Chapter I

INTRODUCTION

Indian diet, which is chronically deficient in proteins, can be partly improved through enhancing poultry meat production as the majority of the Indians do not eat beef because of religious taboos. The number of other meat producing animals viz. sheep and goats has not kept pace with the increasing population. The population of sheep and goats from 1947-48 to 1970-71 increased by 35 per cent only while during the same period, the human population increased by 51 per cent. So, the availability of meat from these animals remained low in India, being only 1.18 kgs. per capita compared with 80.10 kgs. in the U.S.A. and 68.7 kgs. in Canada during 1969-70. The poultry production is only 0.21 bird per capita in India compared with 4.5 in Canada, 3.66 in France, 2.80 in Mexico and 2.48 in the U.K. As a result, the quantities of proteins derived from animal source were only 11.3 per cent in India as compared to 72.5
per cent, in the U.S.A. The food chain in the country is thus mainly of plant-man type while that in the developed nations it is of plant-animal-man type. Thus, on an average per capita consumption of grains in the developed nations is about one tonne per year. However, only about 70 kgs. are consumed directly, in the form of bread, biscuits, cakes etc. while the remaining 930 kgs. are used for feeding animals whose products such as meat, milk and eggs are consumed by human beings. In the developing countries, the per capita consumption of grains is about 190 kgs. and most of this is directly consumed. The total calories available to an Indian were only 1990 as compared with 3300 in the U.S.A. during 1969-70. During 1962,200 to 250 million Indians were estimated to be either under-nourished or mal-nourished. Thus mass under-nourishment or mal-nourishment is evident in India.

The production of goat and sheep meat cannot be increased substantially as pasture land is on the decline and land is increasingly being put to non-agricultural uses. The broilers having the highest feed conversion ratio from plants to animal proteins and requiring a little land can play an important role to remove the chronic protein deficiency from the Indian diet. The Government being aware of this fact has started importing parent stocks of broilers since 1959.

* The numbers in the parentheses refer to the citation in the Bibliography.
The agro-industrial by-products and vegetable wastages providing cheap poultry feed\cite{46,48,55,62} have further facilitated the adoption of this enterprise. Besides, it is capital intensive enterprise like industries and requires less land \cite{22}. Thus, it will not encroach upon already scarce land resources of India \cite{21}, rather it will provide continuous employment to the under-employed rural masses who directly or indirectly derive their livelihood from farming \cite{41}. Broiler industry would provide regular income to the farmers as birds are ready for the market within 8-10 weeks period and as many as five crops can be reared in a year on the same piece of land. Even more crops can be had by constructing multi-storeyed sheds. Weather fluctuations and other vagaries of nature have less effect on poultry farming than on traditional farming.

In the wake of these advantages and in response to the extension activities of the Government, the farmers started rearing broilers by mid-sixties. Some of the farmers converted their layers' sheds into broilers' sheds while some others constructed specially designed sheds for rearing broilers. As a result, the production of broilers gained momentum during the late sixties. A large number of feed manufacturers and hatcheries also started their activities but the marketing facilities did not expand accordingly. There were no processing and preservation facilities available in the Punjab. Farmers were in trouble because of the peculiar marketing problems of
this crop. The live as well as dressed broilers could not be transported without high losses even to the local markets. During peak culling period for spent hens accompanied with large number of cockrels due to defective sexing, the supplies of poultry meat increased which caused a slump in the broiler prices.

To safeguard the interests of the farmers, the Government of India established 2 large and 15 small poultry processing plants in the country. One large plant was allocated to Poultry Project, Chandigarh. The main objectives of the Project were to provide remunerative prices to the farmers and preserve poultry birds during peak periods. For encouraging production, the Project distributed quality chicks of broilers amongst the farmers at concessional rates with the contract to get back 75 per cent of them for processing at its plant. The Project recommended concessional loan for this enterprise from the Department of Industries and provided balanced feed formulae to the Panjab Poultry Corporation manufacturing broiler feed. In addition to these facilities, the Project also extended the technical know-how to the farmers regarding the scientific rearing of broilers. The Project also provided its vans for transporting broilers from the farms to the processing plant at fixed charges. Assuming assured market facilities by the Project, a large number of farmers around Chandigarh started this enterprise. The farmers of Ludhiana and other towns also started rearing broilers with the hope that the Project may establish its collection centres in these poultry concentration areas.
Despite these facilities, the broiler farms did not make as much progress as was envisaged. Some of the farmers again started the layer business and some wound up their broiler farms. But some new farmers started this business every year. This indicated that broiler industry was somewhat in a muddle in the Punjab in spite of the various production incentives launched from time to time.

Thus whereas the inefficiencies in the production incentives cannot be ruled out, a reasonably good hypothesis to answer this puzzle is that the inherent mal-practices and inefficiencies in the marketing system nullified the impact of production incentives. Hence, this study was planned to peep into the marketing problems of the broilers. Since the broiler industry is still in its infancy, the costs of rearing broilers, which have a direct bearing upon net returns to the farmers, were also studied. The study being of a pioneer nature in India had to be broad-based. This was done to delineate the problems for the producers, the policy-makers, the consumers and other agencies connected with this enterprise. It is hoped that the study will help put this infant industry on sound footing because it offers an ample scope in this State which is surplus in poultry feed ingredients. Specifically, the objectives of the study were to examine:

i. production and marketable surplus for the sample farms;
ii. costs of rearing the broilers and the optimum age for disposal to get maximum returns;

iii. agencies involved in assembling and the costs and modes of transportation;

iv. the behaviour of farm prices in producing and consuming markets, and the relationship between the prices of feed, live birds and meat;

v. the marketing channels and the costs and margins of different agencies;

vi. the consumption pattern of the consumers and the factors affecting it; and

vii. the progress made by the poultry processing plant and its impact on broiler rearing farmers.