

**CHICKEN 2035: Anticipating TRENDS, Adapting STRATEGIES**

**CHICKEN  
MARKETING  
SUMMIT**

**July 29-31, 2024**

Renaissance Birmingham Ross Bridge  
Golf Resort & Spa

Supply Chain Partners Panel  
Ray Hogan – Senior Manager Raw Supply (Poultry), Applegate



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# Applegate

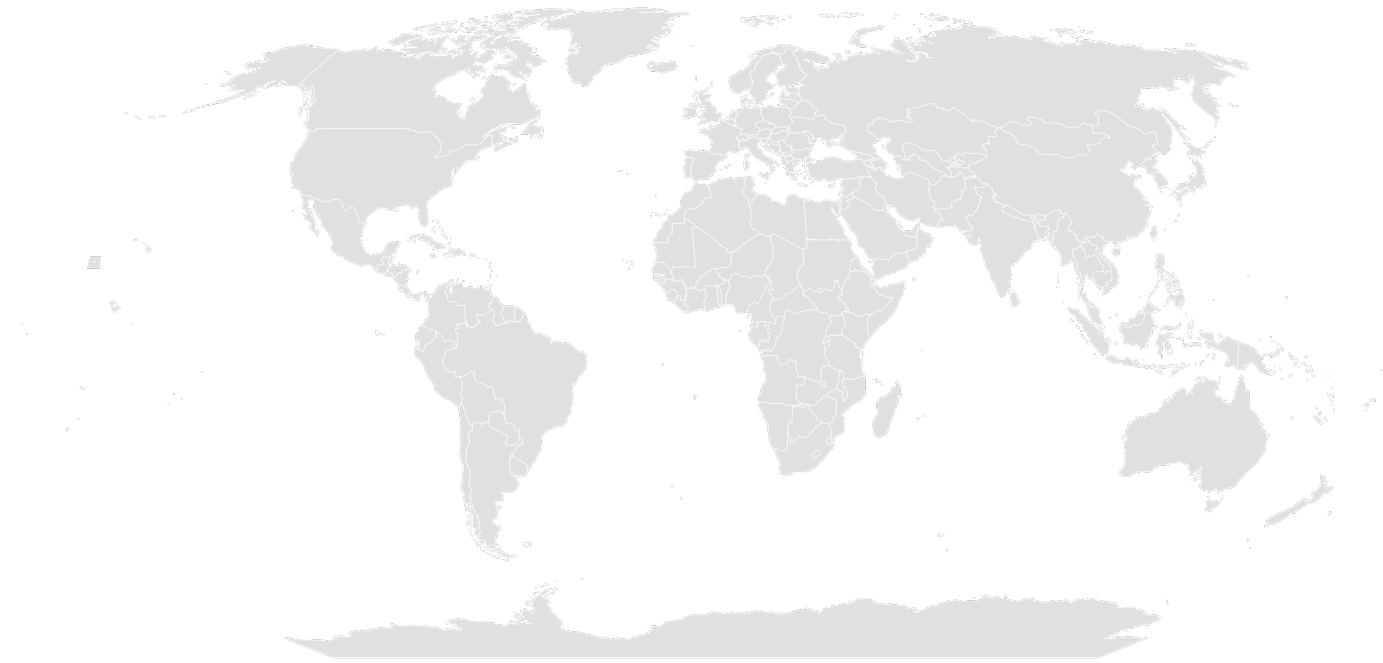
- The nation's leading Natural and Organic meat brand<sup>1</sup>
- Founded in 1987; purchased by Hormel Foods in 2015
- Offices located in Bedminster, NJ
- Product categories include hot dogs, bacon, sausages, deli meats, and breaded chicken products
- Primary market outlet: retail grocery
- Mission-based business: supply chain follows Applegate Humanely Raised standards
- Over 4000 domestic and international farmers in our network across beef, pork, chicken, and turkey



# Chicken Program

- Domestic supply of organic and non-organic (antibiotic free) chicken
- Not vertically integrated
- All farms are animal welfare third-party certified and follow the Applegate Humanely Raised program
- All slaughter facilities are required to have third-party Remote Video Auditing
- Raw product ships to cold storage facilities or directly to co-manufacturers for further processing

## Chicken Suppliers & Processors



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# Raw Supply Chain Challenges/Opportunities

- **Inventory** – surging frozen inventory has host of challenges
  - thawing, aging, cold storage capacity
- **Forecasting** –
  - planning for the short-term and long-term demand outlook
  - niche small supply chain limits alternatives when there are supply chain issues
- **Logistics** –
  - Customs, freight, various hauling issues
- **Short Weights** –
  - Opportunities to get better remain, but tremendous positive trends this year



# Raw Supply Chain Challenges/Opportunities

- **Carcass Balancing –**

- **Perfect World:** optimizing purchasing where Breast and Dark meat are used at an optimized ratio- 2:1 for Turkey, 1:1 for Chicken

- **Benefit:** A farmer/supplier would know that the critical LBs of the birds placed will always be sold - Cost is streamlined on both sides when optimized

- **Issue:** demand for white/dark meat not in sync- it's been either breast demand very high, and dark low, or vice versa

- **Result:** short term demand fluctuations within the business are not ideal for forecasting and planning with supplier partners



## We can always laugh ... take some time to....

- Why was the chicken so funny?
  - What do artsy chickens enjoy?
  - What do you call a great chicken?
  - What movies do hens like?
  - Which side of the chicken has the most feathers?
  - What do you do with a shy chicken?
  - How do chickens send mail?
- No matter what...always keep your sense of humor and perspective...**

