,000 chickens and my hands basically knew where to go. I guess I'd just like to tell people to stick with it, it gets easier. Another surprise is that it is difficult to scale up past a certain point. There is always a weak link - speed up one part and the bottleneck just moves somewhere else in the process. Each farm will discover their "sweet spot" where life, work, and happiness all seem to be maximized."

- 5. What is your biggest regret or mistake in getting to where you are now?**

"We all have regrets - real or imagined. In my case I imagine that I would or should be happier if I was cleaner/faster/smarter/etc. but the reality is that those regrets are fleeting compared to the satisfaction that we feel after a good harvest day. Sure we're tired, but so is everyone who works! I guess a small regret is that I'm not more comfortable sharing harvest day. I'm so dang afraid of injuring someone by doing something stupid. It would be nice to have a safe space to teach on-farm harvesting of poultry."

- 6. What words of caution would you have for a farmer who is considering building a business around on-farm poultry processing?**

"Be vigilant - to the point of becoming extreme - about food safety. But then at the end of the day realize that no matter what you do, once you pass over your lovingly raised and processed bird to the customer, it's in their hands. Study the legal requirements in your county. Make your labels accurate and your packaging attractive. Don't be afraid to fail and then try a different approach. If we hadn't grown tom turkeys too big - oops! - we would never have been desperate enough to try ground turkey. And don't go into debt if you can avoid it - slow and steady wins the race, even if it means that you eat a lot of your processing rejects!"