Poultry and Egg Marketing

Marketing of farm products, whether poultry, eggs, or any other commodity, involves assembling, transporting, assumption of risk, processing, storage, inspection and grading, packaging, and merchandising or retailing. Figure 10.1 illustrates the different costs in producing and processing a chicken broiler.

ASSEMBLING

Integration in the poultry industry permits the collection of large amounts of a uniform product available when needed. Birds are produced in 20,000–100,000 units within an area usually concentrated around a processing plant and feed mill. In the case of broilers, hatching and production can be scheduled to meet the needs for a particular week, 10–12 weeks ahead. In the case of broilers, turkeys, and fowl for meat, processing plants can coordinate production needs by hauling in flocks from several farms to supply the birds needed for the plant for a day.

Truckload lots of eggs are produced every day on large farms. In egg production operations this means that routine scheduled runs can be
made several times a week to collect eggs from a given farm. Since the producer does not have to save eggs for a week or two to build up a truckload, the eggs, which are a semiperishable product, can be moved through market channels several days earlier and be of higher quality.

TRANSPORTING

Because production units are located close to processing plants, the costs of transporting live birds and eggs are reduced. In the case of eggs, short hauls help prevent quality deterioration resulting from jarring. In the case of live chickens and turkeys, there is less injury, mortality, and loss in yield during short runs, particularly during adverse weather conditions. Most company trucks and cars now have two-way radios, permitting constant coordination between the plant and the farm. For example, if a truck breaks down or becomes stuck in snow or mud, the processing plant has several hours to send in an alternate source of birds to keep the plant running near capacity.

ASSUMPTION OF RISK

Risk of loss is involved whenever live poultry and eggs are in transport, being processed, stored, or delivered to stores. The cost of a single trailer truckload of eggs or a house of broilers or turkeys can be as high as a fraction of a million dollars. Since live birds are subject to injury and death, processed birds are subject to spoilage, eggs are subjected to breakage and decline in quality, and all commodities are subject to declines in prices, it is not possible for producers to finance the large amount of risk involved. As a result, most integrated poultry operations are now owned by large corporations, which can more easily