

Hatching A New Idea

Can Backyard Chickens Be A Productive Business?

BY RITA BRHEL
P&D Correspondent

John Wallace didn't waste any time after buying his first house in Lincoln, Neb., to build a small dog-house-size coop for two white hens from his sister's farm flock. The chickens are now not only pets but near daily suppliers of fresh eggs, a sustainable way to get rid of kitchen scraps, and their manure makes for effective garden fertilizer.

"Their eggs are way better than store-bought eggs," Wallace said. For decades, chickens were never seen inside city limits of most urban and suburban areas. It was actually against the law to have any traditional farm livestock on a residential property.

Then, about 10 years ago, chickens began showing up in the backyards of London. The trend quickly spread to Seattle and Portland, Ore., just in time for the local foods and urban farming movements. Backyard chickens are now a common sight in cities across the country and are even catching hold in rural communities as well.

With this drive to challenge the law — and the tradition — of what animals can be considered pets, is a surging interest to turn these backyard coops into miniature farms, earning a few dollars per carton of fresh eggs. Some cities, including Lincoln, allow residents special permits for backyard flocks that have the potential to become an egg-laying business. But Matt Russell and Pat Standley of Coyote Run Farms in Lacona, Iowa, say that making a poultry business profitable is harder than it looks.

Coyote Run Farms was founded in 2005. Its 110 acres grow garden-fresh produce, beef cattle, and pastured poultry, from which eggs are the main moneymaker. Total yearly sales on eggs are approximately \$17,000.

"It's the staple," Russell said. "People do crazy things to get our eggs. We do crazy things to get them our eggs. People are very dedicated to our eggs."

Before purchasing the first five acres of Coyote Run Farms, Russell kept a couple chickens in his backyard. But his interest quickly outgrew the confines of his then-urban property. After moving to Coyote Run, Russell and Standley kept 50 hens the first year, in 2005, producing 12 dozen eggs a week. This year, their chicken numbers were up to 300, and easily selling the 140 dozen eggs a week. There are now plans to add 150 hens in 2013.

"We invested as our market grew," said Russell, adding that their first chickens were given to them and their first coops were built of recycled materials. They have since built house-size, wooden-frame coops and purchase chicks on a regular basis to keep the flock at its most productive.

"Pullet eggs are really rich and good for a year, but after a year, they really start losing quality," Russell said, which is why Coyote Run replaces its hens every 18 months. The older hens are butchered and offered to customers. Many backyard poultry owners wince at this



PHOTO: RITA BRHEL

thought, but Standley says that this is what they have to do to keep productive.

"And I think I'm a more compassionate farmer than most," said Standley, a retired zookeeper. "A producer who had a cow that didn't calve one year would sell her. I think a bit different about that."

In addition, Coyote Run uses commercial breeds that lay all of their eggs within the first couple of years, one a day, and then are barren for the rest of their lives. Backyard poultry owners are often drawn more toward the more colorful, rarer heritage breeds but while these hens will lay for all of their years, they don't lay daily and usually take winters off. Egg businesses need the efficiency of the commercial breeds, in order to keep the egg price down, Standley says.

"The checklist is the same for any scale of backyard poultry, whether five, 50, or 500," Russell said, and includes housing, feed and water, predator protection, veterinary care, a place to dispose of the manure, egg storage, cartons, any licenses, replacement birds, and specifications for organic, pasture-based, or other operation types. "A lot of these things, you can just build yourself very small, but then need to build up as you add chickens."

Another consideration with a fresh egg business is safe egg handling. All egg businesses, small and large, should have a license. For farm-size businesses, this doesn't usually cost anything or require an inspection as long as the eggs are marketed as farm-fresh. These licenses can be obtained through the state ag department. Beyond that, the eggs need to be picked up daily, cleaned, and stored in a refrigerator.

One of the bigger challenges to any small business is marketing. Russell finds himself often explaining the difference between farm-fresh and store-bought eggs: "They're completely different products. Once they try our eggs, they can tell the difference," he said. But first, they have to be willing to try them.

Farmer-direct selling requires relationship marketing — the farmer and the customer needs to find a connection, become friends, and manage a give-and-take relationship based in trust and transparency. This doesn't come naturally to everyone, Russell says.

"We have about 125 regular customers, but we maintain regular correspondence with about 300 people," Russell said.

Finally comes pricing the product so that it sells but it also gleans a profit. Russell and Standley admit that they continue to struggle with this.

"There is the argument that you should keep raising the price until the demand slows down, and that is when you've found the right price," Russell said. "We find this really hard to do."

Coyote Run started out selling eggs for \$3 a dozen. After four years of records showing that they were just breaking even, Russell and Standley increased the price to \$3.50 a dozen. In 2012, though, with feed prices increasing, so did the selling price of the eggs — up to \$4 a dozen.

"Feed costs from March to August went up by 25 percent," Russell said. "About 60 percent of the price goes to feed and bedding."

It seems expensive, but egg production actually has more potential to be lucrative than many other local foods ventures, Russell says: "We focused on eggs, because they were more profitable than meat birds. You would always have to be looking for the input that sneaks up on you in processing and marketing."

Yet, because of their marketing efforts, "at \$4 a dozen, we will have no problem selling every egg we produce," Standley said.

Karla Hanson of Monona, Iowa, says she has become a poultry farmer by accident. She and her husband started with a backyard coop but then interest grew in her hens' eggs and soon they found they were adding chickens to keep up with the demand. But, at the same time, she doesn't believe her egg business is all that profitable.

"In some communities, at most all that consumers will pay is \$2 a dozen," Hanson said.

Russell says this is because it's difficult for small operations to be efficient enough to price eggs within reach of customers. That's why Coyote Run has been scaling up for efficiency: More chickens requires bigger housing, which makes it easier to find housing plans, materials, and technology designed for more efficient operations.

Coyote Run is now scaling up for efficiency. More investment in housing and technology is improving efficiency, Standley says. Instead of using portable chicken tractors that sit on the ground, which are not predator-proof, Coyote Run built several coops on wheels converted from trailers, which can be pulled around the pasture, but allowing the birds to be locked up at night like in a permanent coop. Electric poultry fencing keeps predators away during the day, yet allows the pasture space to be easily moved. Wood chips are more expensive bedding than straw, but are also more absorbent and last longer. Pasturing the hens year-round requires more labor but cuts feed costs drastically.

Producers also have to discern between potential decisions that could make or cost money, Standley says. For example, there is often an interest from customers in organic eggs but they continue to buy Coyote Run eggs nonetheless.

"Becoming certified organic provides us no benefit, because we are already at our max for consumers," Standley said. "Becoming certified organic would add cost for the certification fee and rules that would further add cost."

All in all, there are a lot of variables when considering turning a backyard coop into a business. Russell and Standley say that people really need to consider what their goals are — to have a hobby or a business.

"If I had a hobby farm, I'd definitely get guineas and peafowl and I love emus, but this is a business," Standley said. "If they don't make money, they don't belong here."



Area Farmers Among Top Corn Producers

Despite a severe drought, several South Dakota farmers who entered the 2012 Corn Yield Contest harvested some of the highest corn yields in history.

Steve Breeding of Chamberlain recorded the highest yield in the state this year by raising 279.32 bushels per acre in one of his fields. That ranks as the fourth-highest yield ever recorded on irrigated land using no-till or strip-till farming practices. Randy Svendsen of Volin harvested 276.52 bushels per acre in a field, ranking as the second-highest all time in the irrigated classification.

On non-irrigated land, Ronald Johnson of Alcester produced 271.49 bushels per acre, which ranks fifth all-time in that category. Jeffery Flihs had the highest yield in non-irrigated fields using no-till or strip-till farming. His 261.01-bushel yield ranks second on record in that category.

South Dakota had 121 entries in four categories. The contest, conducted by the National Corn Growers Association, is in its 48th year and remains the organization's most popular program for members. The contest, which provides good-natured competition among neighbors, drew a near-record 8,262 entries nationally.

"It's a fun contest for our members and there's a value in seeing how old and new hybrids stack up over the years," said Mark Gross, president of the South Dakota Corn Growers Association. "Thanks to new technology and advanced farming practices, yields in this contest have been creeping closer to 300 bushels an acre and are likely to hit that mark in the near future. Farmers need to keep making gains to meet demands in this growing nation and world."

Winners in South Dakota's contest (listed with brand, hybrid and yield):

• IRRIGATED

1. Randy Svendsen, Volin — Channel, 211-99 VT3P, 276.52
2. Cary Hajek, Tyndall — Pioneer, P1151HR, 265.22
3. Grant McCann, Springfield — Pioneer, P1498HR, 261.06

• NO-TILL/STRIP-TILL IRRIGATED

1. Steve Breeding, Chamberlain — Dekalb, DKC63-07, 279.32
2. Val Mosel, Pukwana — Dekalb, DKC55-24, 273.43
3. Prairie Creek Ranch, Yankton — Pioneer, 34F07, 261.46

• NO-TILL/STRIP-TILL NON-IRRIGATED

1. Jeffery Flihs, Groton — Dekalb, DKC52-59, 261.01
2. Steven Dayton, Stratford — Dekalb, DKC50-66, 249.80
3. Mark LaBrie, Frankfort — Pioneer, P0533AM1, 249.00

• NON-IRRIGATED

1. Ronald Johnson, Alcester — Pioneer, 34F07, 271.49
2. Huron Farms, Huron — Dekalb, DKC52-59, 249.90
3. Dustin Reiff, Dell Rapids — Pioneer, P9917AM1, 246.39

Pesticide Applicator Certification Trainings Set

BROOKINGS — SDSU Extension will host Private Pesticide Applicator Certification Trainings beginning Jan. 4.

Anyone planning to apply any pesticides to an agriculture commodity potentially worth \$1,000 or more, need to receive certification as a private pesticide applicator, explains Buyung Hadi, SDSU Extension Pesticide Education and Urban Entomology Coordinator.

"It does not matter what pesticide you apply whether it is herbicide, insecticide or fungicide you need to be certified as a Private Applicator," Hadi said.

There are three options to get certified. A person may attend a three-hour recertification class at any certification site listed below. Alternatively, they may stop by the local Regional Extension Center and pick-up the materials to complete the open-book, home-study exam, or the person may take the Private Applicator exam on-line at the Department of Agriculture's website, <http://apps.sd.gov/doa/pwt/>.

Although it is the law to become certified, Hadi says there are other benefits to becoming certified.

"Certification gives you the tools to apply pesticides properly, safely and profitably. The certification is good for five years and allows applicators to buy and apply general and restricted use pesticides," he said. During the trainings, SDSU Extension personnel will cover the South Dakota rules and regulations about applying pesticides. Depending on the location, we will also discuss local pest management issues, be it insect pests, weeds or diseases.

There is no charge for attending the private applicator class or taking the open-book home-study exam to become certified or recertified as a private pesticide applicator.

Area dates and locations:

- Turner County — 299 N Main, Parker; 1 p.m. Feb. 5; Contact: connie.strunk@sdstate.edu
- Clay County — Southeast Research Farm, 29974 University Road, Beresford, 9 a.m. Feb. 19; Contact: connie.strunk@sdstate.edu
- Charles Mix County — American Legion, 202 West Ave. SW, Wagner; 9 a.m. Feb. 20; Contact: larry.wagner@sdstate.edu
- Hutchinson County — Tripp Fire Hall, 9 a.m. Feb. 8; Contact: connie.strunk@sdstate.edu.

Opinion

Is Our Cycle Of Drought Nearing An End?

BY RITA BRHEL
P&D Correspondent

We hadn't received more than a couple sprinkles at a time for months. It had to have been back in June when we saw a measurable amount of precipitation. It was dry, dry, dry. And anytime the radar showed that rain was falling, it never made it to the ground — the dry air sucking up any little moisture that the clouds could squeeze out.

It was depressing. Ranchers and farmers have been selling off livestock left and right. What livestock are grazing yet had protein tubs by the first of December, which is very early. If producers could find hay, they were guaranteed to pay through the nose for it.

Some producers were obviously distraught about the situation, but surprisingly, most were fairly upbeat — using this time to reflect on their goals and perhaps find new direction, sometimes quite novel. One woman who had a large goat dairy for decades decided to use the drought as an excuse to essentially retire — downsizing her goat herd to a few choice pets and buying up a few llamas as a new venture. On our little farm, we decided to keep a few sheep but our focus has turned more toward poultry.

And then, about two weeks ago, after an especially positive weather forecast, the skies opened up one night and showered the area with an hours-long soft rain. I figured we got a few hundredths out of it. We got more than an inch!

And then, a week later, we were hit by a blizzard strong enough to knock out the power for a day. It was led in by a bit of ice and then eight inches of fluffy snow, which



Rita BRHEL

could roughly translate into another inch of moisture.

And now, what will be a week later, there is in the forecast another chance of a few inches of snow.

We're still a long ways away from breaking out of

an exceptional drought, of course, but it certainly gives hope that maybe the tide is changing. Maybe there is an end in sight, closer than farther away. My dad said something back in September that when we're in a drought, the weatherman on TV is deadly accurate with precipitation chances — what rain or snow we get, they know is com-

ing. But when the drought breaks, the weatherman isn't so accurate anymore — precipitation starts coming when it wasn't forecasted. We're not quite there yet, but it makes me think we might be getting there.

Back to news of our little place: We settled on a name — Firefly Meadows, named for the brilliant view of fireflies in the pasture from the back porch swing on an early July evening. And, as I mentioned, we are changing our focus a bit. We'll still have our layers and sell eggs, but we are turning our attention to raising birds to sell. We're

planning on a couple heritage breeds of chickens and ducks, and then I have a specific interest in companion birds like pigeons and doves as well as perhaps some game birds like quail and pheasants eventually. As for the pasture, we're seriously considering getting out of the sheep production business and instead buying feeder goats, finishing them out on grass, and selling them as fats in the fall, allowing the pastures to rest during the winter. But we're still talking.

A lot of it depends on the drought.



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