



For the Triple Win: Study Highlights How Chicken Farmer and Processor Partnerships Benefit Consumers

“On any given day, swings in the cost of feed inputs for livestock, things like soybeans and corn, could financially challenge a farmer. Changes in the end prices of chicken could, too. As a chicken farmer, I don’t worry about that. Processors take these market risks for me—providing the feed and a baseline price for chicken—letting me focus on raising the flocks in the best way possible.”

—Gary Anderson, retired U.S. Army helicopter pilot and chicken farmer in Alabama

Americans rely on chicken more than any other protein because it’s nutritious and affordable—eating about 100 lbs. per person a year! But this wouldn’t be possible without dynamic chicken farmer and processor partnerships.

What’s a contract grower?

A contract grower is an independent farmer who works under contract with a chicken company to raise chickens.



MORE THAN 90%

of all U.S. chickens raised for meat are raised by **contract growers**.



Why are chicken farmer and chicken company partnerships GOOD?

A March 2022 survey* from companies responsible for **83% of U.S. chicken production** found that the partnerships are:



Mutually Beneficial



Mutually Successful



Mutually Profitable

Raising Chicken Pays Off



According to March 2022 U.S. Department of Agriculture (USDA) data, **60%** of chicken farmer household incomes **exceed the U.S.-wide median income** for **ALL** households



The top 20% of contract chicken farmers earn **\$142,000** on average, remarkably **higher than the top 20% of all farm households**



Chicken farmer loan performance shows notably **lower interest rates, more consistent payments** and one of the **lowest loan default rates** in all of agriculture

How does partnering with poultry companies benefit farmers?

Chicken companies remove about **97%** of the economic risk from farmers, compared to independent growers

Chicken companies remove about **80%** of the total cost of raising a flock
↓
65% of the cost of raising a flock is the feed, which chicken companies provide

Chicken Farming: An Occupation in Demand

In 2021, 20 processor companies reported **1,672 applications** to enter chicken production, **335 requests to expand** existing operations, and only **6% of chicken farmers left their processor company**—including retirements.



Chicken companies help reduce the biggest economic risks farmers face in raising a flock, including:



cost of feed



customers/buyers



product demand



market volatility

Chickens Also Benefit from Contract Farming

Chickens are healthier as a result of contract farming. In 2021, the **average on-farm livability rate of U.S. broiler chickens was 95%**.

In 1925, it was only 82%.



“Raising chickens under contract is one of the best and most reliable sources of cash flow that helps keep families on the farm. The real winner is the American consumer, though, who benefits from the healthiest and most affordable protein in the meat case.”

—Dr. Thomas Elam, President of FarmEcon LLC and Agricultural Economist