

Survey Shows 94% of Broilers Produced on Contract In Delaware

Most of the broilers (94 per cent) produced in lower Delaware in 1955 were grown under contracts with feed dealers or by dealers themselves, according to a survey of the area.

This study, made cooperatively by USDA and the Delaware Agricultural Experiment Station, shows 66 per cent of the broilers were produced under contract with feed dealers, 18 per cent by contracting dealers themselves, 10 per cent by noncontracting dealers who sold little or no feed. Only six per cent of all broilers were produced by the area's independent growers.

Most growers preferred to grow broilers under contract, says ARS agricultural economist F. D. Hansing, in charge of the survey. Growers were willing to invest funds, labor, and material in houses and equipment, but few were willing to accept all risks by investing in chicks and supplies. These arrangements limited risks growers assumed, and in many instances, assured a return for their labor and investment.

FIVE DIFFERENT types of contracts were found in use. They were:

1. Share system returns split on a predetermined basis of 75-25, 80-20, or 3/4-1/4, the grower receiving the larger share.
2. Guarantee - share system. grower guaranteed \$40 or \$50 per thousand birds started and half the net return, if any, over the guarantee.
3. Flat fee grower paid \$50 to \$75 per thousand birds started, regardless of prices or total return.
4. Feed conversion payments to grower based on ratio between feed used and broiler meat produced.
5. Salary of labor grower paid a specified amount for raising broilers, sometimes as monthly

salary. **THE GROWER, UNDER** all these contracts, usually provided the house, equipment, and labor to raise the flock. The dealer furnished the feed, medicine, vaccine, and other necessary supplies. Dealers also arranged and paid for other items not in stock, such as chucks, fuel, and litter.

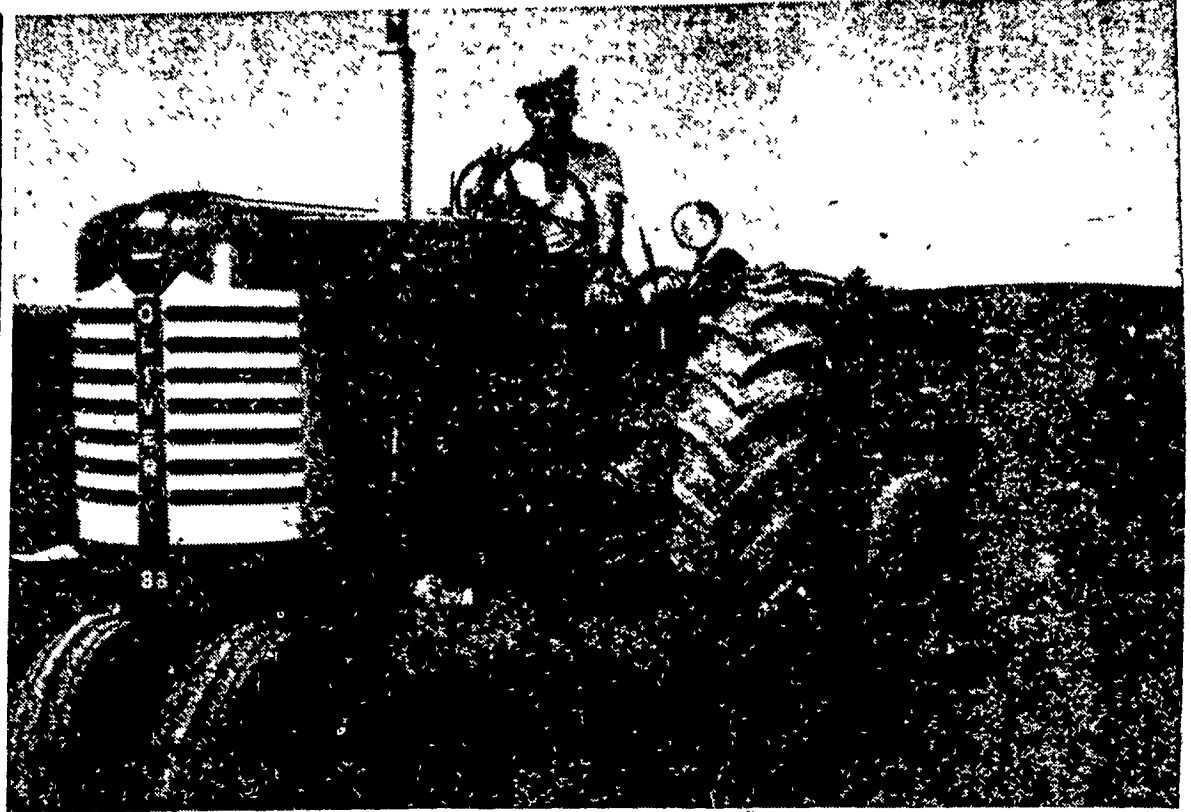
The dealer retained title until broilers were marketed, and absorbed deficits if flocks did not sell for an amount equal to the items charged against them. Some return for labor and investment was guaranteed for more than 70 per cent of the broilers produced under contract.

Most contract growers had relatively small net worth and produced broilers on a small scale. Independent growers, on the average, had larger net worth and produced on a larger scale than contract growers. Apparently, as net worth and size of operation increased, more growers felt that they could afford to accept the risks of producing broilers.

SLIGHTLY MORE than half of the broiler growers were full-time farmers. Others were part-time, retired, and nonfarmers. Full-time farmers were more prone than others to produce independently, probably because net worth was larger. Retired persons with smallest net worth were least inclined to produce independently.

Policies and methods of lending institutions apparently were not responsible to any considerable extent for the prevalence of contracting. Terms on which small growers were financed appeared about as favorable as those extended to large growers.

The broiler industry in Delaware comprises feed manufacturers, hatcheries, processing plants, and the auction, as well as grow-



GEORGE E. HORNER, 31, Centre Hall, Centre County, Pennsylvania, is a tenant farmer for W. P. Campbell on the Penn's Cave Farms, six miles east of Centre Hall. He is married and the father of two chil-

dren. As Pennsylvania's entry in the 1957 national contest Horner finished 10th. He is vice president of Penn's Valley Young Farmers Association. (LF Photo)

ers and retail dealers. The industry is largely self-contained. Most of the broiler feed used is manufactured locally and most broilers grown in the area are hatched and processed locally.

The central figure is the feed dealer who contracts with growers. About 24 per cent of these dealers also had their own feed mills and manufactured part or all of the feed they sold, and 11 per cent had a financial interest in hatcheries. Thus there is a considerable measure of unified control in the production of broilers in lower Delaware.

Good Breakfast Is Year-Round Need

Keep up the good breakfast habit when children start back to school. Every child needs a hearty breakfast to start his day right.

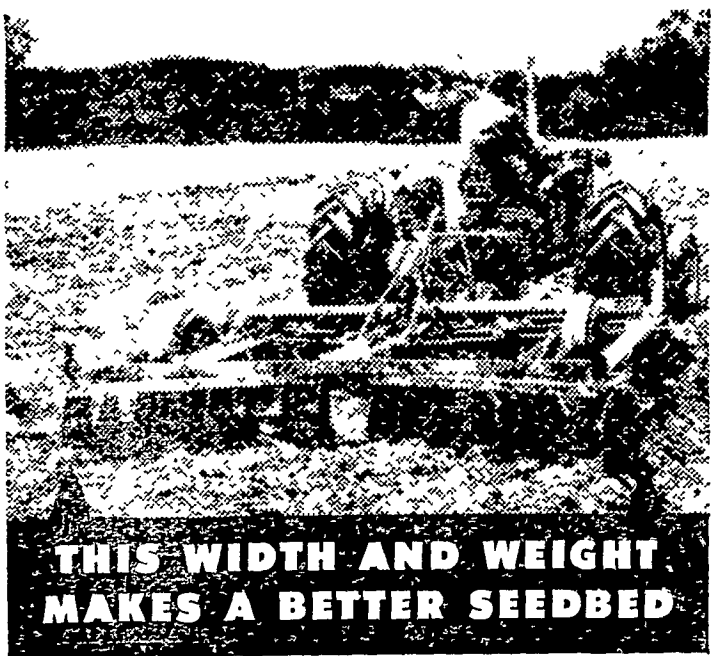
A good breakfast should include one-fourth to one-third of the daily food requirements. And lack of this morning meal affects the child's disposition and his mental and physical alertness. Between-meal snacks and larger lunches don't make up for a poor breakfast.

Breakfast is a good time to get the day's quota of vitamin C.

Citrus fruit, tomatoes, and cantaloupe are high in vitamin C. If you choose to serve other fruit, be sure to include a vitamin C-rich food at some other meal.

A good breakfast should have a dish for protein and energy. This may be cereal served with plenty of milk, or eggs or meat. Whole grain or enriched bread and cereal furnish energy, some protein, and vitamins and minerals.

Milk is a must for breakfast, either as beverage or on cereal. Remember that each child needs a quart of milk every day for developing strong bones and teeth.



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