

Presentation by Paul Kelly  
of Kelly Bronze Turkeys  
&  
Chairman of Turkey Federation

22<sup>nd</sup> October 2019

# Hands-on Family Business

*Kelly Turkeys*



not afraid to show the turkey process



# A lifestyle choice in a niche market

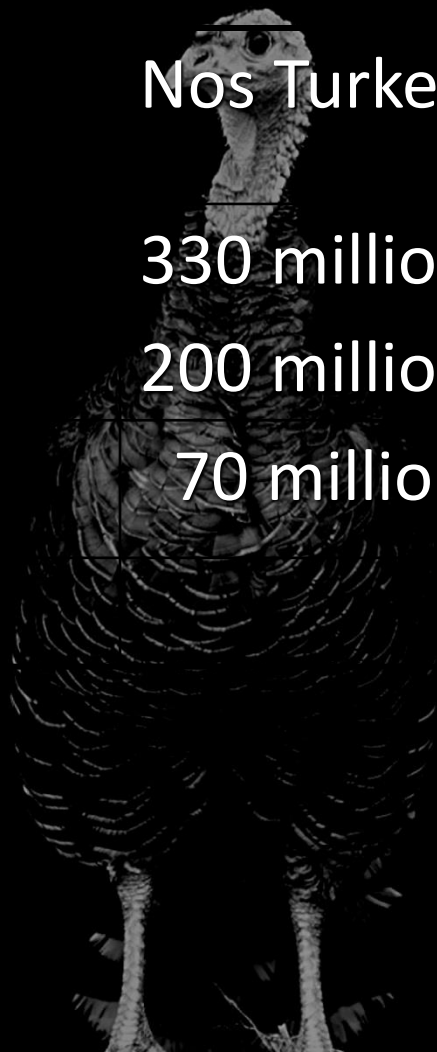
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# World Turkey market (10Kg average)

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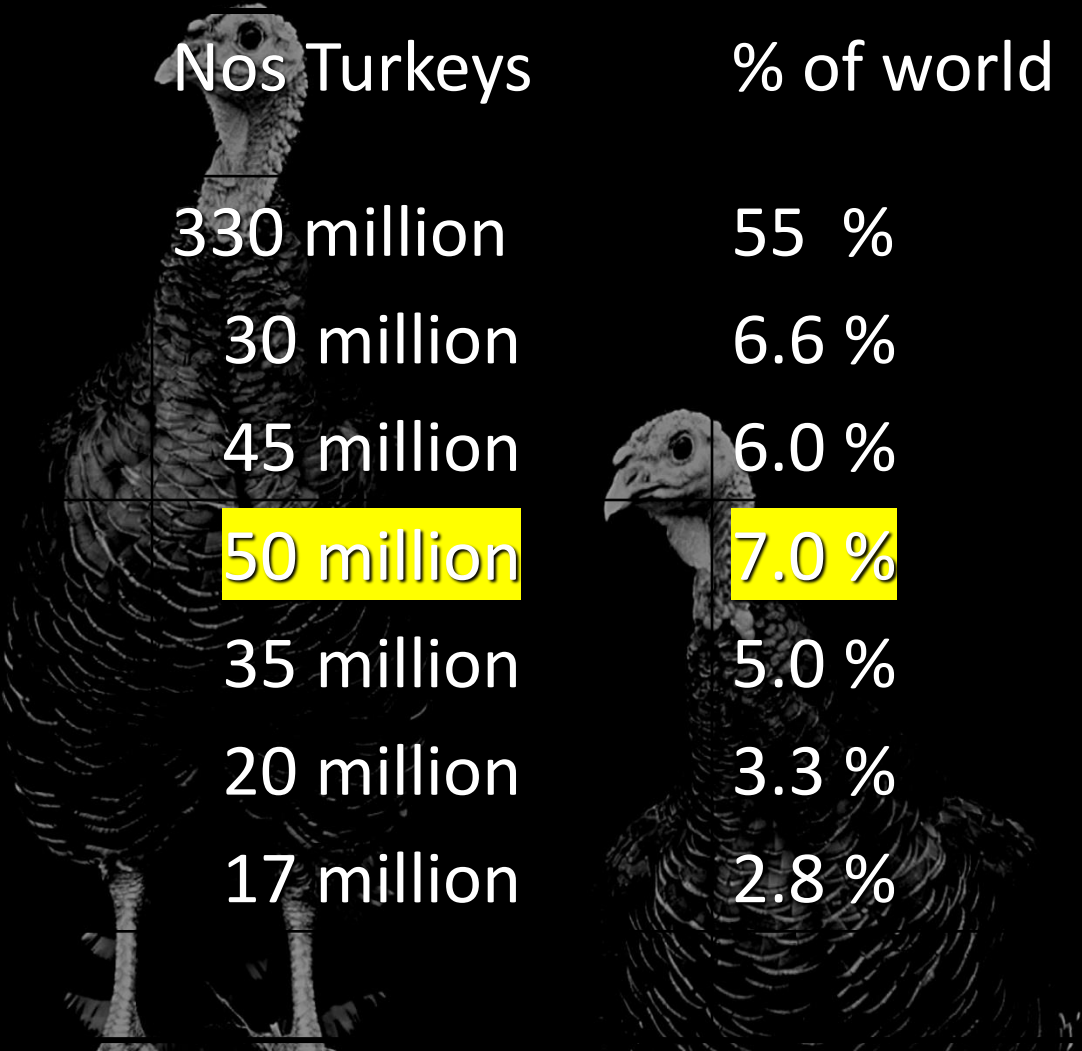
Country	Nos Turkeys	% of world
USA	330 million	55%
Europe	200 million	33%
Rest of world	70 million	12%



# By country Turkey market (10Kg average)

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Poland is one of the biggest producers of chicken & turkey today, taking over France whose market has dropped by 50%



Country	Nos Turkeys	% of world
USA	330 million	55 %
Germany	30 million	6.6 %
France	45 million	6.0 %
Poland	50 million	7.0 %
Italy	35 million	5.0 %
Spain	20 million	3.3 %
UK	17 million	2.8 %

# THE EUROPEAN SUPPLY BASE

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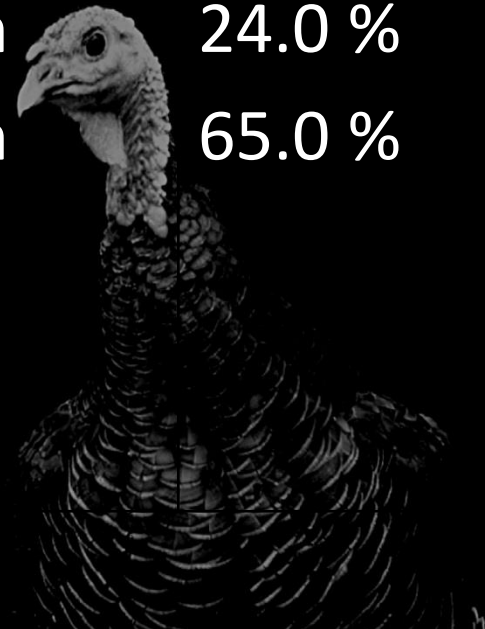
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- Poland – 20 companies (1 to 9 million birds) 70% in hands of 3 companies
- Germany – 3 companies
- Spain – 2 companies (80% by one)
- Italy – 3 companies
- France – 1 company has 80% plus handful of smaller players
- UK – 3 companies + circa 900 Christmas farmers unique to the UK and Ireland

# Farmgate Hatcheries

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Market	Nos	% Share
World	1.2 million	0.002%
European	1.2 million	0.004%
UK	1.2 million	7.05%
UK Xmas fresh	1.2 million	24.0 %
UK Bronze	0.7 million	65.0 %



# Change in Supply of World Turkey Genetics

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From 15 producers to 3 in 40/50yrs

## 1970 and Beyond

- BUT
- Hybrid
- Nicholas
- Attleborough
- Twydale
- B Matthews
- Kelly
- Sun Valley
- Webster
- Orlopp
- France Dinde
- Grelier
- Swanson
- Churches
- Cooper



## 2006

- Aviagen
- Hybrid
- Kelly
- Holly berry
- Grelier

## 2011

- Aviagen
- Hendrix
- Farmgate hatcheries (Kelly)





# The change in UK Poult Supply

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## 1984

- Bernard Mathews
- Twydale
- Dales
- Sun Valley
- BUT
- Swifts
- Attleborough
- Leacroft
- Kelly
- Wyeside
- Atkinson
- Wilson
- Hewitt

## 2018

- Farmgate Hatcheries (Kelly)
- Hockenhull (Aviagen)

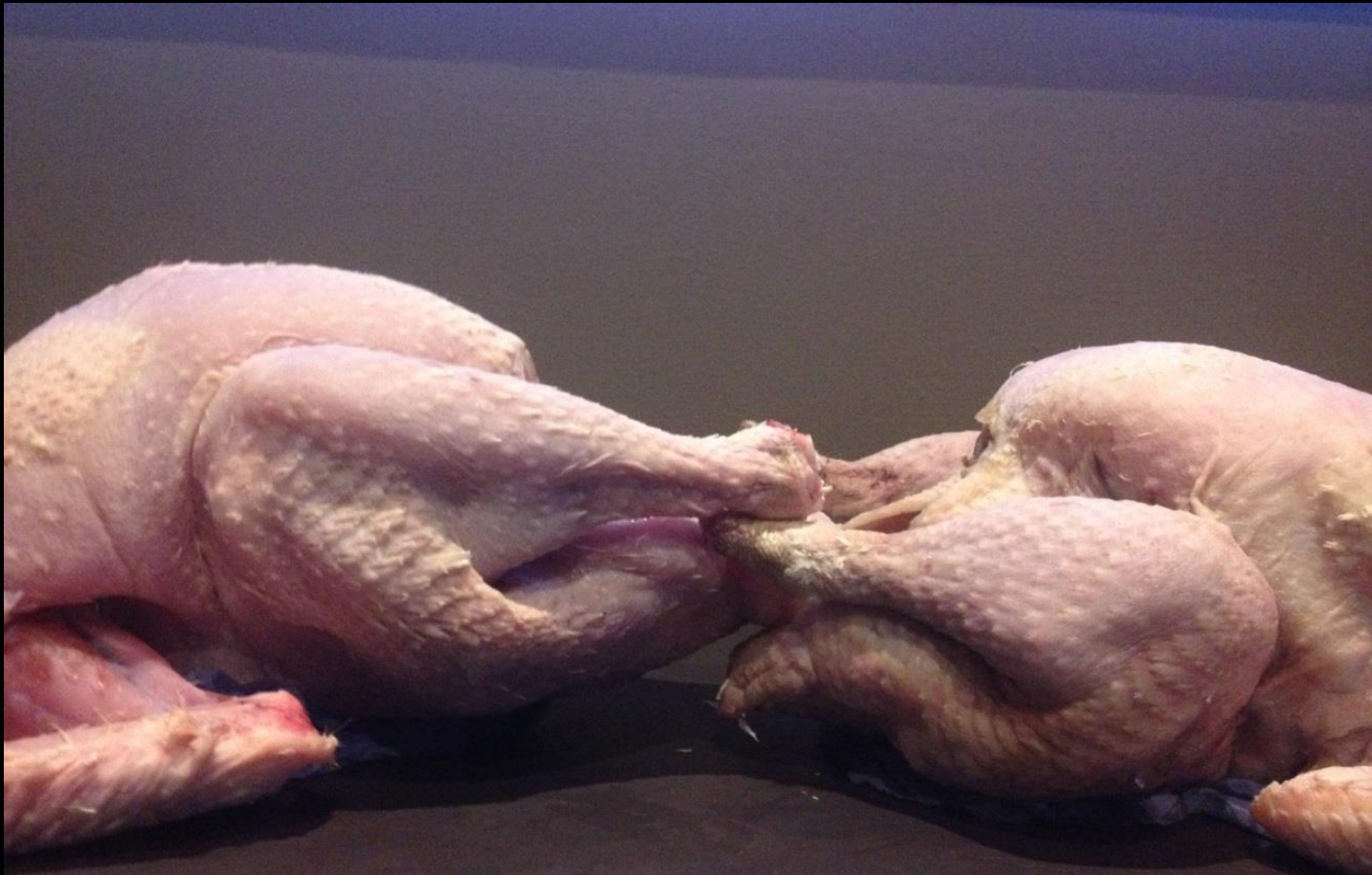
- 1980 UK Industry structure
  - 23 Turkey processors producing turkey all year round.
    - 36 million a year and peaking at 42 million in 1996
  - Circa 2000 Christmas turkey farmers
- 2019 UK Industry structure
  - 3 Turkey processors producing turkey all year round.
    - 17 million per year
  - Circa 900 Christmas turkey farmers producing 1m birds – only country that has small farmers selling for Christmas

# Industrial hen vs Slow growing strains

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11 weeks is the normal industrial growing time vs 22-27 weeks for slow growing hens – this offers a bird with lots more intramuscular fat which means it cooks far quicker – approx. 2hrs rather than 4hrs



Supermarket birds are often slaughtered at weight not maturity



# Cooking Education

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All KB turkeys come with cooking instructions in order to not over cook them. Maximum cooking time should be between 1.5-2hrs, at 58-60°, out of the oven and rest for 30mins. Can even be eaten pink as there is very low risk of the birds having campylobacter due to the drying process.



Long cooking times are a myth – originally yearling birds were walked a mile or so into Smithfield and if not sold they were walked back – so being tough they would have to be slow cooked.

# Slow growth means more flavour

Free Range birds don't give the white meat more flavour it is the brown meat where it makes the difference



# The Quality chain

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Kelly Bronze birds go through 4 seasons

- Spring - Eggs laid for 10 weeks
- Summer/Autumn – Mature at 6 months
  - All birds are free range, in a stocking density of 500 per acre – giving them lots of exercise and a natural diet, making the meat marbled with lots of flavour
- Winter - Dry plucked and hanged for 7 days to mature
  - No water is used in this process so the birds do not take on extra ‘water’ weight as can happen with industrial birds, in fact the hangin can reduce the weight by 3% but enhances the flavour

# The Standard way

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- Fast growing breed
- Killed very young when the right weight, not necessarily matured
- Wet processed, which gains water
- Hot eviscerated
- Deep chilled



# Retail Outlets

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- Supermarkets 8523
  - Butchers 5756
  - Farm Shops 1465
  - Farm gate 1000
  - Delis 2400

# The Price Range

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	£/KG
• DRY PLUCKED AND HUNG	14.50
• FREE RANGE BRONZE	9.99
• STANDARD FRESH	4.60
• AIR CHILLED FROZEN	3.00
• WATER CHILLED FROZEN	2.20

# DOOMSDAY SCENARIO

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- Christmas turkey farmers stop as volumes too low
- Butchers have no supply base except imported butterflies and whole birds (from mainland Europe which are not fit for purpose)
- Supermarkets expose this and take the Christmas trade

# THE CHRISTMAS TURKEY MARKET *Kelly Turkeys*

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• Supermarket Standard fresh	2.8 m
• Supermarket Free Range	0.9 m
• Christmas turkey farmers	1.0 m
• Imported Butterflies (my guess)	0.5 m
TOTAL	5.2 m



# THE BUTCHERS USP

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- The small independent farmer will never supply major retail
- They slaughter on farm so incredibly high welfare
- Many are dry plucked and hung
- Provenance and local is the Christmas Lunch dream.

## Price of course

- Welfare and audits
- EU Capital grants
- New facilities
- New factories
- It can take a long time to go bust

# WHOLESALE PRICE POINTS

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- Dry plucked free range bronze £9.00 kg
- Wet plucked free-range bronze £7.00 kg
- Standard fresh white mature £6.00 kg
- Standard fresh young £5.00 kg
- UK butterfly would be circa\* £8.00 kg
- Polish butterfly (4kg to 6kg) £5.00 kg

\*KB aiming to develop a suitable butterfly cut but would have to be around £8pkg to compete with Polish prices

# THE HEADLINE FOR BUTCHERS

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The traditional Christmas turkey farmer supplying the independent butcher has a magical story that needs to be nurtured.

*“ Butchers supporting the 470year old tradition of family farms growing artisan Christmas turkeys from traditional slow growing breeds”*

Put that in you pipe and smoke it!



# KELLYBRONZE FARMGATE SALES

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- 72 % Whole bird
- 14% Crown (vs supermarkets at 70%)
- 14% Joint

# Whole bird vs crown

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- Better value
- Better eating
- Better stock
- Less food waste
- It's a win win

# CONCLUSION

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The margins that can be made selling imported butterflies are huge and therefore very tempting. There are risks associated with this in negative customer sentiment and media exposure.

Keeping the Christmas turkey farmer viable and in business are critical for future generations of butchers and farmers. Once gone they are gone for ever (the infrastructure is lost)

Actively trying to sell UK turkeys rather than the butterfly is all we farmers ask

# A PICTURE PAINTS A THOUSAND WORDS

*Kelly Turkeys*



HAPPY CHRISTMAS