

# Poultry Houses Are Community 'Economic Engines'

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Lancaster Farming Staff  
**MANHEIM (Lancaster Co.)** — Don't think of them as merely chicken houses. In reality, they are "economic engines."

"Every broiler house that we're turning five flocks over per year, we're generating an additional \$1.3 million of economic activity in the area," said John Schwartz, Lancaster County Cooperative Extension director.

Schwartz spoke to more than 30 poultry producers and agri-industry representatives on Monday afternoon at the Penn State-sponsored Poultry Management and Health Seminar at Kreider's Restaurant.

What that economic engine, as Schwartz described it, translates into is increased household income, tax revenue, and money to allied and associated industries — not just the feed mills and processing plants but to the grocery, clothing, electronic, and other stores that make up the local economy. This domino effect creates ripples that have a huge impact on the local economy.

"For every dollar of poultry product we produce, that dollar turns over in the community 5.33 times," Schwartz said. The "5.33" is the "multiplier effect." Based on economic studies, according to the extension director, "we create about 47 jobs for every \$1 million in farm sales."

Schwartz provided an example

of a typical broiler house that turns out five flocks per year. That translates to about 725,000 pounds of poultry product. At a market value of 34 cents a pound (wholesale dock price and dressing percentage figured in), that means \$246,500 in sales. In addition, 250 tons of marketable manure is turned out per year at a value of \$6 per ton, or a total of \$1,500 per year. That creates a total of \$248,000 per year. At a multiplier amount of 5.33, total impact reaches to about \$1.33 million for every poultry house.

Each house, at those figures, creates nearly 12 new jobs in the community.

The figures increase as the flock numbers increase. At six flocks per year, 890,000 pounds of marketable chicken is turned out. This translates into sales of more than \$300,000, creating 14.3 new jobs in the community.

Tax revenue increases. Farm income for the broiler house approaches about \$7,500 per year. The cost of the house alone, not including all the equipment, is about \$84,000, and the building rent is about \$27,000 per year. On that house in the county, at 17 mills, real estate taxes are \$1,428 per year.

For layers, Schwartz used a round number of 100,000 layers operating per year. At 22 dozen per hen house at a marketable price of 47 cents (Pennsylvania Department of Agriculture figures), farm sales reach \$1,034,000. In addition,

2,200 tons of manure are generated per year at a marketable price of \$6 per ton, or a total of \$13,200 per year. Total farm sales are \$1.047 million. At a multiplier of 5.33, this creates an economic impact in the community of more than \$5.5 million, or about 49 new jobs.

Economic research, according to Schwartz, has indicated that the economic activity generated as a result of using confinement type agriculture has three different components. The activity has a direct input, in terms of creating jobs on the site; indirect, in terms of supporting the local service and supply economy; and induced, which includes a boost in spending power of those employed, as well as increased tax revenues.

Also, producers should think in terms of the houses as rental properties for birds — which would help them realize the economic potential of the investment.

According to Schwartz, for every \$1 in farm sales, we create \$3.22 in additional wages in the community and are purchasing \$2.13 worth of supplies (feed, chickens, electricity, and paper supplies). We generate 47 jobs for every \$1 million in farm sales.

"I submit that we're saving family farms," he said, "because in this area, by being able to put up these chicken houses, we're generating additional cash flow that these farm families need to meet the living expenses for that family or be bringing back in a son or a daughter into the family farm," said Schwartz.

The housing creates an investment of capital in the community. "Once we make that capital investment, we're looking at a good 10-15 years of production," he said.

"I think that's very important if

we're going to keep a strong, local economy, the producer has to be constantly thinking 'capital investment' if he's staying in this competitive industry."

One way is through helping to change township and borough ordinances that allow the producer to put up confinement housing through "permitted agricultural

use" regulations. That way, construction approvals don't have to go through township zoning boards.

There is a township in Lancaster that has such a permitted use, according to Schwartz.

"We need to start to talk about agriculture and farms the way we talk about business," he said.

## Jersey Scholarships Available

**REYNOLDSBURG, Ohio** — The American Jersey Cattle Association administers 11 scholarships each year for youth members of the association.

Jersey scholarships are available to youth who own at least one registered Jersey animal and who are accepted or enrolled in college.

Selection is based on financial need and scholastic achievement, as well as Jersey and related activities.

The deadline for applying is July 1. Applications are available by calling Sara Gaetz at the AJCA (614) 861-3636, or by writing to her at the AJCA, 6486 E. Main St., Reynoldsburg, Ohio, 43068-2362.

There are two V.L. Peterson scholarships available to youth who have completed at least one year of college. Peterson has been called the dean of dairy breed representatives for his 25 years of service to AJCA.

There is one Paul Jackson memorial scholarship awarded to a youth who has completed at least one year of college. Jackson was a longtime Jersey breeder, showman, and herdsman who was devoted to encouraging junior interest in Jerseys.

Jersey youth who are graduating from high school and have been accepted by a college or university are eligible to apply for a William A. Russell scholarship. The Russell scholarship was established in

1977 to honor Bill Russell, a life-long Jersey enthusiast who served as an area representative of AJCA and National All-Jersey Inc., a marketing offshoot.

There are also two Jack Nisbet Memorial scholarships annually awarded to participants in the National Jersey Youth Achievement Contest.

Nisbet joined the AJCA staff in 1941 as an extension director. He served as executive secretary for the association from 1943-47.


There also is an \$1,000 Stanley Bansen scholarship to be awarded to a student working on an advanced degree — either a master's or a doctorate — in dairy or animal science, dairy manufacturing, or agricultural business.

In addition to these scholarships, there is also an ABS/Morris B. Ewing essay contest sponsored by American Breeders Service. The contest winner receives a \$500 scholarship.

This year, the contest entries are to be written to address the question: "Why do you feel the influence of the Jersey breed is expanding, and what will keep it going?"

To be eligible for that contest, applicants must be 16 and 22 years old, as of Jan. 1 of the contest year.

Essays should not be more than 1,000 words and are to be judged on the accuracy of information, creativity and grammatical correctness.



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