ABSTRACT

India has a human population of around 1.22 billion and this figure is predicted to grow to somewhere around 1.32 billion by the year 2020. Post-independence, India has been on a developmental phase, stage by stage. The first and foremost in this category is "food for everyone". This was fulfilled by the efforts taken through the Green Revolution and this took about 25 long years. Further, related additional needs in terms of nutrition proved to be a significant aspect that needed attention. One such product that adds more to nutrition is Milk and this additional need was attained by ‘Operation Flood’. With most of the developmental aspects going on the right track, it is, consequently, the turn for other products such as poultry and fishery to gain more attention.

In the southern part of India, the widely acceptable poultry production methodology is Contract farming based production system and these contract farming companies are also called as Integrators. It is observed that the poultry farmers are facing several problems under contract farming model. Conflicts between the farmers and Integrators in this region are witnessed continuously and this has been highlighted in the recent days. To name a few, some of the problems are rising cost of input cost like feed and other raw materials, disputes between Farmer (Contract Farmer) and Integrators (Contract Company) under contract farming model. In the contract farming model, the problems are low FCR (Feed Conversion Ratio), theft of input supplies, theft of output items (Broiler birds), mismatches in Growing Charges, Quality of input and output, Corruption, Labour problems, Price rise of farm inputs, Demand pricings and Surplus production problems, Diseases and Intensification problems etc. In this background, the present study has
been taken up to examine the problems and challenges of contract farming in poultry industry with reference to Western Tamilnadu.

The total number of farmers selected for the study was 375 samples from the population totalling 6011, and 30 Integrators were also taken into account for the study. The objectives were framed to analyze the problems and challenges in the poultry business processes. The problems are categorized into Production, Finance, People, Information and Compliance related problems; and challenges are classified into Economic challenges and Social challenges. The objectives of the study have been proved statistically by using various statistical tools including Mean, Factor Analysis, Multiple Regression Analysis, Chi-square Test and ANOVA.

The study has shown that broiler production related problems, financial problems faced by the farmers and integrators in this business, problems related to people in the supply chain, problems related to information and communication in business processes and problems related to compliance in the contract exist in the business process. The study also showed the challenges faced by the farmers and integrators in the business. These challenges are related to economic and social issues. The study briefly analysed the perception of farmers and integrators about the poultry business, risk levels between each other.

This study will help the chick growers (Farmers) to understand the problems and challenges of the poultry business. This study will also help in understanding the issues; perception of the farmers about the poultry business processes and poultry management practices in terms of Integrators. The study also helps the farmers in making critical investment related decisions in this sector. The study helps the integrating companies in knowing the profit potential of the integrated poultry production and aims to provide suggestions to maximize their profits through this model.