

Free Range Egg Production



Background

Egg production as a business has developed into a highly intensive operation with large numbers of laying hens in controlled environment housing. To maximise space utilisation hens are kept in tiered cages, commonly called the battery system. Eggs in Ireland, in common with the rest of the developed world are largely battery produced from intensive units.

Free range egg production is frequently referred to as 'an alternative system'. The basic principle is simple. Birds are allowed to range over a dedicated grassy area and are housed at night. Free draining soil with a healthy growth of grass is ideal.

Free range egg production is defined by the European Union. The EU lays down outdoor and indoor space requirements and other conditions for free range production. Regulations are implemented by the Department of Agriculture and Food which is also the licensing Authority. The requirements of the voluntary egg quality assurance scheme should also be considered and incorporated at the planning stage.

Understanding What's Involved

Going into egg production means keeping laying hens at their optimum level of comfort from point of lay (17 weeks) to end of lay (70+ weeks). It involves disposing of fresh eggs either:

- Graded and packed
- Graded
- Ungraded

Additional skills are required as well as a separate egg grading and storage room if grading and packing eggs takes place on the unit. The eggs are then sold to wholesalers, retailers or direct to the final consumer at farm gate.

Assessment

It is essential to carefully assess each individual situation. Carry out an audit of resources on the farm. Consider what farm buildings are available and their suitability for adaptation to egg production. House location is important as it must have access to an adequate range area. Consider what adaptations are needed for the house and cost them. As a general principle, a purpose built house is the ideal starting point. Estimations must then begin. What will the capacity be? How much field area is required? Consideration of these key questions will ultimately lead to a focus on marketing.



Fact Sheet No. 14 May 2006

This is one of a series of fact sheets on potential income generating activities.

All fact sheets are available in the Advisory Section of the Teagasc Website
<http://www.teagasc.ie/>

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Marketing

Eggs are highly perishable with a short shelf life. The markets and customers must be identified before embarking on a production unit. While this may not be essential for other areas of new business development, it is absolutely essential for perishable poultry and eggs.

Clearly there are two fundamental questions to be addressed:

1. Will the business operate on the basis of a complete production and marketing unit?
2. Will the business link in with an established marketing unit and concentrate on the production of eggs alone?

If the marketing is being done that will be a major deciding factor for unit size. A market survey is necessary to establish market potential and accessibility.

The production and marketing of free range eggs is financially viable only when they command a premium price over mass produced eggs.

Costings

When the assessment is carried out and marketing possibilities are arrived at, then it is possible to address the question of costs. House cost will be the greatest part of the investment cost. Houses will consist of a slatted area and a veranda or litter area. For small scale production, supplying farm gate sales or farmers markets, the upgrading of an existing house is the more cost effective option. Larger production units require state of the art facilities and can support repayments on borrowings for site preparation and the construction of a purpose built house. Equipment for the flock will include essentially feeders, drinkers, nest boxes and slats. It will also include feed storage provision and fencing. Automatic drinkers are essential regardless of flock size. Other equipment choice will be governed by flock size.

Requirement for investment capital depends on the starting position on the farm, the scale of the enterprise and the degree of automation for the unit. With good management expected gross margin per bird is €7 +.

Summary of Legal Requirements

All eggs offered for sale from free range egg units must conform to the standards for eggs in general. Additionally eggs offered for sale in small packs bearing the words "Free Range Eggs" must be produced in poultry enterprises in which:

- hens have continuous day time access to open-air runs
- the ground to which hens have access is mainly covered with vegetation
- the maximum stocking density is not greater than 1,000 hens per hectare of ground available to the hens.