

How Much Profit Can You Make?

When you are considering starting a new venture or expanding an existing one it helps to know how you are doing in relation other practioners. When we were gearing up to speak at the Pembroke Free-Range/Pasture Poultry Field Day Merrill Marxman asked us to come up with some operating figures for a handout. As a research farm we had some records to refer to and so were able to come up with some accurate figures for our operations. Based on our price of \$2.49 per pound, this is what we discovered.

FREE-RANGE CHICKEN ENTERPRISE BUDGET

Based on 250 Bird Flock at Locust Grove Farm

Baby Chicks: 250 x 75¢ each	\$ 187.50
Brooding expense	\$15.00
Brooding labor: 10 minutes/day, 21 days @ \$8.00/hr	\$28.00
Transfer chickens to skid: 2 folks, 1 hour @ \$8.00	\$16.00
Transfer from skid to on-farm slaughter: 2 folks, 1 hour @ \$8.00	\$16.00
Feed: 4320# @ 13¢ per pound + 100# Game Bird Starter	\$600.00
Field Chores: 35 days, ½ hour/day	\$140.00
(based on four skids operating) Slaughter: \$1.50 per bird x 240 (includes cost of bags)	\$ 360.00
TOTAL EXPENSE	\$1362.50
TOTAL INCOME: 240 Birds @ 4.5# dressed weight, \$2.49 #	\$2689.20
PROFIT: Over and above labor	\$1326.70
Total return on investment, labor & profit	\$1886.70

These figures are production figures only. No amount is included for marketing or delivery time. Marketing and distribution are not productions costs, but consideration must be given to the time and expense involved.

Skid construction cost of \$400.00 could be amortized over 20 flocks (\$20.00 per run). Our skids have averaged five years (20 flock) life with tarp replacement three times over the life of the skid.

If you or your family provide the labor you would be in the position of having made a return of \$1886.70 profit on your original out of pocket expenses (chicks, feed, electric) of \$802.60. Compare that to keeping your money in the bank! This "total return on investment" is a primary accounting figure to consider. Where else on or off your farm could you achieve this kind of return. If you calculate all of your net income against the hours of labor you are making the equivalent of "industrial wages", which is rare in farm work. Plus, you are treating your birds right, improving your land, and producing very healthful meat for your customers!

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