



Cheeps & Chirps

..... Points for Poultry Profitability

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NEW SURVEY REPORT—LIVE CHICKEN PRODUCTION TRENDS

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The study was prepared for the National Chicken Council by FarmEcon LLC and published online March 2022. It is available at <https://www.nationalchickencouncil.org/wp-content/uploads/2022/03/Live-Chicken-Production-FARMECON-LLC-2022-revision-FINAL.pdf>

The report presents the results of a 2022 broiler industry survey designed to capture 2021 key live chicken production statistics. The report also summarizes several key trends in broiler production efficiency and returns.

The survey of contract farmers involved 8971 farmers. Contract lengths varied from flock-to-flock (32.3%) to 10-20 years (13.4%). Long term contracts, however, are required, and given, for new contracts as required by the lenders. Most are 10-15 years depending on lender requirements.

The majority of growers have been with a company for 5 years or longer, with 24% having been growing for a company for more than 20 years. With that said, the vast majority of contract farmers are 40 years old or older

(80%). Only 26% of current growers reported having had a family background in this type of farming, so there are new producers coming into the industry.

The report also looked at farmer departures from a company. The 2021 turnover rate of contract farmers was 6.3%, with the vast majority being voluntary or due to external factors beyond the control of companies and farmers. There are many different reasons a farmer might leave a broiler company. These include, but are not limited to, retirement, financial distress in the farming operation, declining health, farm catastrophes, to take an offer from another company, and contract termination by a company. Only 0.7% of those leaving a company did so because of a contract termination on the part of their company.

It is always interesting to look at the changes in live production statistics over the decades. In 1925, when the chicken meat industry was basically a by-product of the egg industry, it took 112 days to raise a 2.5 lb. chicken and

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Updated report available: The importance of Agriculture in Kentucky (March 2022)

The March 2022 report “The importance of Agriculture for Kentucky” written by Simona Balazs and Alison Davis of the Community and Economic Development Initiative of Kentucky (CEDIK) is now available online at:

https://cedik.ca.uky.edu/files/importance_of_ag_ky_update_2022.pdf

According to the report, in 2019 the poultry and egg industries directly employed 3,983 people and produced product worth \$1,081,725,000 and had produced \$139,171,000 in value added items. However, a recent survey of the

Kentucky poultry and egg industries showed there were nearly 8,000 (7955) direct jobs.

In 2019, production agriculture as a whole represented about \$9.7 billion in output, 122,048 jobs, and just over \$3.0 billion in labor income. When you include other agriculture-related industries, agriculture is responsible for \$49.6 billion of output, 271,693 jobs, and \$10.3 billion in labor income.

When evaluating the economic impact of an industry, multipliers are used. The employment multiplier is defined as the

NEW SURVEY REPORT—LIVE CHICKEN PRODUCTION TRENDS .. *Continued*

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required 11.75 lb. of feed giving feed conversions of 4.7 lb. feed/lb. body weight gain. Mortality rates were 18%. Today it takes 47 days to raise a 6.41 lb. chicken with a feed conversion ratio of 1.79. Mortality is down to 5%. And despite what some people think, no hormones are involved! It is genetic selection, good nutrition, and good management.

In 1990, the average grower payment was 4.08 cents/lb. (in current dollar values) and they were producing an average of 33.12 lb. liveweight per square foot of poultry house. In 2020, the average grower payment, again in current dollar values) is 7.02 cents/lb. and they were producing 38.09 lb. liveweight/square foot of poultry house. Payment per square foot is a much better farmer payment

and return on investment metric than payment per pound of chicken raised.

Statistics on contract grower returns are not routinely gathered by USDA. In 2011, however, USDA did conduct a special financial survey that included contract chicken farmers. The survey showed that farmers who raise broilers under contract generally have higher average incomes than other farm households and other US households.

Recent USDA data shows that over the last decade, poultry farms have, on average, financially outperformed the 'average' farm with the average poultry farm net farm income being \$59,800 compared to \$38,200 for all farms.



CORNISH CROSS
MALE
8 weeks

RHODE ISLAND RED
MALE
12 weeks

Importance of Agriculture to Kentucky ... continued

number of new jobs created from hiring an additional employee. The output multiplier depicts the 'turnover' of the dollar or the additional dollars generated for every dollar increase in sales. The labor-income multiplier describes the additional labor income generated from every dollar of direct labor income earned.

The Kentucky's poultry and egg industries the employment opportunity is 2.00; the output multiplier 1.67; and the income multiplier 3.50. So, for every 100 additional employees in the poultry industries, an additional 100 jobs are created throughout the rest of the local economy. Similarly, for every dollar spent by the poultry industries, generates an additional 67 cents as a result of interactions between businesses, suppliers, and household spending. For every \$1 of income generated, an addition \$3.50 of income is generated within the local economy.

Poultry diets in the United States are corn and soybean based. According to KY Food and Farm, corn and soybeans are leading crops in Kentucky. In 2021, corn production in Kentucky was reported at 274 million bushels. Between 40-50% of the Kentucky corn crop is fed to livestock, with poultry consuming about 45 million bushels alone. Beef and dairy cattle, as well as hogs, are also important Kentucky corn consumers. About 35 million bushels of Kentucky corn is used annually to produce fuel ethanol. The corn protein, oil, and fiber that is not needed for ethanol is sold for poultry and livestock feed, which is called distillers grains. Each bushel of corn

produces 3.8 gallons of ethanol, 17 pounds of distillers grains and 18 pounds of carbon dioxide. The carbon dioxide can be captured to make dry ice or carbonated beverages. About 15-20 million bushels of corn was utilized by Kentucky's bourbon and spirits industry. Kentucky's family corn farmers are producing twice as much corn as they did in the early 1900s on two-third's less land. 95% of Kentucky's corn farms are family owned, and many of the remaining 5% are partnerships between family members.

Soybeans, the main protein source for poultry diets, are grown on about 1.8 million acre in Kentucky. In 2020, soybeans brought Kentucky farmers \$874.8 million in cash receipts. Total production for 2021 was 103 million bushels. Soybeans are

high in oil (about 20%) and is the only bean that has a complete protein (40% protein content). If the oil is extracted for food and industrial uses, the remaining protein, fiber, and carbohydrates are processed into soybean meal. Most US soybean meal is used to feed livestock. Poultry consume the most soybean meal in Kentucky, but it also feeds pigs, beef and dairy cattle, horses, and fish, among other animals. Renewable soybeans are also used in many industrial products such as biodiesel fuel, particle board, soaps and cosmetics, printing inks, and protective coatings on CDs and DVDs.

Farmers, obviously, are essential producers for all the items we need in our daily lives.

Thank you farmers!





USDA SERVICE CENTERS PROVIDE FREE, ONE-ON-ONE HELP FOR FARMERS

USDA service centers provide one-on-one help to farmers in completing loan applications, environmental reviews, and other paperwork—free of charge. USDA’s Farm Service Agency and Natural Resources Conservation Service Staff are often co-located at the service centers and can help guide farmers to the best USDA assistance needed based on your unique goals. This can include loans, conservation programs, or insurance. Language translation services is available at all USDA Service Centers. While some program and loan applications do have an administrative fee for filing but there is

never a charge for preparation services provided by USDA staff.

If you are interested in using these services it is recommended that you call ahead and schedule an appointment. You can find your local service center at <https://www.farmers.gov/working-with-us/service-center-locator>.



New KDA Deputy State Veterinarian

The Kentucky State Board of Agriculture selected Dr. Kerry Barling to serve as the new Deputy State Veterinarian. He began his post June 1. He will be working in coordination with Dr. Katie Flynn, Kentucky’s State Veterinarian.

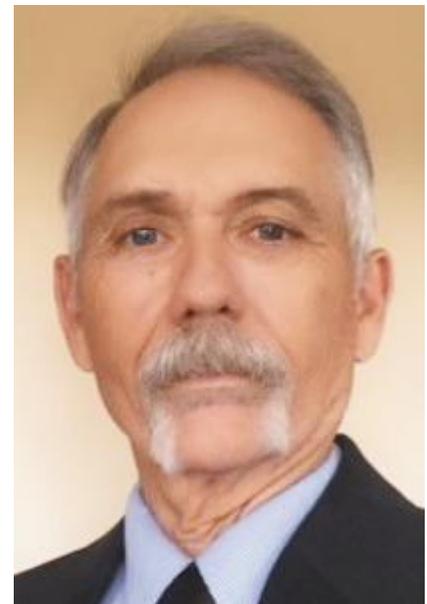
Stockyards, having specialized training in epidemiology. Dr. Barling has also worked in the allied industries and represented private industry interests concerning beef cattle on five continents.



KENTUCKY
DEPARTMENT OF
AGRICULTURE

Dr. Barling received his BSc degrees in animal science and veterinary science. He completed vet school at Texas A&M. He also completed a PhD in veterinary microbiology at Texas A&M.

Dr. Barling has experience as a private practitioner, cattle producer, and academic faculty member. He was a large animal veterinarian with nearly two decades of private veterinary practice experience. Dr. Barling also has eleven years of academic practice as an assistant professor at Texas A&M. He also served as owner of Bull Creek Veterinary Services in Frankfort. He has served as a market veterinarian at Bluegrass



Kentucky mental health crisis hotline—Dial 988

The life of a farmer can be hard. Recent disasters and the COVID-19 pandemic have not made things easier. It is okay to not be okay. It is also okay to ask for help. There is a new mental health crisis hotline—988.

The new number was officially launched in Kentucky on July 16. When you dial 988 while in Kentucky, you will be taking to people in Kentucky who can help. You are not alone.

988 is the U.S.'s first nationwide three-digit mental health crisis hotline. It replaces the old suicide hotline (1-800-273-8255), but calls to the old number will still go through, even with 988 in place.

988 is definitely easier to remember than the longer old hotline. 988 will connect callers with trained mental health counselors. It is critically important to get people going through a mental health crisis immediate help.



2022 Applications for Family Farm Environmental Excellence Award Due August 31

Poultry producers are excellent stewards of the environment. Now is your chance to be awarded for your stewardship. Any USPOULTRY integrator or egg processor may submit one family farm for each complex in each state supporting their contract producers. So any chicken or turkey meat or any egg complex supplied by family farms in Kentucky, regardless of which state the complex is located in, can be nominated. For companies with multiple complexes in a single state, a nominee can be submitted from each complex. It is important to note, however, that the review committee may not select two semi-finalists from the same state and complex.

The application package, which is due August 31, consists of two parts. The first part consists of a general information questionnaire about the family farm and its environmental management techniques. The second part consists of a series of essay questions to which the applicant should respond in a report-type format. You also need to select at least six photos of your family farm, including a photo of the family. Applicants can include tables and supporting answers to the essay questions directly into the report. The nomination can also include an appendix of up to ten additional pages of pertinent information.

The more details the nomination can provide the better the chances of winning. Things to be discussed include litter management techniques on the farm with emphasis on steps taken by the farm to enhance water quality, minimize runoff or erosion, reduce odor, and ensure proper utilization of litter and dead birds, highlighting any unique or innovative techniques used. Information on any conservation or wildlife enhancement techniques and any educational, outreach, or training programs participated in.

The grower should describe what they see as their role and responsibility in environmental management and sustainability. Any community activities that the family is in should be included, especially if it helps to promote environmental excellence or helps teach others about the poultry industry and the operation of a poultry farm. This could include farm tours, informational meetings, etc.

Have any questions? Contact Jamie Guffey at 270-404-2277 or email him at jguffey@kypoultry.org. You can also contact Dr. Tony Pescatore at 859-257-7529 or apescato@uky.edu. They can help you figure out how to answer the essay questions to put your farm in the best light.



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