

Poultry

Student 3: Low Merit

NZQA Intended for teacher use only

Price of grain feed.

New Zealand chicken farms tend to use milling wheat as feed for their chickens.

Last week the milling wheat at a Global cost was around \$433 a tonne. In the last six months the cost was around \$418 a tonne of feed, and around a year ago the cost of a tonne of milling wheat was around \$412 showing that as time goes on there is a steady but certain increase in the cost of milling wheat around the world. About 70% of the cost of producing poultry is the cost of feeding the chickens grain.

Feed, grazing, cultivation, and harvesting prices were relatively flat from 1989 to 2001. Grain prices increased in 2001 and 2002, and again in 2007 and 2008, showing that poultry prices increased at about the same time when feed prices rose. The prices of the poultry feed has increased over the years meaning a poultry farmer of this decade will be spending more, and will be getting a lower profit than a farmer from the last decade. ②

Price of poultry.

Between the March 1981 and June 2010 quarters, poultry prices increased by 124 percent, which is less than the 259 percent increase for food over the same period. Poultry prices reached a peak in the June 1990 quarter, and then generally followed a downward trend for the next 16 years. Poultry prices decreased in total by 20% in the September 2006, during a time when food prices increased overall by 31.3%. Poultry prices did not return to the June 1990 level until 17 years later in the June 2007. The cost of producing poultry meat includes feed, processing and packaging, storage, distribution, and marketing.

Management Practices and Seasonality

Climate control in sheds has a huge impact on the quality and quantity of the poultry being produced. This is due to the farmer being able to produce the same sized and generally the same number of chickens all year round. Due to there being a continuous climate control the chickens are able to convert their feed to muscle faster rather than using heat energy to keep themselves warm or cool themselves off. There is a maximum of 19 birds per square metre and their area is kept clean each day, resulting in a minimized number of deaths to bacterial diseases and they have constant access to food unlike sheep and beef who have trouble feeding on pasture over the winter periods. By using climate controlled sheds to raise the chickens, the farmers are able to avoid weather fluctuations such as droughts or floods. They are also able to minimize the number of deaths of the chickens, which would otherwise result in a decrease in quantity leading to a decrease in profitability. The more chickens the farmer is able to produce due to having optimum environmental conditions, the more money the farmer will receive back. ①

Costs.

On average, a farmer will pay \$2221.66 for power and \$2639.64 on gas to run the shed for one run, a total of 45 days. Once the broilers are of age and weight to be taken to slaughter (8 weeks to an average carcass weight of 1.8kg and with a live weight of 2.4kg) the farmers will have to pay to get the sheds cleaned out, normally on average a 2 week process cut down to 6 days in order to get their next lot of broilers in faster, which should lead to an increase in profitability. It may cost more for the process to be happening so fast and to get all the maintenance done in such a short time but the theory is that it pays off due to the new chickens reaching the required weight two weeks faster than what it

would have been. There is also the cost of the wood chippings used to cover the ground the broilers are on, and getting that covered or removed. When compared with other agricultural production poultry meat takes less land due to the farmers being able to fit so many chickens into one comfortable sized shed.

The economics of production are:

50% Goes towards growing one broiler

22% Processing

16% Sales, distribution, advertising

8% Parents

2% Hatchery

2% Grandparents

Social

There are multiple reasons for the demand of poultry in New Zealand and around the world, and due to the many health benefits it carries, it's no wonder its one of New Zealand's most consumed meat. Health benefits such as the source of lean, low fat protein to help muscle growth and development it also contains phosphorus (an essential mineral that supports teeth and bones). Due to chicken being considered healthy and lends itself to low fat diets and low fat calorie meals, people who become conscious of their weight and self image will keep this product high in demand.

Chicken is also okay for all ethnic groups to eat, Hindus cannot eat beef, Jews/Muslims cannot eat pork but everyone can eat chicken. Due to this there are plenty of different cultural ways of cooking chicken, widening the use and demand of poultry in New Zealand. As well as home cooked meals chicken is also popular in fast food outlets such as Macdonalds, Burger King, KFC and Subway.

Due to poultry being so healthy, easy to make and okay for nearly everyone in the world to eat, there is an ever increasing demand of poultry and in order for the demand to be kept, quantities produced will always need to increase. There was 177,376 tonnes of poultry meat being produced last year and poultry was the leading meat consumed in 2009 at 35.79% and still is in 2014.