



PLANNING FOR PROFIT



BRITISH COLUMBIA Ministry of Agriculture and Food

Pheasants
10,000 Birds/Year
Fraser Valley
Summer 1998

Agdex 454 - 810

Introduction

The planning process provides producers with the opportunity to look at their operation as a group of distinct enterprises. Alternative enterprises should be evaluated on the basis of **Contribution Margin**, taking into consideration resource constraints, market opportunity, risk and uncertainty.

The **Contribution Margin** must provide funds for interest, overhead and other indirect expenses as well as a return for living expenses, loan repayment and investment. These items should be included in the overall farm plan which will include a **Projected Income Statement** and **Projected Cash Flow Statement**.

Key Factors Affecting Profit

	Target
Dressed Weight (Avg)	1.22 kg
Weeks to Slaughter Weight	22 weeks
Feed Conversion	4.4 (feed/wt. gain)
Prime Carcass Grade	97%

Meat pheasants are reared in out-door flight pens and require 8 - 10 sq.ft./bird. Breeding stock can be either purchased as chicks or young pheasants may be held back from the previous year's production and raised for breeding birds. Breeding birds reach maturity and egg laying at 32 weeks of age. Hatching requires 25 to 26 days. For meat pheasants, slaughter weight is achieved in about 22 weeks, out-door pheasant production normally has only one cycle/year. Pheasants can be fed commercially available turkey rations, however pheasant ration formulations are available from local feed mills.

Marketing Alternatives

The B.C. pheasant market is small and stable. Fresh or frozen pheasants are sold to specialty wholesalers, restaurants and specialty retail poultry outlets. The pheasant industry is a non-market regulated industry. There are no production quotas nor is there a central marketing agency. The producer is responsible for all aspects of pheasant production and marketing and markets should be secured before entering the industry.

Cash Flow Timing

	J	F	M	A	M	J	J	A	S	O	N	D
%Inc	8	8	8	8	8	8	8	8	8	8	8	8
%Exp	8	8	8	8	8	8	8	8	8	8	8	8

The above information indicates the monthly timing of funds in the **Contribution Margin** only. A completed **Projected Cash Flow** should include fixed expenses, capital sales and purchases, loans and personal expenses. The cash flow illustrated represents a producer with one complete cycle.

Rules of Thumb

Direct Expenses % of Income	65% - 70%
Estimate of Labour	40 hr/week
Investment/Breeding Pair	\$1,100 - \$1,200

The above indicators are provided for comparison purposes. They are set out as potential targets for pheasant production.

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PHEASANTS

Target - 1.22 kg Evisc. Weight

Contribution Margin 10,000 birds per year Fraser Valley

Income

	Yield	Price	Unit	Income
Grade #1	11,590	\$7.70	kg	\$89,243
Utility	244	13.09	kg	3,194
Spent Breeders	244	12.29	kg	2,999
Condemns	<u>122</u>	0		0
Total (eviscerated)	12,200			
Total Income				\$95,436

Total Income/kg Eviscerated \$7.82

Direct Expenses

	Quantity	Price	Unit	Expense
<u>Breeding Costs</u>				
Starter	2.2	\$337	MT	\$741
Finisher	1.1	303	MT	333
<u>Feeder Costs</u>				
28% starter	20	385	MT	7,700
20% grower	30	340	MT	10,200
18% finisher	50	310	MT	15,500

Other Costs

Litter, Energy & Medication	3,183
Custom Processing	21,047
Custom Freezing/Cold Storage	2,464
Marketing	308
Transportation	513
Building R & M	2,165
Equipment R & M	265

Total Direct Expenses \$64,419

Contribution Margin \$31,017

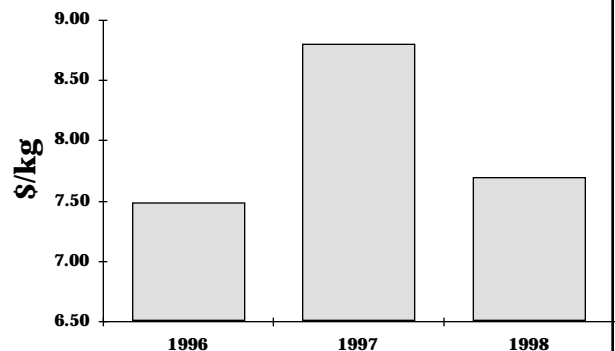
Total Direct Expenses/kg Eviscerated \$5.28

Contribution Margin/kg Eviscerated \$2.54

Buildings and Machinery Replacement Costs 10,000 Birds to Market Annually

Brooder Barns & Equipment	\$ 80,250
Flight Pens & Equipment	136,250
Misc. Equipment & Vehicle	<u>26,500</u>
Total	\$243,000

Pheasant Wholesale Prices Grade #1



Contribution Margin/kg Eviscerated - Sensitivity Analysis

The table below lists the changes to the contribution margin per eviscerated kg of product as the weighted cost of feed and weighted market price/kg vary.

Price \$/tonne	Price \$/kg Eviscerated			
	7.50	7.75	7.82	8.00
300	2.51	2.76	2.83	3.01
325	2.29	2.54	2.62	2.85
334	2.22	2.47	2.54	2.72
375	1.87	2.12	2.19	2.44

This information is provided as a guideline only. Target yield indicates above average production. An individual livestock plan should be developed by each producer. Planning forms may be obtained from your local office of the B.C. Ministry of Agriculture and Food.