

Florida's Commercial Broiler Industry ¹

Jacqueline P. Jacob and F. Ben Mather²

Broilers (also called fryers or frying chickens) are meat-type chickens usually marketed at 4-10 weeks of age, depending on the body weight desired. Broilers are used for products such as Cornish Hens (about 4 wk of age and 2.85 lb), chicken for fast food restaurants (about 6 wk of age and 4.1 lb), chicken for grocery stores (about 7.5 wk of age and 6.0 lb), and deboned chicken for sandwiches, nuggets, etc. (about 8.5 wk of age and 6.5 lb). Increasingly, further-processed products like microwave oven-ready or marinated items are being developed and marketed.

The broiler industry in the U.S. is vertically integrated. That is, typically the broilers are produced and marketed by firms which own or control breeder flocks, hatcheries, broiler flocks, feed mills, processing plants, and market arrangements. While there are some company-owned farms, typically, birds (both broiler and breeder flocks) are managed by farmers under contract and under supervision of the company. The farmer provides land, labor, houses, litter, equipment, taxes, utilities, and insurance. Contracts provide a base amount and reward efficiency and quality of product with bonuses. The company furnishes birds, feed, vaccines, drugs, and supervision.

FLORIDA'S BROILER PRODUCTION

In the U.S., Florida ranks as the 14th state in broiler production. In 1995, 139.8 million broilers were grown in Florida giving a total of 615 millionpounds of product. This production was worth \$218,361,000 (Florida Ag Stats Service, 1995). Despite this relatively large volume of broiler production, Florida produces only about a half of the state's consumption. The rest is supplied by states such as Alabama, Georgia, and the Carolinas.

Broiler Companies in Florida

Three major broiler companies produce and market approximately 140 million birds per year. They are located in the northern counties (see Figure 1). They are: Tyson Foods, Jacksonville; Perdue Farms, DeFuniak Springs; and Gold Kist Poultry, Live Oak.

A new broiler company started production in Florida in 1996. It is targeting a niche market with pasture-grown broilers. Green Pastures of America has a relatively small processing plant in Ocala. There appears to be potential for increased production with this pasture-grown approach.

1. This document is FACT SHEET PS-20, one of a series of the Dairy and Poultry Sciences Department, Florida Cooperative Extension Service, Institute of Food and Agricultural Sciences, University of Florida. First printed June 1997. Revised May 2004. Please visit the EDIS Website at <http://edis.ifas.ufl.edu>.
2. Jacqueline P. Jacob, poultry extension coordinator; and F. Ben Mather, poultry extension specialist; Dairy and Poultry Sciences Department, Cooperative Extension Service, Institute of Food and Agricultural Sciences, University of Florida, Gainesville, 32611.

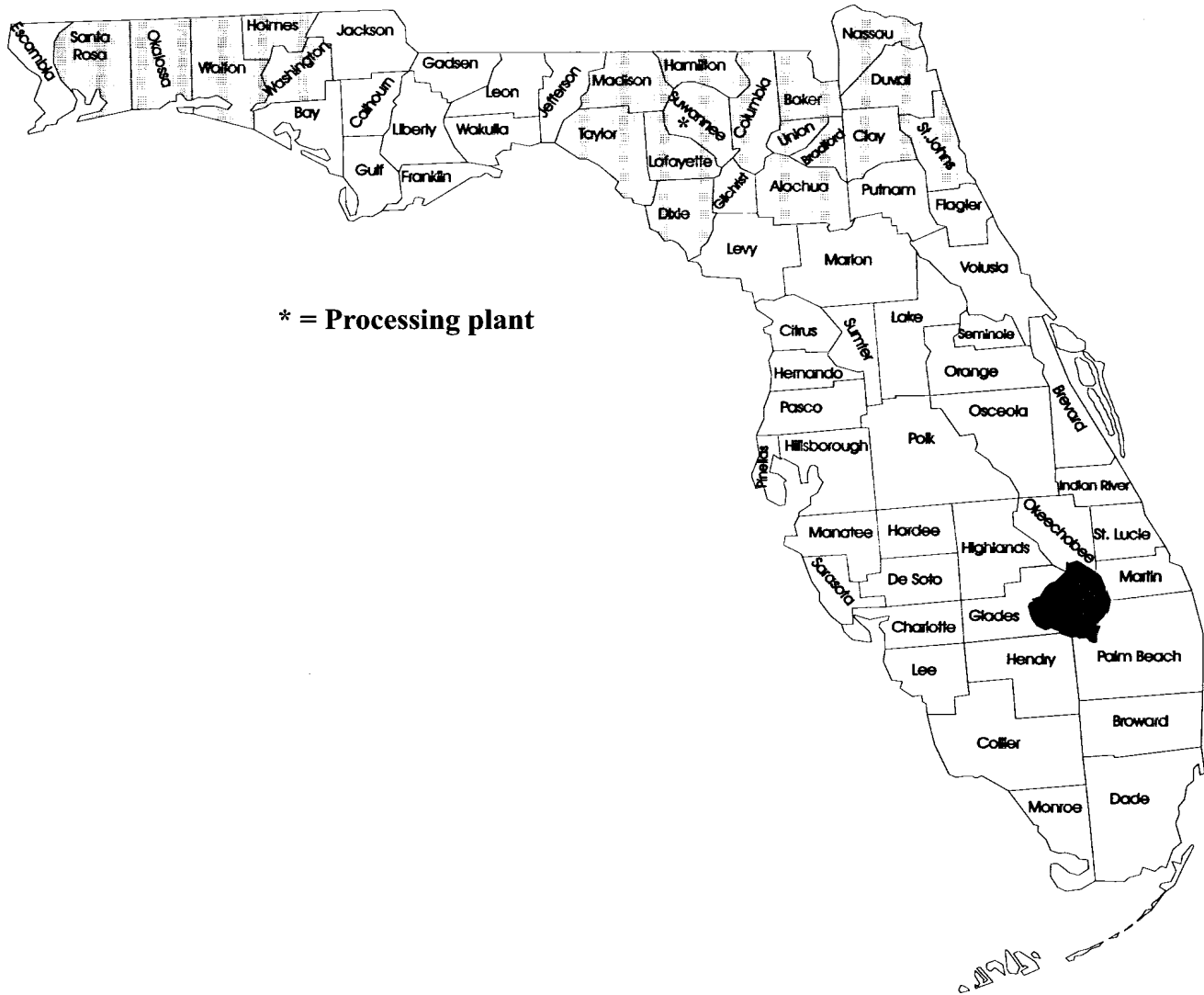


Figure 1. Counties which have commercial broiler production (does not include pasture-fed broilers).

Tyson Foods

Tyson Feed and Hatchery was incorporated by John Tyson in 1947. Tyson Foods is now a multinational company based in Springdale, Arkansas. One man's dream turned into the largest broiler company in the nation. In 1995, Tyson produced 117.2 million pounds of ready-to-cook broiler meat on a weekly, nationwide basis. Tyson Foods broiler products include 55 percent foodservice, 35 percent retail and 10 percent export. Products are 24 percent fresh and 76 percent frozen, 94 percent cut-up and 86 percent are value added. The company offers 4,600 products under the company brands of Tyson, Tastybird, Holly Farms, Weaver's,

Brandywine, and McCarty Foods, as well as other private labels.

The Springdale based company employs 61,270 people at 45 hatcheries, 28 feedmills, 34 processing plants, 21 further processing plants, 7 distribution centers, 6 rendering plants and 52 water treatment plants. The 27 vertically integrated complexes include 2,400 breeder houses on 1,100 breeder farms and 15,800 growout houses.

North Florida is home to one of Tyson Foods' vertically integrated broiler complexes. The complex began as Painters/Paramount Poultry. In 1972 it was acquired by Cargill, Inc., who funded a \$14.8 million processing facility expansion in 1992. The Jacksonville complex joined the Tyson family on

September 2, 1995. Company-owned pullet farms, a hatchery, a feed mill, and a processing facility, supported by an array of contract breeder, pullet, and growout farms, have the capacity to provide a wide range of chicken fast food items. The feedmill, hatchery and processing facility comprise 104.5 acres. All operations take place within an 80 mile arc of Jacksonville, with some breeder operations located in Georgia.

The economic impact of the complex on the city of Jacksonville is significant. It includes a \$15,000,000 payroll, \$2,000,000 in benefits, \$2,000,000 in utilities, \$7,000,000 to growers, and \$600,000 in miscellaneous taxes per year. The complex further enhances its Tyson good neighbor image by contributing poultry products to local charities and raising funds for community projects such as the March of Dimes and the American Cancer Society.

Perdue Farms

Perdue Farms is a regional company headquartered in Salisbury, Maryland, where it was founded in 1920. Perdue is the second-largest poultry company in the U.S. with production operations, as well as branded marketing emphasis, generally east of the Mississippi. The company services the retail, wholesale club, foodservice, and export channels with raw, partially-prepared, and fully cooked products. Retail brands include Perdue, Perdue Done It, Fit'n Easy, and Oven Stuffer roaster products. Other brands include Shenandoah, Cookin' Good, and Chef's Choice, plus private labels.

Perdue's grain operations rank among the top 20 largest grain companies in the U.S. The company is involved in grain purchasing, merchandising, and manufacturing; national and international commodities trading; soybean/edible oil refining; by-products livestock and pet food ingredient manufacturing; and manufacturing specialty feeds for commercial aquaculture.

Perdue's Florida management group operates two poultry processing plants: one in DeFuniak Springs, FL and the other in Dothan, AL. Their two hatcheries are located in Alabama as are some of the contract farms.

Gold Kist Poultry

Gold Kist Poultry is a multistate company based in Atlanta, Georgia. Gold Kist was founded in 1933 as a farm cooperative. Today, it is totally owned by about 50,000 farmers. Gold Kist is the only major poultry company in the U.S. that is 100 percent owned by farmers. Gold Kist markets under the Gold Kist Farms, Medallion, Young'n Tender, Gold'n Krispy, and Big Value brand names. A line of processed meat products is marketed under the McEver's brand. Some volume of fresh and further processed products is sold under customers' private labels. The Gold Kist Farms brand includes chill-pack, fresh poultry, Cornish hens, and further processed items such as chicken patties, breast patties, chicken nuggets, breast strips, hot and spicy chicken wings and marinated breaded chicken. Fresh, frozen, and further processed chicken is marketed to the retail trade, distributors, foodservice, school lunch programs and for export. The company's marketing area is primarily in the Southeastern U.S., plus selected national and international markets. Cornish Hens are marketed nationally.

ISSUES

Environmental Regulations

As a by-product of producing 140 million broilers each year, approximately 1 million tons of used litter (combination of manure and bedding materials) is removed from broiler houses annually. There also are about 1 million broiler breeders contributing to the amount of used litter produced. Traditionally this litter has been spread on fields as a fertilizer. Although broiler litter is an excellent fertilizer, there is potential for ground- and surface-water contamination. The Florida Department of Environmental Protection is currently in the process of revising the state environmental regulations affecting animal husbandry operations. These new regulations will challenge poultry producers to more effectively utilize litter.

The proximity of large acreages of pines to poultry operations in the Southeastern U.S., and the increased lumber production when nutrients are applied, makes planted pines a prime candidate for environmentally sound utilization of broiler litter.

The Livestock Waste Testing Service laboratory at the UF/IFAS Suwannee River Valley Agricultural Research and Education Center in Live Oak can analyze litter samples for producers and provide recommendations on options for its use as a fertilizer.

Food Safety

The Federal Food Safety and Inspection Service (FSIS) has established new inspection requirements for the meat and poultry industries. These new regulations are designed to reduce the occurrence and numbers of pathogenic microorganisms on meat and poultry products, reduce the incidence of foodborne illness associated with the consumption of those products and provide a new framework for modernization of the current system of meat and poultry inspection.

The new regulations require that each processing plant develop and implement written sanitation standard operating procedures (Sanitation SOPs). All poultry processing plants will be required to carry out regular microbial testing to verify the adequacy of their controls for the prevention and removal of fecal contamination and associated bacteria. They will also be required to develop and implement a system of preventive controls designed to improve the safety of their products, known as HACCP (Hazard Analysis and Critical Control Points).

Although the new regulations became effective July 25, 1996, the SOPs regulations will become applicable on January 27, 1997 while the HACCP regulations will be applicable on January 26, 1998.

OUTLOOK

Broiler production in Florida will probably increase until the maximum capacity of Florida's three processing plants (and the Perdue plant in Dothan, a part of the Florida complex) is reached. Production of pastured-fed broilers will probably grow, because of the potential for growth in the niche market.

It is unlikely that additional processing plants will be constructed in Florida due to environmental regulations and requirements and the cost of Workers' Compensation in Florida.