

Poultry Husbandry in Germany -first financial results of a benchmarking analysis 2004/2005

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Abstract – The introduction of a benchmarking system with Excel spreadsheet tools for organic poultry husbandry is part of a large advisory project in Germany which runs between 2004 and 2007 to train advisers with economical tools using them for the improvement of the farm sector and prepare on-going reliable financial and physical data of the sector. For poultry production 10 consultants in compliance with 41 poultry farmers have worked out the full-cost-analysis for the years 2004/2005.

INTRODUCTION

The poultry benchmarking is part of a project, which should develop totalcost-analysis for different poultry production sectors on organic farms. It was developed out of the experiences of the Status Quo Study of Organic Pig Production (BLE-Geschäftsstelle, 2004), where a Germany-wide group of consultants worked on a production sector evaluation of organic pig producers with a new Excel spreadsheet tool. The proposal was to spread the successful activities to other production sectors and to train specialist consultants from different and sometimes competitive companies in the use of a management tool to identify weak points in that sector (and give some advices to solve the problems!) was accepted by the BLE in Germany.

The production sector evaluation working groups (Poultry Husbandry: 10 consultants, 32 laying hens farms, 5 farms with rearing pullets, 6 farms with fattening chicken, 5 farms with fattening turkeys, Milk Production: 7 consultants, 46 farms, Piglet and Fattening Pig Production: 12 consultants, 21 piglet producers, 26 farms with fattening pigs) will work out the full-cost-analysis for the years 2004/2005 and 2005/2006 using a specially developed Excel spreadsheet tool as free shareware.

The aims of the network can be summarised as:

- Building up a Germany-wide network of consultants to prepare a solid base of financial data for important organic production activities and the whole farm.
- Establishing of nationwide working groups of specialized consultants and farmers for milk, pig and poultry production sectors and farm comparisons.
- Organisation and execution of training seminars for the specialised consultants twice a year
- Preparation of on-going reliable financial and physical data for important farm production sectors and the whole farm

- Improvement of the financial performance of the different production sectors or of the complete farm basing on intensive consultancy
- Development of an integrated system for the analysis of all farm or production sectors (Agricon farm comparison, full costs analysis of production sectors using the DLG-method)
- Networking of farmers, consultants and scientists
- Dissemination of specific information via the German BIOS Data Base for farmers' organisations and consultants or other knowledge data bases and media
- Using the financial tools also after the end of the project

METHODOLOGY

The standard of the full cost analysis is derived from the German DLG-Standard, which is also used in conventional farms and the compulsory record books of the production sectors. So the definition of the parameters is the same as the conventional ones.

The Excel spread sheet was written by the author and the colleagues R. Löser and Ralf Bussemas, BAT, Witzenhausen, Germany. Special valuations were agreed in the advisers group. The data were picked up on farms in cooperation with the farm leader. The selection criteria of farms were due to production sector, flock size, regions, advisors and active with-working

RESULTS

The first year of the evaluation showed clearly remarkable result of different kind of advisers and farmers involved in the projects: Economical trained advisers had better efforts gaining correct information of data from farmers documentation and had less problems using the EXCEL-tool for data input. Other colleagues needed help from the coordinator and a lot of time for correct preparation of the data files. During an evaluation seminar in a group of advisers and some of the involved farmers, intensive discussion arises about data sampling and interpreting the results and finding methods to improve bad performances.

Tab. 1: Some common characteristics of the layinghen farms

	Minimum	Average	Maximun
Man power (AK)	0,3	1,4	3,0
Farmland (ha)	4,5	84	750
flock sizes (hen places)	600	3300	12.000
Part of egg production from total-farm income (%)	20	52	80

Data for the files were collected from 30 farms in different regions of Germany. They had together a total amount of ca. 105.000 hen places, this are round about 6% of the places on ecological farms in Germany. There is great range of flock size between 600 and 12000 hens per farm. This is corresponding to their different egg marketing. So for some large farms egg production has a part of ca. 20% of their total income and a few smaller ones get up to 80% of their total income from egg production.

First results of egg production in marketing season 2004/2005

The marketing season of 2004/2005 was the first period of data sampling for egg production. So it is yet not possible to do a comparison of many years to look for the development of production structure in this sector. A view to the table shows, that the selling price has a range from 13,5 to 20,1 cent per egg.

Tab. 2: Some results of egg production from 32 ecological laying hen farms in Germany 2004/2005

Benchmarking ** Laying hens	Data Range 2004/2005 (Cent*/egg)	
Out put	13,5	20,1
Variable costs	8,8	11,3
Labour costs	4,3	5,9
Building costs	1,75	2,45
Additional costs	0,3	1,1
Total costs	17	20
Balance output and costs = Profit/Loss	1,1	2,5

* All figures in cent are without tax!

** not all Out puts/costs are showed!

Main Factor at variable costs are the feedstuffs. Part of the farm is using a complete feed as laying mash other part is making farm own feed. Those farms have often not such a variation of costs for their components, especially for their farm own. Another reason for variation are different bought in prices for the pullets. For this case we expect for next season smaller differences, because there is the due of strictly bought of ecological grown up pullets. This may increase the cost in a range of 0,5 to 1Cent per egg.

Differences for labour costs are caused by marketing type, flock equipment and flock size. This is a critical point for some farmers, where they can start optimising production costs. The range of the building costs is depending on farms producing eggs for over 10 years in older buildings and newcomer with greater flock sizes in aviary systems decreasing costs per hen place.

Table 2 shows, that additional costs could reach an amount over one cent per egg. So there is a due to have a view on this accumulation group of a lot of usually small factors.

Conclusions

1. for a continuous working with total cost analysis are educated advisors and engaged farmers necessary.
2. Working intensive together –advisors and farmers- can solve farm specific problems.
3. after 3 to 4 years comparable and strong data are received
4. temporary marketing conditions for egg production gave small farms with laying hens the chance for a profit.

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