

This independent poultry producer se

**BY DICK WANNER
STEWARTSVILLE** — With egg production costs running 10 cents per dozen higher than the on-farm market price, Jim Wolf expects to see a "blood-bath" before the industry straightens itself out.

His words should bear some weight. President of the Pennsylvania Poultry Federation, he has been an egg producer since he was old enough to tend chickens. In his Southern York

County office recently, Wolf talked about the current state of the egg market. He spoke with a quiet intensity and a very serious manner, like the captain of a ship in a howling, savage sea.

Wolf is vice-president of Wolf Farms, Inc., an independent egg producer and marketer. With his brothers, George, Dan and Dave, Wolf has built a brand-name image for Wolf Eggs in York County, and Wolf potatoes,

as well. They also sell broilers.

There is a ship that will weather the current marketing storm. But Jim Wolf can't help worrying about the people - particularly the independents - that he knows will go under.

"The small producers will most likely go first," Wolf said. "The ones who have their buildings paid for, and who don't depend on eggs as their primary source of income.

"A lot of people will want to get out of the egg business, but they won't be able to. The farmer who's borrowed money to put up a 60,000 bird house in the last three or four years, and with all his birds on contract to his feed company, can't get out of the egg business. He's got to stay in as long as his feed company holds out.

"His feed company will be hurting, but most of them have the capital to see it through. The producer might not get paid anything for his labor, but he'll have enough to pay the bank and he won't lose any money.

"The guy who's an independent, either by choice or because he can't get a new contract, is going to have a tough time making it. If a guy has a big chicken house and a big mortgage, he's in trouble. Whenever the market is severely depressed like this, the industry becomes more concentrated in fewer, but larger, hands."

Wolf can't say whether or not the egg industry will go the way of the broiler industry, where 95 percent or more of the birds being grown today are grown under contract to the companies that own and feed the chickens. Broiler



Marketing Wolf Eggs is a long hard road, and not one that every producer should follow, Jim Wolf feels. He and his three brothers produce and market the output from 100,000 layers in York County.

producers supply labor, management and buildings.

The feed companies supply everything else, including a guaranteed income. Layer contracts operate much the same way. Without a contract, most people would find it impossible to get into the egg business. A 60,000-bird caged layer house, a common size

today, can cost half-a-million dollars or more, and the pullets to fill it will cost at least \$2 each.

Lenders can finance the house if the producer has a contract from his feed company guaranteeing income to meet the mortgage payments. But to give the guarantee, most feed companies want their own birds in the house. And while most layer houses are financed for seven years, most contracts run out after three years.

The lending-marketing cycle will keep a lot of egg producers from ever becoming independents, Wolf feels, and even if that weren't the case, he thinks many of them would never be ready anyway.

"Farmers for too long have paid too much attention to efficient production and not enough to marketing. They have to learn how to tie production and marketing together, and unless an egg producer learns how to market his product, I don't think he'll be able to survive as an independent."

Wolf has been with the family poultry business since graduating from high school in 1962. Wolf Farms has been marketing their

own eggs since after more than a decade of plugging away. He isn't sure the independent market is a game should play.

"We used to run eggs to be packed our them to market doing all the system, but marketing is real money."

"We found it is more than money come and the market is risky. If our than the cost of our money."

"Over the packer is real than a product."

But feeling lessened Wolf for the market would be anybody in who hadn't Eggs. Omstrations at 1 newspaper a remember Wolf.

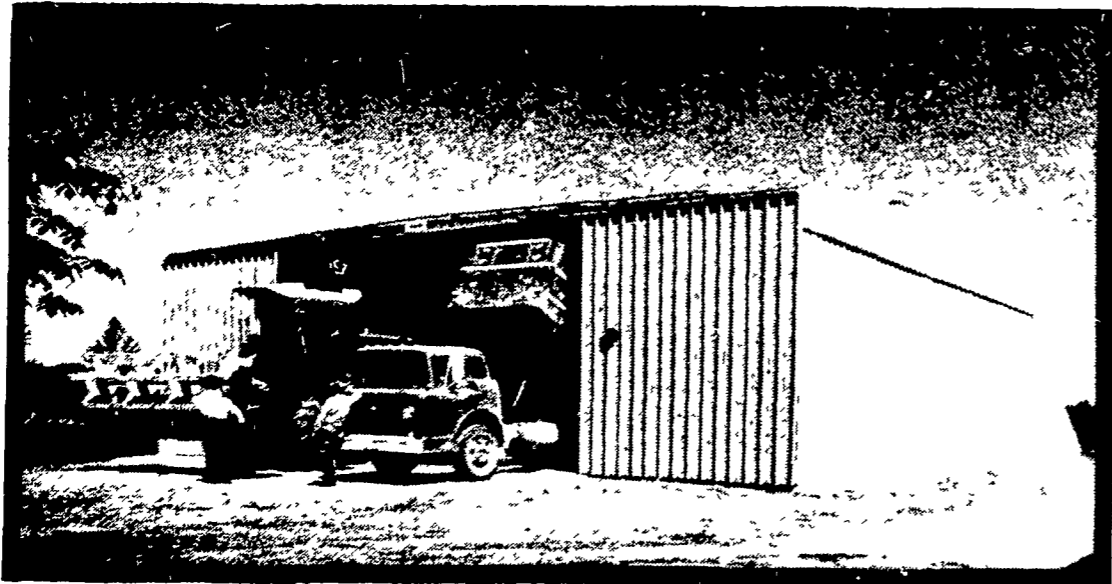
An egg eating a radio chick make them ur

The egg-e lured particip



Although Wolf Farms' outlet store is off the beaten track, customers keep it busy, with a big run on cracked eggs. The store also handles chicken meat and potatoes, other key ingredients in the Wolf Farms success story.

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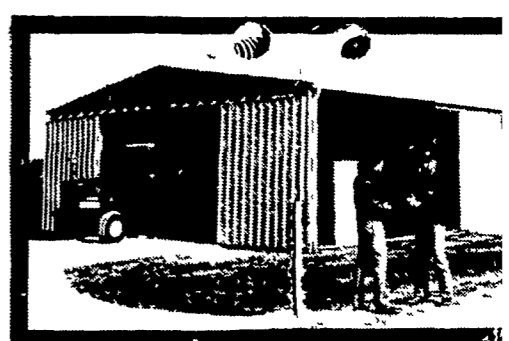
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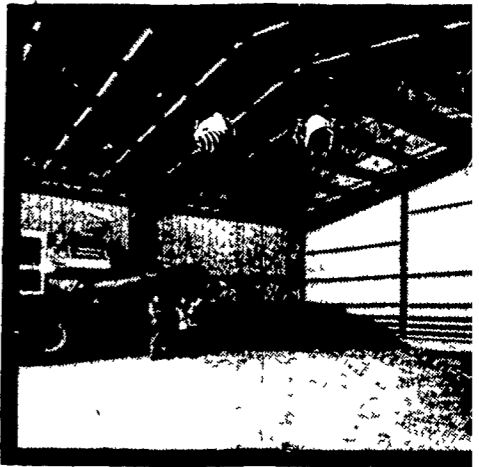
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