



# PLANNING FOR PROFIT



Province of British Columbia  
Ministry of Agriculture, Fisheries and Food

Quail  
Fraser Valley  
Spring 1994

Agdex 458-810

## 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 and risk.

The **Contribution Margin** must provide funds for interest, overhead and other fixed 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
Feed Conversion (kg feed/kg gain)	3.5
Weeks to maturity	7.5
Hatchability	55%
Processed Weight	0.2 kg (7 oz)

Quail are essentially raised like broiler chickens. Only hybrid strains with a high carcass weight have commercial viability for meat production. For this budget production is targeted to supply 1,000 birds weekly and includes breeding and hatching of chicks. Six complete cycles per year are possible. Quail require little floor space and are highly efficient feed converters. Commercial rations are available from some feed mills. Constant access to water is essential to prevent dehydration in these small birds.

## Marketing Alternatives

In 1992 250,000 quail were commercially processed in B.C. The fresh processed birds are sold to specialty distributors in the restaurant and retail trade. In this market a steady supply of consistent quality product is important. B.C. quail compete with smaller birds from Quebec. The costs of processing exceed those in Quebec but B.C. birds are heavier and thus generate higher returns per bird when sold by weight. One market segment requires sales to be priced by the piece. Some smaller birds are exported to the U.S. at 4 weeks of age.

## Cashflow 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.

## Rules of Thumb

Direct Expenses as % of Income	75 %
Investment per bird sold annually	\$1.65

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

Contact: STEWART PAULSON, P.Ag.  
Poultry Industry Specialist  
Abbotsford  
BOB CHEATLEY, P.Ag.  
Farm Management Specialist  
Abbotsford

Prepared by: WALTER RIEMANN, P.Ag.

# QUAIL

## Target - 0.2 kg (7 oz.) Processed Weight

### Contribution Margin

1 Bird

#### Income

	Yield	Price	Unit	Income
Grade 1 Bird	0.234	8.05	kg	\$1.45
Grade 2 Bird	0.023	7.17	kg	\$0.13
Condemned Bird	0.002		kg	
<b>Total Income</b>				<b>\$1.58</b>

#### Direct Expenses

	Quantity	Price	Unit	Expense
<b>Feed (Bulk)</b>				
Starter (28%)	0.0003	\$367	tonne	\$0.11
Finisher (22%)	0.0008	\$319	tonne	0.26
Breeder	0.0002	\$294	tonne	0.06
<b>Total Feed</b>				<b>\$0.43</b>
<b>Supplies and Services</b>				
Litter & Energy				0.05
Transportation (fuel only)				0.03
Custom Processing				0.65
Buildings & Equip. R & M				0.02
<b>Total Direct Expenses</b>				<b>\$1.18</b>

**Contribution Margin / Bird \$0.40**

### Buildings & Equipment Replacement Costs 50,000 Birds to Market Annually

Initial Breeder Hatching Eggs	\$800
Buildings	\$28,600
Equipment	\$38,000
Truck	\$15,000
<b>Total</b>	<b>\$82,400</b>

### Wholesale Quail Prices

This space usually provides a graph on historic price formation. However, quail prices are only recorded for a single market segment by one distributor and have not changed over the last three years. Prices will vary depending on market channels. Retail prices are largely determined by Quebec imports.

### Contribution Margin - Sensitivity Analysis

The table below lists the changes to the contribution margin per bird as the feed cost and the market price vary.

Feed \$/tonne	Wholesale Price \$/kg			
	\$6.50	\$7.50	\$7.98	\$8.50
200	0.28	0.48	0.57	0.67
275	0.18	0.38	0.47	0.58
331	0.11	0.31	0.40	0.50
380	0.04	0.24	0.34	0.44

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 Fisheries.