Mike and Debra Hansen, Gifts From the Good Earth Farm
Milladore, Wisconsin

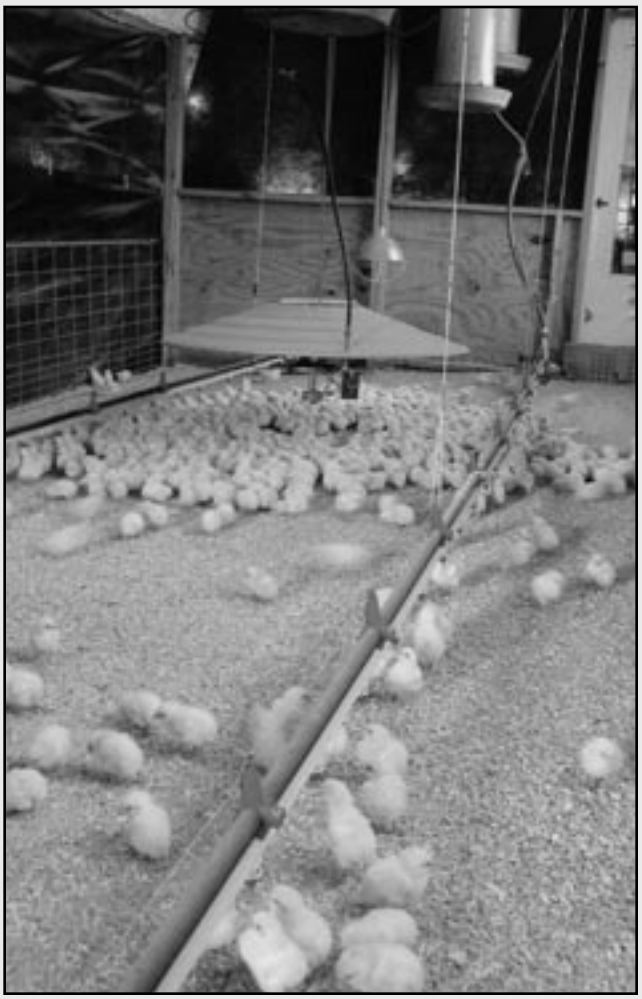
Returning Chickens to the Range

Despite not being raised on a farm, Mike Hansen feels he was born to be a full-time farmer. When he met his future wife, Debra, a dairy farmer's daughter, it was love at first sight. "I became absolutely infatuated with farming," Mike describes. The day after returning from their honeymoon in 1985, Mike was digging in the dirt of Debra's family farm.

But it has taken a long time for Mike to fulfill his destiny. For 14 years he worked office jobs while operating market gardens, raising chickens, and tending livestock on the side. In 1995 Mike and Debra purchased 76 acres in central Wisconsin, which they certified for organic production in 1998. They launched "Gifts From the Good Earth," which offers organic, pastured poultry, beef, and pork finished on intensively managed pastures. In 2002 they raised 4,600 broiler chickens, selling them through restaurants, groceries, on-farm purchases, and Internet orders, even as both Mike and Debra worked off the farm while raising three children.

Farming and working full time got to be too much for Mike, so the Hansens cut back to 1,200 chickens for 2003. But Mike wasn't giving up his dream. He decided to scale back to half time at his county rural planning job, and quit altogether late in the year. "It just got to the point where we knew I had to do it, because this really is our dream," Mike said.

In 2004 the Hansens aimed to grow and sell at least 4,000 organic, dressed chickens, along with 25 head of grass-fed beef and smaller numbers of turkeys and hogs. For the chickens Mike is developing brooder and pasture-growing systems that he believes can allow one person working half time to produce up to 20,000 birds annually. Even more important, Mike said, is the enterprise's effort to refine its marketing system to sell those birds to customers far removed from their isolated farm.



Day-old chicks gather under LP-fired brooders and drink from elevated water lines in a brooding room.

Starting chicks

The Hansens buy day-old, Cornish Cross chicks from a commercial hatchery starting no earlier than May 1. Mike converted a portion of an old dairy barn into a brooding pen capable of starting 1,200 chicks. The 12 ft by 30 ft area is bounded by wire hog panels covered with chicken wire. The pen is topped by netting to prevent sparrows and barn swallows from entering. Mike leaves the barn doors open during warm weather to allow for ventilation, but hangs lightweight cloth over the outer sides of the brooding area to control air movement through the pen and prevent the chicks from being startled when a barn cat walks by. The concrete floor is bedded with pine shavings.

For the new chicks, a portion of the pen is heated to above 90 degrees F by an LP gas-fired brooder. Temperature levels are decreased as the birds grow. They eat a starter ration from hand-filled, hanging feeders, and water is

provided through a pressure-regulated drip system. After the chickens are moved outside at three to four weeks of age, Mike swings the hog panels up, allowing him to shovel the bedding into a gutter. He tries to allow the pen to sit empty at least a few days between batches.

Mike said the brooding system has worked well and that death loss has averaged 10 percent. Daily chores for 1,200 chicks require no more than 15 minutes. He is considering adding similar brooders to the dairy barn as his business grows, but also fears disease problems. Another option would be developing skid-mounted pasture brooders that, after the heating units were removed, could double as portable growing facilities that would shelter the birds throughout their lives on the farm. "We wouldn't have to transfer the birds from brooder to pasture, and it would be cleaner because we could give the chicks access to the outdoors almost from the start," Mike said.

Pasture

The pasture production season starts in late May and ends in early October. The pasture chickens are kept on roughly one-third of the farm's 60 acres of pasture each year, with the production area in a three-year rotation. The birds provide fertility and insect control that are also important to the farm's expanding beef cow-calf grazing program. "I want to have a holistic farming system that is good for the earth and produces good quality food for my family and our customers," Mike explained. He said he needs to learn more about managing broilers, laying hens, turkeys, cattle, and hogs in a system that provides natural pasture fertility and parasite control.

Housing

Mike's first experience with pasture accommodations was with an 8 ft by 12 ft movable pen made with an oak frame and steel sides that he moved at least daily. "It weighed about 300 pounds, and it just about broke your back to move it," he recalls.

After some trial and error, he settled on pasture cages made of cattle and hog panels. Two 16-ft wire cattle panels are bowed over a pair of 2 ft by 4 ft frames spaced 12 feet apart. Hog panels are placed on the other two sides, with chicken wire preventing birds from escaping through gaps in the panel wires. About half of the side and roof area is covered with a tarp. Positioning the pens so that the tarp is to the windward side has prevented the hoop houses from being turned over in even the highest winds, Mike said. The structure, which weighs about 125 pounds and requires less than $100 in materials, can be moved by hand with a dolly.

The Hansens' pasture shelter consists of wire cattle panels covered with a tarp. It is designed to be moved to new pasture weekly, rather than daily.

Although this pen was easier to move than the wooden pens, Mike grew dissatisfied with the labor requirements and relatively poor growth performance with the cage production method. In 2002 he changed to a modified free-range system, enclosing the chickens within about 8,000 square feet bounded by electrified poultry netting. Mike positions five pasture cages within the enclosure, creating shelter and pasture for more than 1,000 birds. With the chicken wire removed, the birds are free to move to and from the structures by stepping through gaps in the wire panels. The netting and panel shelters are moved to a new area of pasture about once a week, although Mike also shifts the shelters a few feet every day or two to prevent manure buildup. Drinking water is piped from the farmstead to the pasture, with water containers placed on low wagons that can be moved with the enclosure.

Feed containers are placed in the shelters, and Mike also sprinkles some feed in the pasture to encourage pecking and grass consumption. He can tend a thousand birds in 10 or 15 minutes, with the weekly moves of the enclosure requiring about an hour. "We found that letting them run free improved their health and demeanor, and it's less labor by far," Mike said. The extra exercise may be slightly reducing weight gains, but grass consumption has increased. Mike asserts that dark meat quality has improved with the change. He said death losses on pasture have declined to less than five percent with the move to the free-range system, as the birds do not peck at each other nearly as much. Other than an occasional hawk attack, predators have not been a problem.

In early 2004 he was thinking about modifying the pasture cages to provide more shelter. One problem stems from the fact that the Cornish Cross meat chickens do not roost. "Right now they're on the ground, and they get wet and cold. I think that's costing us some weight gain," Mike explains. He envisions a structure elevated on skids with slotted plastic floors that could keep the birds warmer and drier. These structures could also serve as brooders, allowing the chickens to be associated with one building during their entire, eight-week life span on the farm. Mike believes that with proper management, the farm will be able to consistently keep death losses at five percent from arrival to departure.

Mike Hansen was building trailer cages capable of hauling 2,000 chickens on the four-hour trip to his processor.

Processing

Mike takes his chickens to a USDA-inspected plant in northeastern Iowa. He built a trailer capable of hauling 1,200 birds housed in four-tier wire cages, and hauls them behind his pickup truck on the four-hour trip to the plant. The dressed chickens, which average about four pounds, are quick-frozen at the processing plant. Primarily because of liability concerns, Mike does not sell any fresh chicken. The farm has a freezer with a capacity of 1,500 dressed chickens, and any additional inventory is placed in rented cold storage space. Mike said it is important to have a year-round inventory to meet the needs of restaurant and grocery store customers. In early 2004 he purchased a different truck and was looking for a larger flatbed trailer to go with it. With redesigned transport pens, he plans on hauling up to 2,000 chickens to the processor.

Marketing

While Mike strongly believes that marketing holds the key to success for his poultry enterprise, he lamented the farm's "lackluster" performance in this area. "That has been the fault of working off the farm," he said. With Gifts From the Good Earth located in a rural area, efforts to market locally have not been very successful. Only about ten percent of marketing revenues come from on-farm sales, and the Hansens gave up on farmers' markets because of the time involved. They sell some chicken to a few natural foods stores in the area, but Mike does not like to spend time delivering product. "There are scattered people in rural Wisconsin who care about what they eat, but you have to get to the larger cities to make sales," he asserted.

Radio advertising drew very few customers. They developed a sales brochure that has brought in some business. Mike has gained several larger restaurant accounts. However, Internet sales to individuals through the Gifts From the Good Earth web site were producing more than 60 percent of the farm's revenues in early 2004. About 70 percent of total sales are shipped in dry ice via multi-day ground or overnight delivery services. "Our main focus is now on the web site," Mike said. "We're part of the 'new economy.' Our storefront is the world."

Mike designed his own shipping boxes by cutting two-inch thick polystyrene into panels that can be made into boxes capable of holding up to 12 dressed chickens. Each box requires about $4 in materials and 10 minutes to make. Mike reports very few problems with shipping products to both coasts, and even as far away as Guam. He dislikes the labor and mess involved with making the boxes and is working with a company that will be able to do the job for him. The farm can offer overnight ground delivery to Chicago and Minneapolis at a cost of $15 for a 30-lb. box. "Shipping can add 25 to 50 percent to the cost of small orders, even though we don't build any profit into the shipping," Mike said.

In addition to chickens, the Hansens grow turkeys in brooding areas constructed within an old dairy barn.

Mike said he wants to keep his prices within the reach of average families with kids. "We want to provide a reasonable price so that people like us can buy our products," he explains. "If I'm going to be successful at this, I have to produce the highest-quality product I can, and I have to get it to the customer at or near the price they see in the local store. At that point, the convenience of the delivery swings the sale our way."

In the late 1990s, the Hansens priced chicken at $1.79 a pound, plus shipping. But their calculations indicated production costs at $1.75/lb., a figure that includes depreciation, but not family labor. With a moderate salary figured in, the breakeven was closer to $2.35. "I called our customers and said that because the price wasn't sustainable, we were raising it. That day we sold 700 chickens," Mike describes. In early 2004, the standard price on the web site was $2.89/lb.

With a new, USDA-inspected locker plant scheduled to open nearby in 2004, the Hansens formed a limited liability corporation with a neighbor to operate an expanded pasture-raised, organic and "natural" beef business. They also plan to offer more pastured pork and sell more eggs. Gifts From the Good Earth counts about 250 customers, including about a hundred "regulars" who purchase products at least four or five times a year, Mike said. "The trick is to turn the other 150 into regular customers."

He is targeting the Chicago restaurant market, and envisions working with a warehouse that could provide central storage for several customers, thus limiting the number of delivery trips he'd need to make. Mike said his business may be capable of netting $80,000 per year in profits from chicken sales alone, with the other enterprises adding to that bottom line. He said hiring labor and contracting production to other farms are possibilities if such moves allow Gifts From the Good Earth to operate at a scale that allows Mike to continue with his goal of full-time farming.

Labor

"We're fanatical about labor efficiency. We constantly analyze how long it takes to do things," Mike explains. When he worked off the farm, Mike was able to handle chicken chores in both the brooder pen and the pasture cages in 25 minutes. He calculates that each chicken requires 3.5 minutes of work to raise, not counting marketing labor or work done on special farm projects. "I feel I can raise 5,000 birds without breaking a sweat," Mike said. If the markets for his chickens continue to grow, he figures it may be possible to raise 20,000 meat chickens a year with about half-time labor. "Our production model has been based on 20,000 birds a year since day one," he explained. Mike intends to spend more time on marketing and business management now that he is not working off the farm. "I'm spending three or four hours a day at the desk doing business work," he explained. "I'm the kind of person who loves having 12 things to do at one time. Not everyone is like that."

Finances

In 2003, the farm grossed about $40,000 from the equivalent of about one full-time labor unit. During their first nine years of operation, the Hansens grossed a total of about $120,000, and did not draw any money for family living. "We didn't want to risk everything by jumping in with both feet," he explained. "We wanted to slowly build something that was sustainable." Mike said he has to work harder at scaling up the business now that he is not working off the farm. He and Debra, an accountant, have put together a business plan that calls for growth and provides some family living from the farm. In a typical year, with no major death losses, Mike said the business can clear about $2 per bird above production costs to pay for family labor and management. He believes net profits in the $3-$4/bird range are possible with better production management at a larger scale.

An old dairy barn is home to chicks for the first four weeks until they are ready to go out on pasture.

Words of advice

Mike said his goal is to increase the size and efficiency of his business to give Debra the option of quitting her off-farm job. However, he urges poultry producers to start small. The Hansens began with 50 chickens, and did not reach 1,000 birds until several years later. Prospective producers should first study the market. "Get a feel for how many birds you can sell before you buy the chicks," Mike said. Even if there is large market potential, "don't produce more birds than you are comfortable raising." And, he added, "Never stop learning. Once we think we have a good idea implemented, we begin evaluating how we could have done it better."