CHAPTER II

REVIEW OF LITERATURE

2.1 INTRODUCTION

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2.3 STUDIES CONDUCTED BY INDIVIDUALS
2.1 INTRODUCTION

The present research attempts to conduct an analysis on the different aspects of the working of poultry industries in Salem. Several studies at various regional and state levels on different aspects of the industry have been conducted by researchers, academicians, National Banks for Agriculture and Rural development and Research Institutions. Therefore it is quite relevant to review the available literature that has relevance in identifying the gaps that exist in the field of present research. This chapter is an earnest attempt in this direction.

For this purpose the review of the relevant studies conducted in the poultry sector have been classified into two groups.

1) Studies conducted by institutional agencies and

2) Studies conducted by individuals.

A brief review of the existing literature coming under the above groups is presented in chronological order in the following pages.
2.2 STUDIES CONDUCTED BY INSTITUTIONAL AGENCIES

The National Bank for Agriculture and Rural development has conducted an evaluation study (1986)\(^1\), entitled “Report on Commercial Poultry in Krishna District of Andhra Pradesh”, a part of Financial scheme implementation. The study assessed the adequacy and effectiveness of forward and backward linkages, input availability, marketing facilities, veterinary and extension services and financial viability of the investment. The study also covered the economics of investment with different sizes of poultry. They found that the average physical performance of functional sample units in terms of egg production per layer and laying period was more or less in conformity with the scheme assumption. The study suggested that the units situated close to the consumer market enjoy the advantage of economy in handling cost and therefore, turnout to be viable and more research addressed to these questions should be necessary to facilitate decision-making.

The National Bank for Agriculture and Rural Development has conducted another evaluation study (1987)\(^2\), entitled “Report on Commercial Poultry Farming in the State of Punjab” as a part of two area development poultry schemes sanctioned. The study assessed the actual benefits of the scheme and compared the efficiency of small and large size poultry (layer)


farms. The study also covered the management factor affecting the profitability of poultry farm. The study team found that the schemes mainly benefited medium and large farmers and size of operations of poultry farm was directly related to the size of land holding. They stated that high rate of mortality was one of the apparent factors responsible for inefficiency of investment in the poorly managed poultry farm. They pointed out that the main reasons attributed to higher feed consumption was inadequate feeding facilities leading to larger wastage, higher mortality due to overcrowding, use of unscientific equipment, lack of control on heat and cold conditions due to unscientific design of poultry houses and accumulation of diseases which led to regular depletion of the flock. They suggested that total involvement of the bank so far as planning and post-credit supervision should be considered and increased assistance of the poultry department in the field of training and extension should be ensured.

In another study on National Bank for Agriculture and Rural development (1988)\(^3\), entitled “Report on Commercial Poultry Development (layer) in Salem District of Tamil Nadu” analysed the technical aspects and other aspects of the schemes implemented, existing infrastructure facilities, marketing arrangement and price structure of eggs. The study also assessed the cost of economics of different size groups of poultry units and estimated the

income from investment and profitability of investment. The study pointed out that the feature of development of poultry in Tamil Nadu has been over concentrated in certain areas. This, coupled with poor management of the units, has led to the out break of diseases, affecting many poultry units. The study revealed that the cost of feed showed more than a proportionate increase when compared to the price of eggs.

In the Agro-Economic Research Centre, University of Allahabad (2000), a Study entitled “Report on economic of poultry production and role of on organised sector in Uttar Pradesh” was made. They estimated the cost of production on different sizes of poultry farm and assessed the economic viability of the un-organised sector in Uttar Pradesh. They estimated the cost of production in different size of poultry farm and assessed the economic viability of the un-organised sectors of poultry farm. The study reported that the average utilisation of material input per farm, the average utilisation of material input per farm, the average profit per farm, the average profit per bird and the average profit per egg were Rs.1457,1113.25,70.03 and .095 respectively in the state. The average production of eggs per farm was 1797 and average input per farm, average input per bird, the average output per farm and average output per bird were Rs. 2701,160.28 3814 and 230 respectively. The study recommended that the feed ingredients should be provided at fair

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price, tax on poultry feed and equipment should be exempted, weather and environment control equipment, cages and other inputs should be made available at cheaper and subsidized rates, sufficient financial assistance by government credit agencies, adequate technical know-how by the state Department of Animal husbandry, adequate supply of medicines, sufficient facilities of veterinary doctors, development of infrastructure facilities and extension activities and suitable Act must be imposed in the state of Uttar Pradesh to control and regulate the quality of poultry as well as other animal feed.

2.3 STUDIES CONDUCTED BY INDIVIDUALS

Saxena and Gupta (1971)\(^5\) in their study entitled,”Poultry Farming in India”, examined the cost, revenue and productivity aspects of layer and broiler poultry farms in India. They found that the involvement of own labour increased the productivity and the input cost like feed, day-old chicks, preventives and medicines showed a more than proportionate increase than that of revenue. But the enhanced production of fowls, due to the increased demand for the product, made the total cost per unit to come down.

Agarwal (1974)\(^6\) in his study entitled,” Production and Marketing of Poultry Products in India” made an attempt to examine the pattern of


\(^6\) Uttar Pradesh Agarwal, “ Production and Marketing of Poultry Products in India (New Delhi: Mittal,1974)
production and marketing of poultry products in India with special reference to
the state of Uttar Pradesh. His study covered the aspects of poultry disease
prevention programme, management of broilers, role of the state in promoting
poultry industries, employment potential, financing requirement and problems
in getting adequate finance.

Pushkaran (1975)\(^7\) in his study entitled “Preferential Choices of the
Information Sources by Poultry Farmers”, in Thrissur district of Kerala, he
examined the source of information, preferential choice of sources and the
personal and social characteristics in association with choice of seeking
additional information. He found that among the major sources of information
through which poultry farmers came to know about scientific poultry farming,
main media accounted for 73 per cent, government sources 14 per cent and
neighbourhood sources 13 per cent.

Singh and Rai (1976)\(^8\) in their study entitled “Economic Aspects of
Production and Marketing of Poultry and Marketing of Poultry and Poultry
Products in Haryana”, conducted an empirical study by collecting data from
farmers and sellers. They assessed the capital requirement, cost of raising
chicks for egg production and per piece of broiler. The study estimated the
cost of production per egg and returns per year per bird on different sizes of

\(^7\) P.S.A. Pushkaran “Study on the Preferential Choices of the Information Sources by Poultry
Farmers”, MVSc diss. TamilNadu Agriculture University, Coimbatore, 1975.

farm, the cost of marketing poultry and its products. They also analysed the break point of egg production an different size of farmers at different levels of feed prices, price fluctuations in different markets, structure of existing marketing channels and the producer’s share in consumer’s rupee through different marketing channels.

Marutiram et al (1978)\(^9\) in their study entitled “Estimation of cost of Production of Poultry and Eggs-Hoshiarpur District (Punjab)”, analysed the factors helpful in lowering the cost of production and examined the prices spread at various stages from producer to consumer.

Mathur and Gupta (1979)\(^10\) in their study entitled “Management in Small Poultry Farms, Research Study Series”, analysed the structure of egg production, marketing channels and examined the resource availability and its utilisation. The study was conducted in an empirical nature by collecting data from two districts of Gujarat and one district of Maharashtra. They found that capital investment per 100 birds was higher in the cage system of rearing rather than in the deep litter system and cost of rearing increased with an increase in the farm size. They stated that farms having 500 to 1499 birds were uneconomical from the viewpoint of capital investment. The net returns per 100 birds and output ratio was favourable to big farms.

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Nadkarni, Somayasulu and Jain (1979)\textsuperscript{11} in their study entitled “Maintenance and Production Cost of Layer in Different Commercial Poultry Farm in Punjab”. They found that commercial farms in rural areas incurred higher cost of maintenance and production than those in the urban areas due to lack of better technical know-how for efficient farm management. They also pointed out that the farmers of co-operative societies incurred less cost than the individual farmers because the co-operative farmers obtained inputs at cheaper rates and also get advice and guidance from the extension services organised by the government.

Jain & Nadkarni (1980)\textsuperscript{12} in their study entitled “Relationship of Fixed and Working Capitals with Egg Production Research Series”, studied the pattern of investment of fixed capital and working capital, effect of these capitals on egg production and found the optimum combination of the two capitals for varying levels of egg production.

Karanjkar and Soni (1980)\textsuperscript{13} in their study entitled “Economics of Poultry Enterprises in Jabalpur”, examined the input-output relationship of poultry units and concluded that net profit per broiler was high in large size group and low in small size groups. They also pointed out that labour earnings increased in the same proportion.


Punia, Sharma and Subhan (1981)\textsuperscript{14} in their study entitled “Factors Associated with Poultry Farms in Haryana”, identified the problems with an empirical study among twenty-nine farmers in the region and pointed out the various problems. Twenty-four sample farmers complained about the high cost of feed, twenty-six farmers opined about lack of finance, nineteen farmers stated it was as heavy risk, fourteen farmers had marketing problem and seventeen farmers complained about non-availability of veterinary facilities.

Velusamy (1981)\textsuperscript{15} in his study entitled “A Micro-Analysis in Namakkal Block in Salem District”, analysed the cost of production of eggs for different flock sizes and reported the cost per 100 eggs on the flock sizes of 600, 1700 and 2700 birds to be Rs.34.13, 32.34 and Rs.30.54 respectively. He stated that the increase in flock size resulted in decrease in the cost of production and increase in net profit.

Sathis Chandra, Bhikam Singh and Balister (1982)\textsuperscript{16} in their study entitled “Economics of Poultry Enterprises in Ajmeer”, found that increase in farm size resulted in increase in profit per farm or per bird and economics of scale arises from the flock units above 1500 birds.


\textsuperscript{15} K. Velusamy ‘Economics of Egg Production – A Micro-Analysis in Namakkal Block”, MVSc dissertation TamilNadu Agriculture U, 1981.

\textsuperscript{16} Sathis Chandra; Bhikam Singh and Balister, “Economics of Poultry Enterprises in Ajmeer”, poultry guide 19.3 (1982) 68-70
Suresh Kumar (1983)\textsuperscript{17} in his study entitled “Economics of Egg Production and Marketing in Coimbatore”, found that the net profit increases and cost of production reduces with increase in flock size. He pointed out that the cost of production of 100 eggs in 1500 and 1600 flock size was Rs.32.18 and Rs.27.09 respectively and net profit earned was Rs.8.67 and Rs.11.84 respectively.

Chezhian (1983)\textsuperscript{18}, in his study entitled “Economics of Egg Production in Vennathur Block, Salem District”, found that the cost of production per bird’s whole life was Rs 88.76 and revenue was Rs.130.64. He pointed out that the cost of production of day-old chicks was Rs.5.11 and major expenses of production cost involve cost of feed.

Marimuthu (1984)\textsuperscript{19} in his study entitled “Cost Reduction by utilizing Non-Conventional Feeds”, suggested the use of low cost self –compounded feed for minimizing the rate of mortality and optimizing the return from layer poultry farm.

Ganesan (1986)\textsuperscript{20} in his study entitled “Management of Broiler Farms in Coimbatore Taluk”, found that the average cost of production per broiler was

\begin{center}
\textsuperscript{17} V. A. Sureshkukmar “Study on Economics of Egg Production and Marketing in Coimbatore, “MVSc diss., TamilNadu Agricultural U, 1983. \\
\textsuperscript{18} S. Chezhian, “Astudy on Economics of Egg Production in Vennathur Block, Salem District” MVSc diss., TamilNadu Agricultural U,1983. \\
\end{center}
Rs.18.46 and average income per farm with 1000 birds and 5000 birds was Rs.26813.02 and 199306.86 respectively. He identified the fixed cost and variable cost per broiler was Rs .92 and 17.54 respectively. He analysed the break-even volume of sample farm and point out that it was 2678 birds or 6535 kilograms.

Sadagopan and Srivastava (1987)\textsuperscript{21} in their study entitled “Economics of Poultry Production”, stated that balanced feed when provided at definite intervals with minimum feed wastage could make the poultry enterprise a successful venture.

Reddy (1987)\textsuperscript{22} in his study entitled “Broiler Farming in Coastal Area”, compared the advantages of rearing layer and broiler fowls in deep litter backyard and cages. He stated that under cage system, feed convertibility ratio and rate of mortality was very low and the system was highly suited for poultry farm in coastal regions.

Thulasi et al (1988)\textsuperscript{23} in their study entitled “Marketing Channels and Price Spread for Broiler Chicken in Madras City”, identified five marketing channels for broilers namely (1) Producer-Wholesaler-Retailer-Consumer (2)

\textsuperscript{21} V.R. Sadagopa and Srivastava “Economics of Poultry Production” Indian Poultry Review 18 (1987): 30-32
\textsuperscript{22} B.V. Reddy “Broiler Farming in Coastal Area”, Indian Poultry Review 18 (1987); 35-37.
\textsuperscript{23} G. Thulasi et al “Marketing Channels and Price Spread for Broiler Chicken in Madras City”, Poultry Guide 25.5 (1988); 21-24
producer-Retailer-Consumer  (3)  Producer-Chainstores-Consumers  (4)  
producer-consumer  (5)  Producer-Agent-Wholesaler-Retailer-Consumer.

Aboobacker (1988)\(^\text{24}\) in his study entitled “Status of Broiler Production in Kerala with Special Reference to Thrissur District in Kerala State”, found that large-sized farms show more profitability and the small sized ones represent more productivity.

Pothuluran (1988)\(^\text{25}\) in his study entitled “Economics of Layer and Broiler Poultry Farms in Andhra Pradesh”, found that small-sized poultry farms have optimum viability and economy.

Nanda & Deepak Sharma (1989)\(^\text{26}\) in their study entitled “An integrated Approach to Poultry Farming in Tripura”, stated that the poultry production was in infancy stage in Tripura and lacked proper development because of many constraints like non-availability of feed and high cost of materials. Private poultry farms were almost non-existant in the state and were limited to back-yard farming.

\(^{24}\) M. Aboobacker, “Status of Broiler Production in Kerala with Special Reference to Thrissur District,” MVSc diss., Kerala Argicultural (Thrissur), 1988.


Agarwal (1990)\textsuperscript{27} in his study entitled “Progressive Poultry Units in Chhattisgarh Region of Madhya Pradesh”, explored the breed that gives better performance and parameters that affect the performance. He found that the mortality and feed intake were the major constraints in egg production. He suggested that the selection of breeds of high egg production suited for different agro-climatic regions and educating farmers on scientific management of superior poultry breeds and supplying them with good quality feeds, medicines and chicks regularly at cheaper rates at their door steps. He recommended that the poultry enterprises should be organised as an independent enterprise on commercial basis by providing capital and credit at subsidised rates and encouraging the establishment of more co-operative societies to provide production and marketing services to poultry farmers in rural areas.

Bhat (1991)\textsuperscript{28} in his study entitled “Problems of marketing poultry and poultry products” probed into the problems of the industry in the field of marketing. He found that the major problems in the marketing of poultry and poultry products are monopoly of middlemen, low consumption of poultry meat and eggs, seasonal price fluctuation, lack of pre-grading and poor market research.

\textsuperscript{27} K.A. Agarwal, “Progressive Poultry Units in Chhattisgarh Region of Madhya Pradesh ; A Case study”, Indian Journal of Agricultural Economics 45.3 (1990): 391-392.

Prasanna (1991) in his study entitled “Package of Practices Adopted-Economic Appraisal of Broiler Farms in Tamil Nadu”, observed that batch system of rearing broiler yielded optimum profits. She found that farm size of 4000 broilers 1000 birds in four batches would result in optimum profits. She recommended farm mixing of feed as the best way of achieving optimum profits.

Gengaraj (1991) in his study entitled “Package Practices Adopted and Economic Appraisal of Layer Farms in Tamil Nadu”. He identified that the increased cost of inputs, poor feed and chicks, and quality were the major constraints of layers in Tamil Nadu. He suggested that intensive training programmed should be implemented to meet shortage of skilled personnel, proper machinery should be established for controlling the unhealthy pricing procedures followed by leading farmers and bank and financial institutions should consider poultry farming as worthwhile business venture.

Thulasi et al. (1992) in their study entitled “Marketing of Broiler Chicken in Madras City”, pointed out that the broiler market structure in Chennai city was purely an oligopoly, as a few wholesalers were observed to be dominating the market i.e., about 60.51 per cent of the total market sales


was by two leading wholesalers. They also identified five different channels in Chennai city for broiler marketing namely (1) Producer – Wholesaler – Retailer – Consumer 2) Producer - Retailer – Consumer 3) Producer – chain stores – Consumer 4) Producer–Consumer 5) Producer (local) – Consumers agent (outside) - Wholesaler – Retailer – Consumer.

Patil, Ambatkar and Kajale (1993)\(^32\) in their study entitled “Economics of Broiler Raising in High Rainfall Areas of Konkan Region of Maharashtra”, found that the fixed capital requirement excluding cost of land, for 1000 broiler unit was Rs. 1, 07,050. He also stated that broil-raising was a profitable venture and assessed the expenses for raising 1000 broiler birds for 12 cycles to be Rs.3,97,853. The return and net profit per year generated from this operation was Rs.4,96,320 and 98,467 respectively.

Narmatha (1994)\(^33\) in her study entitled “Role of women in Poultry Farming”, from the data collected from Namakkal block, analysed the relationship between certain personal psychological and socio economic characteristic of women and their involvement in decision-making in poultry farming activities. She found that majority of women were young, educated up to secondary level and have poultry as their subsidiary occupation with medium experience and medium flock size.


Jebarani (1994)<sup>34</sup> in her study entitled “Determination of Operational Efficiency in Broiler Farms in and Around Madras City”, found that total investment in fixed assets, excluding land in small, medium and large scale farms, were Rs. 4,39,476 and 4,83 per bird respectively. The average fixed cost in small, medium and large scale farm was Rs. 2.13, 1.86 and 1.93 per bird respectively and average variable cost was Rs. 23,11,22 and 20.78 per bird respectively. She also found that the mortality rate in small, medium and large scale farm were 4.08 per cent, 7.92 per cent, and 6.46 per cent respectively. Feed consumption per kg of broiler was Rs. 2.286, 2.085 and 2.005 respectively and labour utilization per 100 broilers was 11.2, 8.4 and 8 man days respectively.

Bhardwaj (1995)<sup>35</sup> in his study entitled “Growth and Development of Poultry in India”, found that there had been a massive growth in the improved parent stock and regional disparity existed in the distribution of improved parent stock and poultry production. The disparity in the prices of poultry products and the production of coarse gains in a region were found to be mainly responsible for the imbalanced growth of poultry in India.

Rajput (1995)<sup>36</sup> in his study entitled “Economics of Poultry Farming in Indore District of Madhya Pradesh”, examined the cost and returns per layer,

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<sup>35</sup> S.P. Bhardwaj, “Growth and Development of Poultry in India; A Regional Study”, Indian Journal of Agricultural and Economics 50.3 (1995): 385

<sup>36</sup> A.M. Rajput, “Economics of Poultry Farming in Indore District of Madhya Pradesh”, Indian Journal of Agricultural Economics 50.3 (1995); 337-338
the net returns, the cost of production per egg and benefit – cost ratio on small medium and large size groups of poultry farms.

Biju (1995)\(^{37}\) in his study entitled “Poultry Farming – Impact on Rural Economy in Malapuram District of Kerala”. He identified the problems such as high cost of feed and chicks, sub-standard quality of feed, non-availability of quality chicks, marketing problems, poultry diseases and non-availability of financial assistance. He suggested that control should be imposed on the distributors of feed, and steps should be taken for strengthening of Co-operative sectors and offering the service of skilled doctors.

Joseph (1995)\(^{38}\) in his study entitled “Economics of Poultry Farming in Kerala”, with special reference to broiler farms, studied the trend in the cost and revenue items and its impact on the financial performance of commercial poultry farms in Kerala. He also evaluated the impact of farm size on the profitability, financial position and identified an appropriate size, suitable to the state of Kerala. He found that there exists an inverse relationship between the size of farm and capital intensity and a direct proportion between productivity, fixed capital, working capital and inventory to the size of the farm. He suggested that maintaining feed compounding units, as part of poultry farms, would be an effective method of achieving rationalization of input cost in the business of poultry farms.


Saminathan (1995) in his study entitled “Marketing Pattern of Egg in Namakkal Poultry Pocket”, identified three different marketing channels: - The first includes producer, traders (Namakkal) wholesalers, retailers and consumers, second channel comprises of producer wholesalers, (Namakkal) retailer and consumer, and the third channel includes, producer, retailer and consumer (Namakkal). He found that among these three channels 80 per cent of eggs were marketed through the first channel.

Rao (1996) in his study entitled “Role of NABARD in Poultry Development”, found that some of the states like Andhra Pradesh, Maharashtra, Karnataka, Punjab and Haryana had used maximum refinance from National Bank for Agriculture and Rural Development, there by indicating vast potential for poultry industry and other states like Uttar Pradesh, Madya Pradesh and Bihar which have very large human population and considerable potential for poultry development have not availed much of institutional finance for the purpose.

Mishra (1996) in his study entitled “Poultry Production in Eastern and North Eastern India”, found that the people of these regions have not felt the impact of new technology due to a number of constraints, such as non

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41 SC Mishra, “Poultry Production in Eastern and North Eastern India” India Farming 46.6 (1996); 79-84
availability of parent stock, lack of research and development, lack of modern hatchery facilities and irregular supply of chicks, non-availability of balanced feed and high feed cost, lack of marketing network, lack of trained man power, higher electricity tariff, non- availability of vaccine and medicine and lack of interest of financial institutions to provide financial assistance.

Kathiravan (1996)\textsuperscript{42} in his study entitled “An Economic Evaluation of Marketing of Eggs in Salem District of Tamil Nadu”, observed that despite the appearance of slightly concentrated oligopoly structure at producer’s level, there were other features such as competitive wholesaler or trader group, product substitution and degree of market intelligence, and it was concluded as pure competitive market.

Biswauneith (1996)\textsuperscript{43} in his study entitled “Financial Problems of Poultry Farming in the District of Midnapore, West Bengal”, found that the usual source of finance available to other small scale units in West Bengal could not be availed because of its low rate of return on capital employed and investment in current asset was not sufficient. He stated that in spite of earning minimum profit, the poultry industry could survive as they can meet the imputed cost of services (Cost of family employment of owners) He suggested that necessary financial assistance should be provided to poultry units at a nominal rate of


interest for meeting working capital requirement, establishing storage facilities of eggs and meat and forming national marketing agency.

Pourouchottamane (1997) in his study entitled “A Survey on Managemental Practices & Production Performance of Commercial Layers in Namakkal”, stated that a poultry owner having 1000 layers would save a minimum of Rs.13,000 for one year in the cage system by saving feed wastage and energy wastage that was found in the litter system.

Reddy, Shanmugam and Mohan (1997) in their study entitled “Economics and Financial Analysis of Broiler Production in Virudhunagar District in Tamil Nadu”, found that cost of production per bird of broiler chick to be Rs. 22.18 and net profit obtained by the producer per bird as Rs.3.01. They also found the share of variable cost, depreciation, rental value of land and interest on capital, which constitute 93.34 per cent, 2.03 per cent, 2.21 per cent and 2.52 per cent of the total cost in broiler production respectively. They stated that, among the total cost of production, share of chick’s cost and labour cost involves 25.29 per cent and 3.07 per cent respectively. They assessed the break- even point of broiler production to be 127 birds and feed consumption per kilograms weight gain in broilers to be 2.57 kilogram.

Nakeeran (1997)\textsuperscript{46} in his study entitled “An Economic and Managerial Analysis of Broiler Farming in Coimbatore District”, examined the financial requirement and analysed the role played by the different funding agencies towards broiler farming. He also studied the financial management of broiler farming and problems encountered in broiler chain. He categorized the farm into own farm and commercial farm and analysed the data on this basis.

Imam Shaik (1997)\textsuperscript{47} in his study entitled “Innovative Marketing of Broiler Chicken in Coimbatore District”, found that three-hatchery company individually started contract farming in Coimbatore district and one of them disposed their produce through institutional sales, the other one was transporting their broilers to Chennai and Kerala and the third one marketed the broilers through retail chicken outlets and sold as further-processed chicken.

Ganesh Hedge (1998)\textsuperscript{48} in his study entitled “Management and Production Performance of Broilers in Palladam Area in Coimbatore District”, examined the influence of various managerial practices under field condition on the production parameters of broilers taken for study. The production parameters considered were age at marketing, body weight at marketing, feed efficiency and live ability. He found that marketing, price


\textsuperscript{47} Shaik Imam “Innovative Marketing of Broiler Chicken” Poultry fortune7.4(1997) 6-10.

fluctuation, low profits, disease, poor quality of feed, water and chick’s scarcity, heat stress and labour problems are the constraint in poultry industry.


Rajan Nair (1998)\textsuperscript{50}, in his study entitled “Marketing of Poultry Products”, tries to find out the defects in the existing marketing channels and institutions followed by the poultry industry in Kerala. He assessed the efficiency of the existing marketing system and identified the constraints in the marketing and the support services for eggs and meat. He examined the critical factors determining the current viability of poultry production units. He found that the major constraints in the marketing of poultry and poultry products are the intervention of contract farms sponsored by actual units or whole sales which alter the existing marketing channel and the real owners of unit. The price factor is highly sensitive and low market price, which leads to the closure of the unit or reduction of flock size and widening the demand and supply further, he points out that the per capita consumption of eggs is increasing and effort is taken in integrated layer units and marketing outlet either at producer level or organizational level or government level.


Rajendran (1998)\textsuperscript{51} in his study entitled “Economics of Broiler Production in and Around Palladam Area of Coimbatore District’, found that the net return was higher in farms operating in batch system rearing than all in all own system and own mixed feed had the advantage of lower cost of production and increased profit margin. He stated that as the farm size increased, there was reduction in capital investment, cost of production, live ability, and benefit cost ratio/profit.

Khan (1999)\textsuperscript{52} in his study entitled “Youth in Poultry Development of Alleviation Protein Deficiency”, states that increase of egg per capita consumption would generate 25000 jobs and 100 gm increase in per capita meat consumption would support 40000 jobs.

Bhatta, Gupta and Sharma (1999)\textsuperscript{53}, in their study entitled “Impact of Certain Important Socio-Economic Factors on the Adoption of Broiler Farming in Haryana”, made an attempt find out the impact of farm size, educational status and land holding on the adoption of broiler farming in Haryana, by an empirical analysis. They found that majority of the farmers started broiler farming to get additional income.


\textsuperscript{52} A. G. Khan “ Youth in Poultry Development of Alleviation Protein Deficiency” India Farming 49.7 (1999) 54 -60

Educational status had a high significant association with adoption of broiler farming and overall 88.67 per cent of farmers acquired latest knowledge through inherited tradition from neighbors, progressive farmers, friends and relatives. The land holding had no significant association with justification to start a farm, knowledge acquisition and communication source for starting of broiler farming. They suggested that the implementation of improved broiler managerial practices, application of bio-technological and breeding techniques and bio-security measures should be adopted to minimise input cost and maximise returns.

Shiva Sharnappa and Veeranna (1999)\textsuperscript{54} made a study entitled “Attitude and Adoption of the Poultry Management Practices by the Farmers of Kolar District in Karnataka”. The study revealed that 90 per cent of the farmers had a favourable attitude towards poultry farming and also more than two thirds of them adopted the recommended poultry management practices except housing, floor space and deforming.

Amudha and Veerabhadrajah (2000)\textsuperscript{55} in their study entitled “Women in Commercial Poultry Farm in rural Areas in Tamil Nadu”, found that participation of women was mostly confined to activities like feeding and litter management, while important aspects like marketing, production and medical


care were left to the men to be handled. They suggested that women should be
made more organised and aware of improved poultry practices and disease-
control measures.

Thus, it is obvious from a review of the work done so far in the field that
most of the studies are micro in approach and regional in nature. There had
been no systematic and comprehensive study on the working of poultry
industry in Salem district covering the areas of poultry management practices,
cost and profitability analysis, financial position and problems, production
performance and problems. Moreover none of the reports and studies has
attempted to review the socio-economic condition of the poultry farmers in
Salem district. Thus, it is in this context that the researcher has made a humble
attempt to fill up this lacuna.

Rausser and Simon (2001)\textsuperscript{56} made a study entitled “Processor
Placements and Producer Incentives and Analysing broiler Chicken Production
Contracts in California”. While analyzing the contractual setup, the researchers
found that the environmental management of processor placements and
production incentives are the main factors that contribute to the success of
contracts and contract renewal.

\textsuperscript{56} Rausser, G.C. and Simon, L.K., Processor Placements and Producer Incentives: Analysing Broiler
Chicken. Production Contract Working Paper – Department of Agricultural Resource Economy,
University of California, (2001) No.858, P.25
Karim et al. (2001)\textsuperscript{57} in their study entitled “Profitability Analysis of Broiler Farming under Contract Farming system”, analysed profitability under constant rate of price located at Bajitpur Upazila of Kishoregonj district, Bangladesh. Seventy five farmers (25 small, 25 medium and 25 large farms) were purposively selected from the area. Costs and return were calculated to find out the profitability of broiler production. The total cost per bird was estimated at Rs.78.43, Rs.78.51, Rs.78.32 and Rs.78.31 for small, medium, large and all broiler farms respectively. On the return side, the average gross returns per bird per batch stood at Rs.89.21, Rs.89.40, Rs.90.71 and Rs.89.87 for small, medium, large and all broiler farms, respectively. The profit or net returns per bird for small, medium, large and all broiler farms were Rs.10.80, Rs.10.85, Rs.12.40 and Rs.11.75 respectively. The findings of the study clearly indicate that all broiler farms made good profit and the large farms, however, earned a little higher profit.

Biswas et al. (2003)\textsuperscript{58} made a study entitled “Broiler chicken Production and Marketing Situation in Coastal Belt of West Bengal”. Their study parameters were stock procurement, market sales, profit, monthly income, sale of meat, utilization of dead stock, rearing systems, and marketing. They concluded that congenial and improved conditions of the state have prioritized the broiler production. The findings indicate the sustainability of broiler


farming in the locality. Areas for further improvement are identified and discussed.

Kumar and Rai (2004)\textsuperscript{59} in their study entitled “Economic Status of Poultry Farming and Compared the Investment Patterns in labour Utilization in Andaman and Nicobar Islands”. The study compared the investment patterns, labour utilization pattern, cost and returns and efficiency measures of small (300 birds), medium (900 birds) and large (1500 birds) farms. The total cost per bird was found to be Rs 68.84, Rs 65.85 & Rs 63.07 respectively. The net returns per bird was found to be Rs 8.36 for small farms and was Rs 11.35 & Rs 14.13 for medium and large farms respectively. The study revealed that the ratio of all three categories was even and was 1.13, 1.19 and 1.24 respectively. The study concluded that the broiler farming was a profitable enterprise and a main source of income to a sizeable number of farmers.

Ramdurg (2004)\textsuperscript{60} in their study entitled “Perception of Bird Flu disease on Consumption of Chicken and Eggs in Dharwad District of Karnataka”. The findings of the study revealed that the effect of bird flu was not expected in India, yet due to wrong perception the bird flu occurrence had a huge impact on the consumption as well as production activities. Vinayaka (2005) in his study of economics of contract farming in Ashwagandha reported two major problems faced by the contract farmers in North Karnataka. He revealed that

\textsuperscript{59} Kumar and Raj “ A Study About the Economic status of poultry Farming and compared the investment patterns in Labour utilization pattern, Cost and Returns and Efficiency Measures of Birds. Indian Farming 52.2 (2004): 70-74.

\textsuperscript{60} Ramdurg “A study on Perception of Bird Flu Disease on Consumption of Chicken and Eggs in Dharwad District of Karnataka”. Ph.d thesis of Karnataka, Dharwad District (2004).
lack of prescribed contract norms and manipulations of norms were the major problems.

Prasad et al. (2005)\(^{61}\) in his study entitled “The Reported Two Major Problems Faced by the Contract Farmers in North Karnataka”. The problems cited by non-contract farmers included high feed cost (90.6 per cent of the respondents), unremunerated price (87 per cent), high electricity charges (77 per cent), high chick cost (69 per cent), poor quality feed ingredients (69 per cent), delay in lifting of birds by wholesalers (53 per cent), mortality and disease (43 per cent), delay in chick supply (40 per cent) and insufficient attention of hatchery men (39 per cent). Contract farms cited delay in chick supply (87 per cent of the respondents), high electricity charges (69 per cent), mortality and diseases (40 per cent), delay in payment (27 per cent), lesser payment of hatchery to contract farmers (13 per cent) and problems in the daily supervision of the broiler unit by the supervisor (9 per cent) as their problems. Based on these, findings, they concluded that non-contract farms have more difficulties in broiler farming.

Yeshodha Devi and Kanchan (2006)\(^{62}\) in their study entitled “Chicken Consumption Pattern and Consumer Preference for Processed Chicken in Coimbatore district”, discussed the problems of live bird market as compared to that of frozen products in poultry. It was opined that the live-bird market

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should be supplemented by the processed poultry products to reduce the costs and other seasonal vows of the poultry farmers in that region.

Gnanakumar P Baba (2007)\textsuperscript{63} made a study entitled “Financial Feasibility of Investment in contract Poultry Farming in Tamil Nadu”. 50 integrated poultry were selected randomly in Coimbatore district. The study found out the problems of poultry farmers that compelled them to enter a contract to be poor income from traditional agriculture, water scarcity, high market risk in traditional agriculture, labour crunch and need for more substantial working capital.

Verma and Singh (2008)\textsuperscript{64} from their study entitled “Educational level and occupational status of the entrepreneurs on the economics of egg production for 1.5 year life of birds in Haldwani area of Nainital district”, found that the total cost per bird was Rs. 946.23. The fixed and variable cost contributed were 7.54 per cent and 92.45 per cent, respectively. Expenses on the land rent, depreciation on buildings, equipments and purchase of day-old chicks contributed 0.63 per cent, 1.8 per cent, 0.44 per cent and 3.85 per cent respectively of the production cost. The average gross return per bird was Rs. 999.49 from the sale of eggs. Spent hens, manure and empty gunny bags contributed 87.33 per cent, 10.87 per cent, 0.84 per cent and 0.83 per cent respectively of the total returns.


Sreek and Babu (2008)\textsuperscript{65} in their study entitled “The study on management of broiler industry in Andhra Pradesh”, concluded that the total investment and total cost per bird increased with the increase in the farm size at total costs per kg live weight decreased with the increase in the farm size, while the net returns increased with the increase in farm size.

Singh (2009)\textsuperscript{66} in his study entitled “Broiler marketing Ambala and Gurgaon districts of Haryana state” found that the most important channel in producer - wholesaler - retailer - consumer and price spread was found to decrease with the elimination of intermediaries. Two indices (concentration ratio and Hirschman index) were used to analyse market structure. The indicator revealed an absence of monopoly in broiler marketing.

Bhullar (2010)\textsuperscript{67} in his study entitled “Comparative study of poultry farming in Punjab and Andra Pradesh” found that the total cost of maintenance, cost offered, the interest on working capital, the value of bird and labour expenses were the major items of maintenance cost per bird.