



Pastured Poultry Profile

by Marsha Laux, content specialist, AgMRC, Iowa State University,
mlaux@iastate.edu

Profile revised April 2007.

Overview

"Pastured, or free range, poultry" refers to a poultry production system that is characterized by chickens, turkeys or ducks being raised primarily on pasture. The birds supplement their grain feed by foraging for up to 20 percent of their intake and are often moved regularly to fresh pasture.

Pastured poultry is a niche market that taps into increased consumer demand for more natural and humanely raised protein sources. Consumers demanding this type of poultry product are generally willing to pay more for the system, which includes raising poultry on grassy pasture to deliver a product that is considered by many consumers to be healthier and tastier, as well as more environmentally sound. Pastured poultry production generally has lower entry costs and thus is attractive to smaller or limited resource farmers.

Marketing

Pastured poultry also taps into the growing natural foods market. Like the natural foods market, the certified organic food market is quite similar in terms of consumer demands and characteristics. The Food Marketing Institute found that 59 percent of consumers look for and purchase products labeled as natural, and 37 percent look for and purchase products labeled as organic. Natural Business Journal estimated "natural" and organic meat, fish and poultry sales reached \$763 million in 2002, just barely 0.6 percent of the total market. However, the same publication found that organic meat sales grew by 55 percent in 2005. While not all pastured poultry is certified organic, comparing the markets can be helpful in determining overall general tendencies in consumer demand.

Farmers' markets are being used as an important marketing outlet for many smaller direct marketing poultry producers. Producers often receive their highest prices at these markets, followed by restaurants. Retail and other sales return the lowest prices.

Small-scale producers sold nearly 50 percent of their chickens directly from their farm. Large-scale producers, defined as producers raising more than 4 thousand chickens a year, sold a greater proportion of their chickens to restaurants and retail outlets.

This growth trend in farmers' markets supports the growing consumer demand for direct-marketed, small-scale production techniques such as free range or pastured poultry. For instance, farmers' market consumers are requesting more information about how products were grown and if they were grown organically. According to an 2004 Economic Research Service (ERS) publication, when 210 farmers' market managers were polled, customers with a strong demand for organic products were also interested in environmental and social issues within agriculture, including sustainable development, environmental pollution and wildlife protection. These factors support expanded marketing opportunities for small-scale poultry production such as pastured and free range.

Pastured meat products and the growth of that market can also be attributed to the fact that a growing number of consumers support smaller farmers, are opposed to livestock raised in confinement and have a set of values that prefer animal products

resulting from a pastured system.

In its "America's Changing Appetite: Food Consumption and Spending to 2020" report, the USDA ERS concluded that U.S. consumers would be demanding more quality due to increased population and an increase in educational attainment and wealth. Quality purchases look at differentiated products and include foods marketed with specific production techniques such as pastured poultry, for instance. Consumers are demanding higher quality, healthy foods, and they are increasingly demanding to know that their food is safe. They also want assurances from agricultural producers, retailers and foodservice workers about how the food was grown and what production techniques were used.

According to the same ERS study, total poultry purchases are expected to have market growth of 19 percent for at-home meals and 18 percent for away-from-home meals. If specific qualities such as environmental concerns and animal welfare continue to gain consumer support, these types of production systems will provide a growing market for pastured poultry producers.

Demand

Chicken consumption more than doubled between 1970 and 2004, from 27.4 pounds per person to 59.2 pounds. Chicken is gaining on beef, the current leading meat.

Production

The many management alternatives available to poultry producers are as follows:

- Portable houses
- Pasture pens
- Integrated systems

Thousands of small farms in the United States and worldwide produce what is called "pastured poultry." To these farmers, pastured poultry means chickens and other poultry raised right on top of living grasses. As long as they get all the grass they want, poultry can qualify to be called grass fed. This is accomplished by keeping the birds in low, wide, bottomless cages called "chicken tractors" that are moved to a new spot of fresh pasture once or more often each day.

The term grass-fed poultry is a larger group, of which the pastured birds are a sub-set. Among producers, grass-fed poultry means birds that are allowed to forage on as much living grasses as they desire, whether in chicken tractors, small coops surrounded by pasture, or the exclusive French "Label Rouge," or Red Label, birds.

The Label Rouge System

For people seeking ways to increase the profit potential of free range poultry systems as a full-time enterprise, the new "Label Rouge" approach may hold promise. Popular in France since the mid-1960s, the "red label" system produces free range poultry on a larger scale and takes advantage of direct marketing opportunities. In France, Label Rouge chickens have captured 30 percent of the poultry market. Label Rouge enterprises offer independence, use lower densities of birds per housing unit, allow flock access to pasture, discourage routine medication and feature longer life spans—12 weeks—for broilers and other meat birds to reach market weight. The longer life of the birds has become a chief marketing point, along with a flavor Label Rouge proponents claim is superior. Because the Label Rouge bird is not a typical American Cornish Cross breed, because it lives longer and because, after processing, it is cooled through air chilling, people consistently notice a taste difference. Air chilling discourages cross-contamination because carcasses are hung and chilled separately rather than lying in contact in a water bath, and flavor is not compromised by chlorine, typically added to chill water in poultry processing plants to kill bacteria and other microbes.

While a farmer may not be able to produce as many of these flocks per season, charging considerably more for each bird boosts profits. For more information on Label Rouge, go to <http://attra.ncat.org/attra-pub/labelrouge.html>.

Pastured poultry generally commands higher prices; therefore, the potential for profit is higher than with conventional, confinement poultry. Under this system, poultry is usually sold locally, with only minimal processing. Broilers sell for between \$1.50 and

\$2.50 per pound, dressed weight. Turkeys sell between \$1.75 and \$2.50 per pound. Prices vary among producers. The price difference often depends on whether the birds are sold from the chill tank, or are bagged, weighed, labeled and ready for the freezer. Production costs are usually about 1/2 to 2/3 the sale price. Many producers do not add their labor into production costs. It is the most commonly used pasture poultry method at present.

Free range has been practiced for a century or more. This system fell out of favor in the 1960s due to disease and predator inroads, and was mostly replaced by commercial confinement poultry production. Free Range generally means a fenced pasture surrounding the barn or poultry shelter.

Integrated systems focus on services that poultry can provide, such as fertilization, tillage and insect and weed control rather than only meat production. Various species of domestic animals are raised together to complement each other. Disease cycles can be broken when the same species does not occupy the same site all of the time.

Chickens need protection and shade outdoors, such as trees and bush plantings. In fact, they may not venture outdoors without it. U.K. studies of free range poultry suggest that the amount of sun and the time of day have the greatest impact on chicken behavior. Chickens were most active during partial sun and during the morning and late afternoon.

Chickens obtain limited nutrients from forage plants, although eggs from hens raised on legumes and grass have more omega 3 fatty acids and vitamins than eggs from hens raised only on grass. Worms and insects provide high-quality nutrients, but research suggests that modern broilers need adequate nutrients and feed supplementation.

One limitation of pastured poultry: in cooler climates, the birds can only be raised during the summer and early fall months. Another limitation, especially for large-scale pastured poultry operations, is labor requirements. Many tasks, such as watering and feeding, must be done by hand.

Often, pastured poultry is one enterprise of many for producers.

Processing

One major concern for many producers is processing--both the availability of licensed processors and the quality of the processing. To sell across state lines, producers must have their poultry butchered at a federally inspected plant. To sell within their state, producers need only have their poultry butchered at a state-inspected plant. A thorough understanding of the appropriate state and federal laws regarding poultry processing and sales is vital for each pastured poultry producer.

Additionally, with global concerns over avian influenza and other livestock diseases, pastured poultry producers should be familiar with poultry diseases, their symptoms and any relevant reporting procedures surrounding disease outbreaks.

Government/Regulatory Involvement

The USDA does not currently have specific regulatory definitions for free range although the term is allowed on labels under certain conditions. When applying for label approval, the producer must submit a brief description of the housing, which the USDA reviews to determine that poultry have access to the outdoors for at least half their lives. In contrast, the European Union defines free range, specifying maximum stocking density, type of feed, minimum slaughter age and amount of pophole space to go outside.

Sources

Food Marketing Institute

Natural Business Journal

ERS, USDA, XXX 2007.

"America's Changing Appetite: Food Consumption and Spending to 2020,"
FoodReview, Spring 2002.

Profile originally written August 2006 and revised April 2007.

[Back](#) ◀ [Print](#) ● [Top](#) ▲