



## Chickens for sale

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Many broiler farmers with whom I come into contact will often ask me if I can assist them in finding a market for the sale of their chickens. I respond by asking them whether they know of any suppliers who assist their customers in finding a market for the products they purchase from those suppliers. Can you imagine a corner grocery store that purchases groceries in bulk from Makro, then asking Makro to find them customers for their product? Can you imagine South African Airways asking Boeing to find passengers for the aircraft that they purchase from Boeing?

Now that we have established that it is the farmer's responsibility to find a market for his or her chicken products, let us examine what sales avenues are available for producers to explore.

### Live chicken sales

This is a popular method for selling chickens and many small producers do use this method. In this instance you may decide to sell to hawkers or to customers off the street.

A 'stock/discounted' price is usually given to hawkers, who normally come with a bakkie to collect the chickens. You may for example charge them R40 per chicken if they take twenty chickens or more. If someone off the street came to make a single or small purchase from you, you would charge them R50 per chicken. The hawker will generally have a well established market and in some cases charge up to a R100 for a chicken,

**That it is the farmer's responsibility to find a market for his or her chicken products.**

depending on the time of year. For traditional reasons and due to the availability and cost of electricity in rural areas, rural customers tend to buy live chickens. In this way they know exactly what it is that they are getting

and they can keep the chicken alive until they are ready to eat it, without having to have access to a freezer to keep a frozen chicken product frozen.

**It is better to then sell your chickens at a lower profit margin than to continue feeding them and being stuck with them for weeks before being able to sell them.**

A word of caution: at certain times of the year the hawkers are price makers (meaning there is a high supply of live chicken and they dictate what price they are willing to pay. Many times the hawkers will try and talk your price down - unless you know there is an oversupply in your area, do not let them bully you into dropping your price. Once you have built relationships with many hawkers you will be able to gauge the market demands by the amount of enquiries you are receiving from the

hawkers who buy from you. If it is clear that there is an oversupply of live chicken in the market, do not try and force a higher price. It is better to then sell your chickens at a lower profit margin than to continue feeding them and being stuck with them for weeks before being able to sell them. The longer you keep them, the more you have to feed them and the more mortalities you will have. This will result in a lower total profit, even if you do manage to sell at a price higher than the hawkers were offering in the beginning.

So, where do you find hawkers who would be willing to buy your live chickens?

You will need to do the necessary footwork. The best is to travel around the township and rural areas nearest to your farm and approach the vendors selling chickens on the street corners or at taxi ranks and train or bus stations. They will be able to take your details or put you in touch with the hawkers who source the live chickens.

Some farmers put large boards up at the entrance to their farms, advertising live chicken (some even put a blackboard up to indicate when the chickens will be ready for sale). A good idea is to have a



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magnetic sticker made for your vehicle, clearly stating 'live chicken for sale' and a contact number.

Remember to keep the customers on your database up to date as to when they can expect to come and buy chickens from you.

### Processed chicken sales

As with most things, there is always more money to be made when adding value to a product. By slaughtering and packaging a chicken you are providing your market with a value added product in that your customer does not have to get his/her hands dirty with the slaughtering process, and you may have taken it a step further by marinating your chicken product for a niche braai market or your local flame grilled chicken restaurant for example.

Processed chicken can also be frozen for long periods of time, which means that if the market is saturated today you can store your produce in freezers until the demand increases or you find an alternative market.

When processing your chicken further there are many other by-products that can be sold separately to another market, 'walkie talkies' (feet and necks) and 'runaways' (feet) are a good example.

By spending some extra money to process and package your chicken further you enter into a different market, which is prepared to pay more for the convenience of buying a chicken that is ready to roast or grill.

Marketing a processed product also requires legwork. In this case your market usually has access to the internet, so online advertising is a possibility. Advertising in your local newspaper or classifieds is also an option. However, the best is to approach the store owner or purchasing manager of the outlet that you are targeting and to make a deal with him/her. Just this morning I was speaking to a customer of ours who supplies her local Spar.

An important consideration when deciding to add value to the chicken you have raised is choosing a reputable processor/abattoir to do the job for you. When processing food, hygiene is extremely important, so make sure to do an inspection of your chosen abattoir on a regular basis and to ask to view the necessary health and safety certificates issued by the authorities. References of other satisfied

customers of the abattoir is very important when considering an abattoir to process your chicken for you.

### Know your costs, know your price, set reasonable financial goals

Keeping accurate and up to date records of all your input costs is very important, as this will assist you in determining your selling price.

Also, by setting a total gross profit percentage and in conjunction with your up to the minute cost records, you will be in a position to adjust your selling price daily and also know exactly how low you can go for that special customer.

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Remember to factor in the capital you spent on building your cages. You may want to recoup this over a period of three five or ten years, so build that into your price calculations.

### In summary

You and you alone are responsible for the success of your business.

It is your responsibility to ensure you purchase the best quality day old chicks, feed and other inputs. It is your responsibility to ensure that your cage and brooding area are ready before your chicks arrive. It is your responsibility to ensure that procedures and schedules are in place and are followed by your workers to ensure that your chickens are provided with the best possible environment so that they can perform to their full genetic potential. It is your responsibility to find a market for your chickens and to build a loyal customer base by providing the best possible end product.

Now go and get 'em! 🍷