Poultry

Overview of the Poultry Industry

Poultry production in Indiana includes egg, chicken, turkey, pullets for laying flock replacement and duck production, with some farms also reportedly raising emus, geese, ostriches, pheasants, pigeons, quail and other poultry species.

In general, poultry is distinct from beef, dairy and hogs given the level to which the industry has vertically integrated. Vertical integration means that companies control the breeding, growing, processing and marketing of the poultry species. While company ownership is maintained throughout, independent farms are contracted to perform some of the duties associated with poultry production under strict guidelines and use methods prescribed by the companies. This is not unique to Indiana but, rather, is an industry norm throughout the U.S.

At the time of the last Census of Agriculture in 2007, a total of 399 farms reported selling broilers and other meat-type chickens, totaling 37.1 million head. Of those 399 farms, 23 reported selling 500,000 or more head each and together those 23 farms sold a total of 26 million head, representing a 70 percent market share for broilers for the largest farms. A total of 351 farms reported selling turkeys, totaling 13.5 million head. A total of almost 10 million ducks were reportedly sold by a total of 249 farms in 2007.

Since the industry is relatively concentrated, up-to-date data is more difficult to find due to potential disclosure and confidentiality concerns. For the purposes of this report, eggs and turkeys are the main focus because Indiana is a top-ten producer nationally for both and data are available.

Eggs

The total number of eggs produced in the U.S. has trended upward from 1985 through 2011. The lowest U.S. production in this time period occurred in 1989 with 67.1 billion eggs produced, while the highest production occurred in 2011 with 91.9 billion eggs produced. Total Indiana egg production increased from 5.5 billion eggs in 1985 to almost 6.5 billion eggs in 2011. Indiana production was lowest in 1992 at 5.2 billion eggs and highest in 2006 at just over 6.7 billion eggs. Using 2005 as the base year, U.S. egg production went from 75 percent of 2005 production to 102 percent of 2005 production in those same years (Figure 1). Similarly, Indiana egg production went from 89 percent of 2005 production in 1985 to 104 percent of 2005 production in 2011.

Figure 1. Indiana and U.S. Egg Production Quantity Index, 1985-2012 (2005 Base Year)
From 1985 to 2011, the total nominal value of egg production in the U.S. and Indiana generally trended upward. For both the U.S. and Indiana, the value of production increased sharply in 2008, fell in 2009 and then increased in 2010 and 2011 (Figure 2). During this time period, the value of U.S. egg production ranged from $3.07 billion in 1988 to $8.2 billion in 2008. Indiana’s lowest value of production was in 2005 at $192 million and reached its pinnacle in 2008 at $535.6 million. The value of egg production in the U.S. went from 80 percent of 2005 in 1985 to 182 percent of 2005 in 2011. Indiana’s value of egg production went from 127 percent of the value of 2005 in 1985 to 220 percent of the value of 2005 in 2011.

**Figure 2. Indiana and U.S. Egg Value of Production Index, 1985-2012 (2005 Base Year)**

**Turkeys**

Total turkey production trended upward for the U.S. and Indiana from 1985 to 2012. Turkey production in the U.S. increased year after year from 1985 (3.7 billion pounds) through 1996 (7.2 billion pounds) and then fell from 1996 until 2000 (6.9 billion pounds). More recently, production increased from 2005 through 2008 (7.9 billion pounds) before falling sharply in 2009 and 2010 (approximately 7.1 billion pounds both years) and then increasing slightly in 2011 (7.3 billion pounds). Indiana turkey production has increased over time (from 129.8 million pounds in 1985 to 579.2 million pounds in 2011) and recently increased year over year from 2008 through 2011.

Using 2005 as the base year, Indiana turkey production has greatly expanded since 1985 when production was 30 percent of 2005 production to 135 percent of 2005 production in 2011, representing a 346 percent increase in Indiana turkey production (Figure 3). U.S. turkey production grew from 51 percent of 2005 production in 1985 to 102 percent of 2005 production in 2011, representing a 97.7 percent increase in production.

**Figure 3. Indiana and U.S. Turkey Production Quantity Index, 1985-2012 (2005 Base Year)**
The nominal value of turkey production in the U.S. and Indiana trended upward from 1985 to 2011 with the value of U.S. and Indiana turkey production climbing from $1.8 billion to $5 billion and from $81.8 million to $395 million, respectively. Recently, the value of turkey production spiked in 2008, fell in 2009 and then increased in 2010, and again in 2011, for both Indiana and the U.S. as a whole.

The value of U.S. and Indiana turkey production, when evaluated using 2005 as the base year, shows that U.S. production grew from 56 percent of 2005 value in 1985 to 154 percent in 2011 while Indiana production grew from 42 percent of 2005 value in 1985 to 205 percent in 2011 (Figure 4). The indexes of value of production for eggs and turkeys have outpaced national growth since 2005.

**Figure 4. Indiana and U.S. Turkey Value of Production Index, 1985-2012 (2005 Base Year)**

A Final Note on Poultry Production

Poultry producers, like other livestock producers, have been challenged by volatile and historically high feed costs in recent years. Poultry production has a short production cycle relative to other livestock species, allowing multiple production cycles to be completed in a single year in some cases. This relatively short cycle and the high degree of poultry market integration has allowed poultry some increased flexibility over other species to adjust production in response to changing market forces.

Additional Information on Poultry Production and Marketing:

Additional information is available regarding poultry production and marketing in the U.S. and Indiana from the following sources:

Purdue Extension: Poultry - [http://ag.an.sc.purdue.edu/poultry/extensio.htm#Eggs/Production](http://ag.an.sc.purdue.edu/poultry/extensio.htm#Eggs/Production)

Purdue University Poultry Facts - [http://www.an.sc.purdue.edu/faen/poultry%20facts.html](http://www.an.sc.purdue.edu/faen/poultry%20facts.html)

For more information and to read the entire report, “An Overview of Indiana Animal Agriculture Perspectives on the Beef, Dairy, Hog and Poultry Industries,” please see:

[http://www.agecon.purdue.edu/extension/livestock_overview.asp](http://www.agecon.purdue.edu/extension/livestock_overview.asp)