



Cheeps & Chirps

..... Points for Poultry Profitability

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KENTUCKY POULTRY FEDERATION NEWS

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SAVE THE DATE!

17th Annual Kentucky Poultry Festival
October 3, 2015
Galt House, Louisville, KY

Events on Saturday October 3 include:

- Best Ball Golf Scramble
- Ladies Outing
- Silent Auction
- Dinner/Banquet
- Kentucky Headhunter's

More information to come!

For questions, please contact Jamie Guffey at
Phone: 270-404-2277
Email: jguffey@kypoultry.org

2015 MEMBERSHIP DRIVE

We are your organization and your voice in Kentucky. The Kentucky Poultry Federation needs your support and commitment to this organization as we enter this new year.

Membership dues are payable each calendar year. Please pay your dues by April 2015.

Membership applications available online at www.kypoultry.org



PILGRIM PRIDE'S GROWERS HIT BY VANDALS

Someone is targeting Pilgrim's Pride by killing chickens being raised by contract growers in Clarendon County, South Carolina. There have been 16 barns attacked on six farms, with over 325,000 chickens killed. One farmer lost 160,000 chickens. The total estimated cost is about \$1.7 million. The vandals adjusted the temperatures in the poultry houses—and shut down the alarm system. The vandals had an understanding of how the systems works. They knew which were flocks susceptible to high temperatures and those to low temperatures and adjusted the house temperatures accordingly.

The attacks started after layoffs of 60 people at Pilgrim's Pride Sumter Complex.

Pilgrim Pride released the following statement:

"Pilgrim's was recently made aware of acts of vandalism in Clarendon County that have resulted in the loss of chickens raised by some of

our contract grower partners. These unfortunate, yet apparently deliberate acts show a blatant disregard for the welfare of the chickens and the livelihood of the family farmers involved. We are fully cooperating with local authorities. Given the ongoing investigation, we have no further comment at this time."



McDONALD'S TO PHASE OUT USE OF CHICKEN RAISED WITH ANTIBIOTICS IMPORTANT IN HUMAN MEDICINE



McDonald's announced a two-year phase out of chicken raised using antibiotics important to human medicine. This will start with the hatchery where antibiotics are often added to *in-ovo* vaccines. This will affect the 14,000 restaurants in the U.S. but the 22,000 international restaurants will not be affected, at least for now. The announcement came only two days after Steve Easterbrook took over as CEO.

McDonald's has been trying to bolster sagging sales. The new purchasing policy, however, does not ban all antibiotics, just those important for human medicine. The ban from companies like Chipotle Mexican Grill and Panera Bread Co. which also ban the use of ionophores, a common coccidiostat.

Many scientists are concerned that when an antibiotic is used in food animal production the bacteria can adapt and become resistant to it. This antibiotic resistance can make the drug ineffective for humans. The extent to which antibiotic use in animals contributes to humans getting infected with resistant bacteria is a question scientists have not resolved, but public pressure is pushing the move to antibiotic-free production. The FDA recently announced new guidelines for antibiotic use and the new procedures are currently being implemented in all phases of animal and poultry production.

WHAT'S NEW WITH BIRD FLU?

In December 2014 USDA confirmed the presence of Highly Pathogenic Avian Influenza (HPAI) H5 strain in wild birds in Whatcom County, Washington. There were two different strains identified—H5N2 in northern pintail ducks and H5N8 in captive Gyrofalcons that were fed hunter-killed wild birds.

A few days after that announcement USDA confirmed the presence of HPAI H5N8 in guinea fowl and chickens from a small backyard flock in Winston, Oregon. The flock of about 100 birds had access to the outdoors, including a pond and marsh frequently used by migratory birds.

In January and February a captive falcon and Great horned owl in Idaho were positive for H5N2 HPAI. In another county in Idaho captive gyrfalcons were positive for H5N8 strain.

In January 2015 backyard flocks were identified with HPAI H5N2 in Benton and Clallam Counties of Washington State. H5N2 was also identified in a backyard flock in Idaho. Additional backyard flocks were identified in Okanogan County, Washington State.

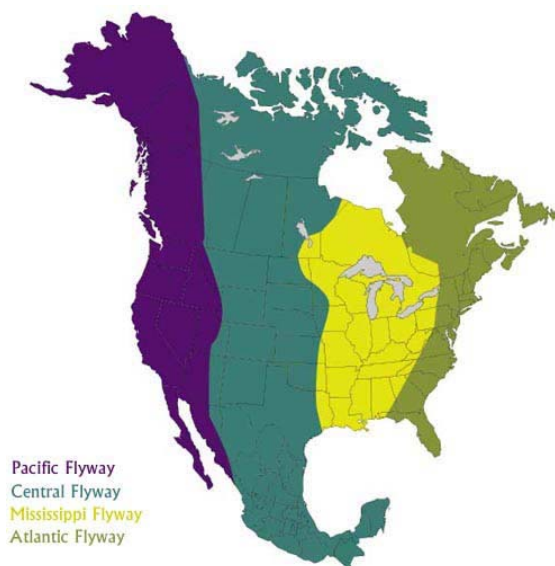
Later that month HPAI H5N8 was confirmed in a commercial turkey flock in Stanislaus County, California. A commercial chicken flock was affected in King County, California.

All sites affect to this point are on the Pacific Flyway for migratory fowl. All the commercial

flocks were H5N8 strains while those in backyard flocks were H5N2.

March 2015 a commercial turkey flock in Minnesota was found to have HPAI of the H5N2 strain. This was the first incidence in the Mississippi flyway which includes Kentucky. This was followed by two more infected turkey flocks in Minnesota and four flocks in Missouri. A backyard flock in Kansas has also been infected.

It is more important than ever that producers follow proper biosecurity programs.



PROPANE UNDER \$1 PER GALLON

Yes, that's right! Kentucky poultry growers are purchasing propane for the 2015-2016 heating season for less than a dollar per gallon. What a welcome change that is from the time not too long ago when propane was costing twice that amount!

What has caused the dramatic reduction in price? As usual, it is the result of several factors. For the most part, though, propane price has followed the recent decline in both oil and natural gas prices. Propane is a byproduct of processing both of those major fuel sources, so the price for propane is closely tied to the price for those products. Increased U. S. production of both oil and natural gas has also been another major factor in the propane price decline. Domestic supplies of those energy sources are at an all-time high. Consequently, supplies of propane that come from processing oil and gas are also much above normal amounts.

The graph below provides some perspective on the historical price of

propane as established at Mont Belvieu, Texas, which is one of the major storage and distribution hubs for propane. The Mont Belvieu price represents a wholesale price to distributors before it enters a pipeline or other distribution channel. Currently the spot price is near \$0.50 per gallon and the graph shows that it has been about 12 years since the spot price has been that low.

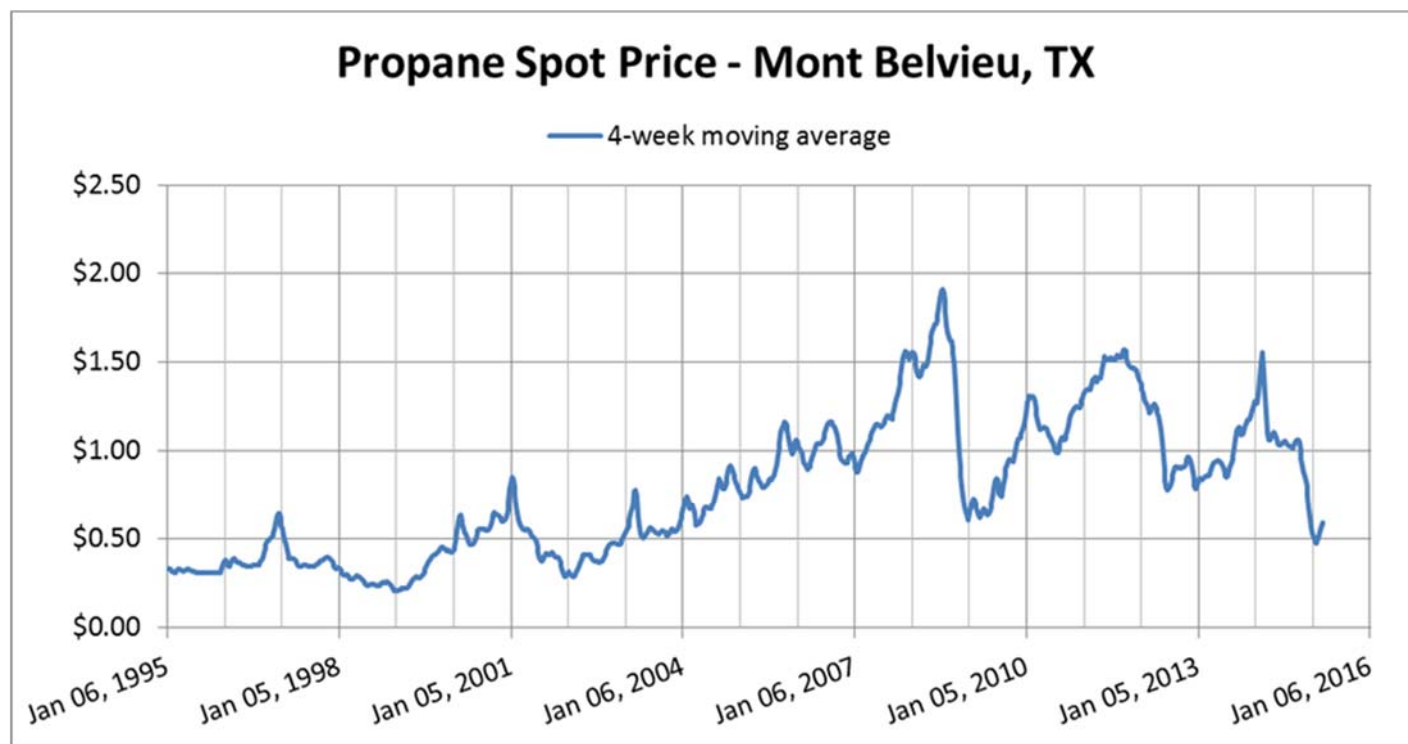
Transportation, delivery, overhead and other costs must be added to the Mont Belvieu spot price to arrive at the cost a poultry grower would pay for propane. Typically, contract prices to poultry growers in Kentucky are about 30 to 60 cents per gallon above the spot price. The recent spot price reached a low at about \$0.45 per gallon in January, increased about \$0.15 per gallon in February, and has now dropped back to about \$0.50 per gallon.

The normal pattern is for prices to fall through the spring and summer as the weather moderates and supplies increase. Prices usually increase again in the fall and winter when demand

increases. However, that pattern does not always occur and whether it will hold this year is an open question. Prices are already at a relatively low point and anything that affects the price of oil or natural gas is likely to have a corresponding effect on the price of propane.

Now is a good time for growers to start discussions with propane suppliers about their needs for next year and the pricing opportunities that can be expected in the coming months. At least for the next heating season, growers should have a chance to purchase their propane at prices much lower than they have seen in several years. Given average winter conditions, a 50 cent per gallon reduction in the cost of propane could mean a cost savings of \$4,000 to \$10,000 for a 4-house broiler farm. Don't let this opportunity slip away!

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2015 AGRICULTURE INDUSTRY BREAKFAST

Omelets were on the menu at this year's Agriculture Industry Breakfast held at the Owensboro Convention Center. Each year the breakfast is held in conjunction with the Kentucky Cattleman's Annual Convention and the Agriculture Industry Trade Show.

This breakfast allows the Kentucky Poultry Federation to showcase their partnerships with other agriculture industry personnel. The Kentucky Poultry Federation partnered with University of Kentucky Extension Poultry Specialists, volunteers from Cal-Maine Foods, in addition to Ken-

tucky Poultry Federation staff. Volunteers prepared over 500 omelets at this year's breakfast.

We would like to thank Cal-Maine Foods, Inc. for their donation of eggs and extend our gratitude to our volunteers for the donation of their time. Thanks to each of you who helped make this year's breakfast a success!

What do you want to read about?

We want to know what you want to read about. Please e-mail topics of interest to Jacquie.jacob@uky.edu

Back issues of
Cheeps and Chirps,
as well as other information,
are available at
www.poultryenergy.com