

Sky's the limit for 25-year-old's broiler ambitions

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By his own admission, Harry Shepherd would not have seen himself anywhere near a poultry shed five years ago; arable was where his heart lay and he pursued it with tenacity.

But returning to the home farm near Thirsk, North Yorkshire, meant facing a hard truth – its size was not sustainable.

“I decided that I needed to go into intensive farming,” says Harry who, at 23, had completed an HND in agriculture at Harper Adams before stints on harvests in Australia and two years as an arable contractor in Lincolnshire. “I wanted to come back home, do something off my own back, but at 160 acres the home farm is not big enough.”

Nor could it provide the potential for expansion and independence that Harry, now 25, wanted. He looked at different intensive systems, ruling out pigs for their low margins and beef because of long rearing periods. He turned his eye to poultry.

Layers, ducks, turkeys and geese were all examined before he settled on chickenmeat. “With it being such a quick turnaround with broilers, it seemed like a brilliant way to establish yourself with a new business.”

Having saved some money contracting, and settled on broilers, Harry sat down to figure out the rough costings for a crop, spending a week putting together a basic business plan before approaching a friend already in the industry who put him in touch with a local farmer, Ed Barker, of H Barker and Son.

Mr Barker has four sites, having put his first shed up at the age of 21. He offered Harry a six-month unpaid placement on his farm, four months full time and two more on-and-off, while he began setting up his own business.

“We developed a good working relationship and both Ed and Martyn Watson, his area manager, helped me massively. I’m immensely grateful,” says Harry. “They have helped me develop technical knowledge, and given me practical experience.”













BUILDING A BUSINESS

The next stage was setting up a site on which to build a shed. His parents gifted about 5ha (12 acres) of their land – a single field next to a main trunk road out of York, with few houses nearby. Harry is keen to point out that this land, plus a £50,000 investment to be paid back over five years and a further 30ha (74 acres) for security against a loan, was the only financial support he took from them, figures not beyond the reach of many smaller farms.

Having secured the land, the firm Forest Poultry was set up with Harry as main shareholder and his parents as directors. He then approached the bank for the bulk of his financing.

Two of the three financiers he approached turned him down because of age, but the third, NatWest, agreed a £350,000 loan based on the land security and the business plan. This comprised two year's worth of costings, and a projected crop that many would consider a fairly bad one – 4% mortality, 1.75 FCR, £322/t feed – but still returning a profit. “I thought I'd be safer on the high side,” he says.

Once secured, things really started moving at the start of this year. Planning went through “without a hitch”, the only objection coming from local walkers pointing out that a footpath crossed the field, which was easily diverted. “There were no objections from neighbours because there's no one around.”

The first shed that's going up will be for getting to grips with full-time farm management. And it will be his first opportunity to qualify for level three of the Poultry Passport training scheme, and become a qualified stockman.

Harry has managed the entire project to keep costs down and to get a better idea of where everything is, and how it works. When *Poultry World* visited in late August, the site was almost completed; only feed pans were to be fitted, and electrics installed.

The first crop is due in the middle of September, providing two weeks can be cleared for disinfecting and getting the shed warmed up, and the concrete dry.

Attention to detail is evident, as he describes his choice of flat pan feeders, or the potential to install windows if the requirement arises in the future. Water will also be run through the dwarf wall to warm from its 5C ambient temperature to one closer to the shed's, reducing condensation.

Harry has endeavoured to keep the set-up straightforward to begin with, choosing to rear just under 40,000 birds in his first shed to avoid the need for a IPPC permit. His integrator, Sullivan Poultry Group, part of AB Agri, mainly supplies ethnic markets and does not specify Red Tractor.

Sullivan will take two thins, pullets first at an average 1.7kg weight before cockerels when they reach 3.6kg around 10-days later.

“I chose an established processor to start with as they’ll provide the two big inputs – feed and chicks – upfront, and the cost is recovered when the birds go to slaughter,” he says. “For a new business, that’s ideal. It’s vital you have consistency, and I won’t have to have an overdraft as such, which is brilliant – just some set aside for day-to-day outgoings and the first gas and electric bills.”

It’s going to be hard work. Harry intends to do as much as he can himself to save money and learn more – mucking out sheds, cleaning and as much of the day-to-day management as possible – but he’s up for the challenge. “I think you do a lot better job if you do it yourself,” he says.

“I just want to get up and running, and get myself established at this stage. I’ve had some good training, and with attention to detail, I think it’s possible.

“I’m also eager to see if my costings are accurate!”

THE 10-YEAR PLAN

Those costings extend to a 10-year plan for his business, and Harry aims to put up a total of six sheds on the site over that period, and has accounted for this while building his first one. His pump house has been placed in front of an as-yet unbuilt third shed, and the ducting is in place for all six.

He has also invested in a water tank capable of supplying six sheds, and bought three feed bins that will serve just the one shed to start.

“I’ve saved a bin; normally you would have two per shed, but doing it this way means I can split three between two. I’m also going to keep one aside for withdrawal feed, so you don’t have to suck out at the end of the cycle.”

Setting up the site for expansion from the outset will more than pay for itself. He has figured that the next shed, which he hopes will go up in 2014, will cost up to £120,000 less because of the infrastructure he has put in place.

A big part of the long-term plan is going to be biomass, which Harry believes is “vital” to get involved in because of the potential income the Renewable Heat Incentive (RHI) offers and the savings on gas. But he has started with second-hand gas heaters to keep costs down.

“I can’t justify the £80,000 at the minute, but I’ve put wiring in the roof for heaters so that biomass can easily be retrofitted,” he says.

He is keen to finance the boilers himself – rather than a split deal with an energy company – and reap the RHI payments, which he puts at around £26,000 for each shed a year.

But he wants to research the market properly before investing – “a boiler’s got to last 20 years and if it doesn’t, you don’t get your RHI, it’s worth £400,000 over that time”.

Nearing the end of the build-up, he says: “I’ve been planning and working at this for two years, everything so far has gone well; everyone has kept to their deadlines.

“I’ve got a calendar in my house and have been ticking things off like clockwork.” But he admits that the first crop of birds will be nerve-racking: “I might even sleep in the control room for the first few nights.”