ALABAMA 4-H CHICK CHAIN

PROFIT/LOSS SCENARIOS

CHICK CHAIN

The 4-H Chick Chain Project should earn you a profit if done correctly. The best way to achieve a profit is to get a good buyer and manage your flocks' expenses.

You will use these scenarios to understand how important it is to find a buyer for your project.

Go through each of these three possible scenarios, complete the tables, and decide for yourself which scenario works best for you.

extension
ALABAMA A&M & AUBURN UNIVERSITIES

Alabama 4-H
Alabama Cooperative Extension System

Items Purchased	Cost
Chick Chain fee (10 chicks)	$ 25.00
Chicken feed *(See questions A, B, and C to the right)*	$
Chick feeder	$ 6.25
Chick waterer	$ 3.25
Adult feeder	$ 17.50
Adult waterer	$ 33.75
Bedding *(See question D right)*	$
Brooding lamp and bulb	$ 16.50
Prefab coop	$ 1,000.00
Total Costs	$

Items Sold	Profit
Auction sale	$ 150.00
Chick Chain reimbursed fee	$ 25.00
Composted manure (1 bag)	$ 5.00
All started pullets	$ 120.00
Gross Profit	$
Gross Profit — Total Costs = Net Profit	$

Question A: You have 10 chicks for 22 weeks. Each chicken eats 1.5 pounds of feed every week. How much feed will your flock eat between the time they arrive and the show/auction?

Part 1:
(___) pounds feed / week × (___) weeks = (___) pounds feed / chicken

Part 2: Now, multiply that answer by the number of chickens you will raise. This tells you how many pounds of feed you should expect to purchase.

(___) pounds feed / chicken × (___) chickens = (___) pounds feed / flock

Question B: The store where you buy your feed sells it in 50-pound bags. How many bags of feed will you need to buy?
- Hint 1: Use the answer from part 2 in the question above to start your calculation.
- Hint 2: If you get a decimal or fraction as an answer, round up to the next whole number. Remember, you cannot buy part of a bag of feed; you have to buy a whole bag.

(___) pounds feed ÷ 50-pound bag = (___) bags of feed

Question C: Now that you know how much feed your chickens are likely to eat and how many bags of feed you are likely to need, you must figure out how much all of that feed is going to cost you. Let's say that each bag costs $16.50. How much money would you need to feed your flock?
- Hint: Use the answer from question B above to help you with the answer.

$(___) per bag feed x (___) bags feed = $(___)

(Put your answer in the box for chicken feed in the table to the left.)

Question D: You will likely go through 20 bags of shavings for bedding in your coop. Each bag is $5.00. How much will you spend on bedding? No hint here. We know you can do it! (Put your answer in the box for bedding in the table to the left.)

Scenario 2:

Items Purchased	Cost
Chick Chain fee (18 chicks)	$ 50.00
Chicken feed	$ 170.00
Fancy home-constructed coop (See question A below)	$
Chick waterer	$ 3.25
Adult feeder	$ 17.50
Adult waterer	$ 33.75
Bedding	$ 100.00
Brooding lamp and bulb	$ 16.50
Chick feeder	$ 6.25
Footbath	$ 25.00
Total Costs	$

Items Sold	Profit
Auction sale (See questions B below)	$
Chick Chain reimbursed fee	$ 50.00
Composted manure	$ 50.00
All started pullets (See question C below)	$
Gross Profit	$
Gross Profit — Total Costs = Net Profit	$

Question A: You have a family that is willing to help you construct your own coop. You go online and buy plans for a coop that you really like. The plans cost $15.00. Construction of the coop requires wood ($100.00), wire ($17.00), and hardware ($35.00). How much is this coop going to cost you to build, excluding your time and labor? (Put your answer in the box for coop to the left.)

Wood	$ _____
Wire	$ _____
Plans	$ _____
Hardware	$ _____
Total	$ _____

Question B: You are determined to prove to your friends, fellow Chick Chainers, and parents that you can make a profit with your Chick Chain project. Your parents help you to think of three good selling points regarding your carefully raised chickens. You seek out two buyers for your birds and agree upon a base price of $15.00 for each of the three birds you have entered in the show and auction. The buyers bid against each other, and you end up selling your birds for $20.00 each. How much have you made in profits for this part of your project? (Put your answer in the box for auction sale to the left.)

(   ) birds entered in auction × $(   ) for each bird =

$(   ) in auction profits

Question C: Now you've had a taste of success. You go on to do an outstanding job of marketing your started pullets to the local backyard chicken-keeper community. Folks who are starting their new flocks are willing to buy the remainder of your 15 birds for $20.00 each. How much have you made in profits for this part of your project? (Put your answer in the box for started pullets to the left.)

(   ) started pullets sold × $(   ) for each bird =

$(   ) in sales profits

Scenario 3:

Items Purchased	Cost
Chick Chain fee (10 chicks)	$ 25.00
Chicken feed	$ 115.50
Chick feeder	$ 6.25
Chick waterer	$ 3.25
Adult feeder	$ 10.00
Adult waterer	$ 10.00
Bedding	$ 50.00
Modified coop	$ 40.00
Footbath	$ 15.00
Total Costs	$ 275.00

Items Sold	Profit
Auction sale (See questions A below)	$
Chick Chain reimbursed fee	$ 25.00
All started pullets (See question B below)	$
Composted manure (See question C below)	$
Gross Profit	$
Gross Profit — Total Costs = Net Profit	$

You have modified an old shed on your property to get it ready for your chickens. Your neighbors donate an old brood lamp and bulb that they are not using anymore. These items not only give you a helping hand to a great start with your Chick Chain project, but they help you to save money.

Question A: You have two birds entered in the auction. You do a good job of finding a buyer and negotiating a price ($25.00 each). You remind your buyer that 4-H is a nonprofit organization, so the purchase price for the birds is a tax write-off. How much have you made in profits for this part of your project? (Put your answer in the box for auction sale to the left.)

( ) birds entered in auction × $( ) per bird =
$( ) in auction profits

Question B: Word is out that you raise egg-cellent pullets. You marketed them well, and people are lined up to buy your remaining birds. You have eight birds and are selling them for $30.00 each. What a great finish to your project! How much have you made in profits for this part of your project? (Place your answer in the box for started pullets to the left.)

( ) started pullets sold × $( ) per bird =
$( ) in sales profits

Question C: After all the birds are gone for this year's Chick Chain project, you continue to turn and work the compost pile. You know your neighbors are waiting to buy bags of the composted manure from your flock. You sell eight bags for $7.50 each. What a great added source of income for your record book! How much value have you added from this part of your project? (Put your answer in the box for composted manure to the left.)

( ) bags of composted manure × $( ) per bag =
$( ) in profit