



Pastured Poultry

Rod Sharp

Looking for ways to increase profits with their beef business, Dave and Bonnie Mebane participated in a Cooperative Extension conference on range beef cattle. At the workshop, Joel Salatin gave a presentation on how farmers could complement their beef enterprise with pastured poultry. Intrigued, Dave arranged to visit Joel's chicken farm in Virginia and later came home enthusiastic about the possibility of developing a pasture chicken enterprise on his ranch in Montrose, Colorado.

The first year, the Mebanes raised a few chickens with good results. Day-old chicks were purchased from a hatchery in New Mexico. The new chicks were first put in a brooder (an old cow watering tub filled with shavings and heated with heat lamps). From the start, they were fed "natural" feeds containing no animal by-products, no hormones, no growth stimulants, and no antibiotics. After three weeks, the chickens were moved out to grass pastures where they were kept in 10' x 12' pens that were moved to fresh grass every day. In eight weeks, most of the birds were approximately four pounds and were ready for processing. The chickens raised this first summer were sold or given away to friends.

There are several hatcheries that sell day-old chicks (New Mexico, California, Nebraska, Iowa, etc.). Because of the genetics and adaptability to their operation, the Mebanes now buy their chicks from a hatchery in Iowa.

In year two, the Mebanes raised and processed approximately 1,000 chickens. To showcase their chicken products, they purchased a booth at the Best of the West Food Fest, an event designed to highlight western Colorado agricultural producers and value-added products. Here, consumers learned what locally grown foods were available in their region. As a result of this increased exposure and higher demand for their chickens, the Mebanes bought an automatic picker and built a licensed processing facility. To date, it is the only such facility in western Colorado.

The processing facility, including the equipment, is an expensive investment. The Mebanes recommend that anyone interested in building a processing facility do a detailed investment



analysis first. There are USDA, state, and county rules and regulations that operators must comply with, adding a number of unexpected costs.

Threats to the Business

Rapid growth could have a negative effect on their business. Currently, three family members are doing all the processing. They anticipate having to hire at least two full-time employees in the near future. Attracting and hiring reliable employees will create additional management requirements and could diminish time spent maintaining the quality of their product.

Government regulation may also be a threat. The Mebanes attended a conference on grass-fed meat in Atlanta, where they met a speaker who had been a government inspector and is now direct marketing beef and chickens. She voiced concern that within ten years, government regulations will preclude direct marketing of agricultural products. Even now, new regulations are continually making it more difficult to control costs.

Pricing Products

To price their products, the Mebanes evaluate their cost of production and then add on a fair return for their labor (approximately \$20 per hour). Using this method, their chickens typically

cost three times more than chickens sold in the local grocery stores. Their customers have been willing to pay this premium.

Competitive Edge

The Mebanes feel they have several competitive advantages. Currently, there are no local competitors to share the pastured poultry market. The closest grass-fed chickens are several miles away and provide no direct competition. Also, the Mebanes have lived in the community for a long time and are well known and respected. Customers trust them. Montrose is located near the affluent communities of Ridgway and Telluride, with plenty of customers who demand and are willing to pay a higher price for wholesome foods.

Marketing Research

The Mebane family sell their chickens primarily through two farmers' markets and directs sales at the farm. About 60 percent of their product is sold frozen at the farmers' markets. As they make sales or contacts, they invite individuals to add their name and address to a mailing list. A newsletter is sent out twice yearly, and an attractive brochure is distributed at the markets. The newsletter provides information on where, when, and what products will be available. Word of mouth from satisfied customers has been a valuable form of advertising, as well.

Changes for the Future

In the future, the Mebanes plan to sell directly to restaurants. They also plan to diversify by adding grass-fed turkeys, beef, and lamb that they will market directly to the consumer. They have raised a few turkeys and now expect to increase production. They also plan to build a smokehouse so they can add smoked turkey to their product line. Farm-fresh eggs are another product they are working on. Their goal is to have approximately 300 laying hens within a year.

“The affluent communities of Ridgway and Telluride are willing to pay a higher price for wholesome foods.”

Contact Information

David and Bonnie Mebane

Mebane Farms
19437 Pahgre Road
Montrose, CO 81401

970.249.1305
mebanefarms@dmea.net

Rod Sharp

Colorado State University
Cooperative Extension
2764 Compass Dr., Suite 232
Grand Junction, CO 81506

970.245.9149
rsharp@coop.ext.colostate.edu