

Fryer Marketing

economies of continuous and batch systems compared in Hayward area

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Producers of chicken fryers in the Hayward area of Alameda County have a wide range of outlets through which their fryers can reach consumers.

Of the 1951 crop 8% was killed and dressed by producers on their own premises. Generally, they were sold to customers at the ranch, but some were sold to other retailers. Most of these birds were heavier than the standard 2½- to four-pound fryer. The location of the ranch and personal support of the individual appear to be the major factors governing the success of this type of marketing.

A further 22% of the 1951 crop was sold alive to processor-retailers selling directly to consumers. This type of marketing agency has a regular clientele seeking a certain weight and quality. The processor-retailer seeks regular sources of supply which will enable him to avoid wholesalers' margins and meet his retail obligations with a minimum of waste and delay. In order to get the birds which meet his specifications, the processor-retailer is usually willing to pay a premium over the quoted wholesale price.

The remaining two-thirds of the Hayward fryer crop of 1951 were bought by wholesale processors. Redistribution to consumers was through their retail branches, through independent retail stores, hotels, and restaurants.

More than half of the chickens consumed in the East Bay cities—including Oakland, Berkeley, and Richmond—were shipped in alive from near-by ranches. About 40% were trucked in from San Joaquin Valley processing plants in an iced, dressed condition. The remainder of the requirements was filled by cut-up frozen chicken, mainly of out-of-state origin.

Live bird processing plants in the East Bay area are of small size, several in number, and widely scattered in location. In San Francisco, chicken processors are few in number, of large size, and located close together. In the San Joaquin Valley, the principal processors are large in size, few in number, and located in the principal cities.

The processors in the East Bay are mainly in the produce market areas of Richmond, Oakland and San Leandro. None of these plants handles more than 10,000 birds per average week. In 1951, none of them had conveyor machinery.

The primary service performed was dressing birds—killing, bleeding, and plucking. In terms of the original live weight, the average margin for dressing and wholesaling was about 7.5¢ per pound. Retailers took about an additional 7¢ per pound as their margin.

Two-thirds of the live birds processed in the East Bay area were handled by concerns maintaining retail outlets of their own. Hence, the wholesaler-retailer is the most important type of marketing agency. In spite of the double margin available to this type of business, its share of the total market is on the decline. To obtain chickens, some of the wholesaler-retailers are establishing their own flocks and supplementing this source when necessary by purchases from hucksters.

In Northern California, most chicken marketing transactions are related to the processors' prices paid in San Francisco and published daily. The quotations cover a range of prices paid for first-quality chickens delivered to the plant. In the initial bargaining process, most buyers and sellers agree that the price of each lot will have some specific relationship to the San Francisco price. This is considered a base price for all subsequent dealing, subject to adjustments for departures from average quality. Many factors influence the relationship to the base price obtained by individual raisers. Some of these factors are the breed of bird raised, the type of buyer, and whether continuous or batch systems of production are employed.

In the Hayward area those fryer producers who use the continuous system received between one and two cents per pound for live birds more than those producers who used the batch system.

Under the continuous system, fryer chicks are started every week or two weeks, and mature fryers are marketed at the same intervals. Under the batch system, a flock is started, grown to maturity, and then sold as a flock.

The batch system is more popular with professional raisers since credit can usually be obtained for feed and chicks during the short period of growth. In addition, the large number of chicks offers certain economies in cost of production. Bulk purchase of supplies, automatic feeding and watering, greater control over disease, and more free time

for the owner are some of the advantages.

Most of the producers in the Hayward area use the continuous system which is particularly adapted to the needs of the processors in their area. The producers which sold to smaller buyers are those which sold more frequently. They obtained higher prices than those who used the batch system, and had fryers for sale less frequently. The batch system producer had to find a processor equipped to take his large volume. The only processors able to take the large volume were those in the San Joaquin Valley. Since the Valley processors are farther distant from market, the prices they paid were lower than those close to market.

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but the acreage is relatively small and not yet stabilized. No evaluation of the 1955 attainable yield for either crop was made but important increases in both yields and acreage are possible.

It is a usual thing for some vegetable growers to leave entire fields, parts of fields or a final picking untouched, because the current market will not take the additional quantities at satisfactory prices. That situation leaves little incentive for higher natural yields. The urge is often for improved quality, and much of the research has been in that direction rather than toward increasing yields.

Among the vegetable crops, carrots are the most likely to show important increases in yield by 1955. Higher yields—291 crates per acre for 1955 compared to 240 crates for 1950—are expected from using pelleted seed, increasing plant populations per acre, and improving marketing techniques.

Almonds, peaches, walnuts, and prunes are the fruit and nut crops most likely to attain increased yields by 1955. Better yields of almonds and walnuts will be largely a matter of shifting acreage to more productive areas—a shift now going on. The important factor for prunes will be pulling out marginal acreage and old orchards, thus raising the average yield on the acreage retained.

Yields of pasture and range must be measured in some unit other than the bushels and tons used for harvested crops. The measure deemed most suitable in this study is animal unit month—AUM—the amount of forage required to maintain a mature beef cow for 30 days.

An increase averaging one AUM per acre on irrigated pasture can be attained by 1955 through application of improved

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