Chapter 6

SUMMARY & CONCLUSIONS
In India, poultry industry has caught the imagination of planners in recent times in finding alternative avenues for rural development. Poultry farming has been considered as an important means not only to provide supplementary income and gainful employment to a large number of people but also to obtain good quality nourishing food. Even though India ranks as the world's fifth largest egg producing country, the per capita availability of eggs and poultry meat are very low in the country as compared to other developing countries. Since the gap between the demand and supply of poultry products is expected to widen further, there is a large scope for the growth of this industry in future.

The commercialisation of poultry industry has started in the "sixties" with respect to layers, while the broiler production took off on commercial lines since 1971. Since then, there has been a tremendous growth in broiler production in the country. Andhra Pradesh ranks first in India in terms of both egg production and broiler production. Because the broiler production is growing at a faster rate as compared to egg production in the state, it is important to examine the various aspects of broiler farming on account of the increasing demand for broiler meat in future. More so, comprehensive and systematic studies concerning the broiler farming, particularly the profitability of broiler farming and the procurement, marketing and managerial practices of broiler farmers, are rather limited in the state. The present study is a modest attempt in filling the research gap in this field.
The main objectives of the present study are:

1. to study and analyse the progress of poultry farming with special reference to broiler farming in Andhra Pradesh and in the study area;
2. to examine the procurement, marketing and managerial practices of the sample broiler farmers;
3. to assess the costs and returns of broiler farming in respect of the sample broiler farmers; and
4. to suggest some measures, in the light of the findings of the study, for furtherence of broiler farming in the study area.

The present study is confined to Ranga Reddy district in Andhra Pradesh which, by virtue of its location, has a ready access to the market and which accounts for about one-fifth of the total poultry population in the state. The study covers 90 sample broiler farmers belonging to three categories based on the size of farm, viz., small farms (up to 5,000 birds), medium farms (5,000 - 10,000 birds), and large farms (above 10,000 birds), who were selected on the basis of random sampling method. The data concerning different aspects of broiler farming has been collected from these 90 sample broiler farmers and analysed with reference to the farm size. The primary data collected from the respondents pertain to the bird cycle ending with December, 1990. Besides, the study makes use of relevant secondary data concerning poultry industry in general and broiler farming in particular.

The analysis of the growth and development of poultry industry in India has revealed that inspite of the low priority
given by the government of India in its Five-Year Plans for the
development of poultry industry, this industry has shown a
remarkable growth in the past two decades, essentially because
of the key role played by the private sector. However, the per
capita consumption of eggs and broiler meat continued to be very
low in India as compared to other developing countries. Thus, the
poultry industry has a tremendous potential for further growth,
which can be fully exploited given the right kind of support from
the government.

The analysis of the growth of poultry industry in Andhra Pradesh has shown that, the state continues to occupy a
prominent place in the country with regard to both egg production
and broiler production. While Andhra Pradesh has been a leading
exporter of eggs to different parts of the country, it has
achieved a phenomenal growth in broiler production during the
past five years, the growth rate in the state being double than
that of the country as a whole. Thus, Andhra Pradesh holds out a
large scope for the development of poultry industry, especially
the broiler industry, in the coming years.

Ranga Reddy district which comprises the surrounding
areas of the twin cities of Hyderabad and Secunderabad is an
important poultry belt in Andhra Pradesh. The district accounts
for about 30 per cent of the layer production in the state and is
a sizeable contributor to Andhra Pradesh's egg production. More
so, the district accounts for as much as about 50 per cent of
broiler production in the state, which can be well explained by
the district's access to the state capital. While the importance
of the district is gradually reducing in regard to egg production with the emergence of Krishna district as another leading egg production centre, the district is gaining in importance with respect to broiler production. The broiler production in the district has increased by six times between 1985 and 1989 as compared to 4.8 times in Andhra Pradesh and 2.24 times in the country as a whole during the same period. Thus, the district has achieved the distinction of recording a faster growth rate in broiler production as compared to the state and the country as a whole. Thus, it may be observed that the importance of the district in exploiting the potential of poultry (broiler) industry in Andhra Pradesh has been increasing from time to time.

The socio-economic profile of the sample broiler farmers revealed that a majority of the respondents belonged to three major communities viz., Reddys, Kammás, and Muslims. While a majority of the respondents fall in age group of 30 to 49 years, the per cent of respondents belonging to relatively older age groups increased with the increase in the farm size. Further, a little over one-third of the respondents are illiterate. Both the family size and average annual income tend to increase with the increase in the farm size. Contrary to the general opinion that poultry farming is pursued by the majority of farmers as a subsidiary occupation, the present study revealed that as many as 81 per cent of the respondents are practising poultry farming as their main occupation. It may be observed that the socio-economic background of the sample broiler farmers appears to be conducive to the development of their enterprise.
A majority of 80 per cent of the sample broiler farms were established between 1981 and 1988 and owned by the respondents themselves. The average farm size has shown an increase since the year of establishment in the case of all the three categories of the farms, the increase being positively related to the farm size. All but two of the respondents had received no special training in poultry farming and only less than one-third of them availed bank finance for setting up of their broiler farms.

As regards the procurement of day-old chicks, it was found that all the sample broiler farmers were purchasing the chicks from private hatcheries and a substantial proportion of 88 per cent of them, did not experience any problem in obtaining their requirement of chicks as per the schedule.

With regard to the procurement of feed/feed ingredients, it was found that all the sample broiler farmers were purchasing feed/feed ingredients from private agencies. A majority of the respondents did not have their own feed mixing facility. However, the percentage of respondents with own feed mixing facility was found to be positively related to the farm size. Almost all the respondents were generally satisfied with the quality of feed/feed ingredients being purchased from the private agencies and did not face major problems in this regard. Thus, the existing arrangements for the procurement of day-old chicks as well as feed/feed ingredients were generally satisfactory according to a majority of the sample broiler farmers.
As regards the channels of the marketing of the respondents, it was found that a majority of them were marketing their produce through the wholesalers/retailers, supplying it at the latter's doorstep. While a majority of 71 per cent of the respondents did not face any major problem with regard to the marketing of the broilers, about 26 per cent of the respondents reported the problem of delayed payment by the wholesalers/retailers. Almost all the respondents expected that the consumption as well as the prices of chicken would go up in future. They identified the increasing awareness of the nutritional value of broiler meat, advent of fast foods, shift in eating habits and preference to chicken over other meats as the four major factors affecting the demand for broiler meat in the coming years. A majority of the respondents suggested that the Government should play an important role in promoting the sales of broiler meat by way of fixing the maximum procurement price for chicken and in licensing and regulation of private hatcheries.

With regard to the managerial practices of the sample broiler farmers, it was found that all of them were rearing broilers in deep litter in an 'all in - all out' system. They were following standard norms and practices in respect of housing the birds, types of feeders and waterers used, use of litter and sanitation, and stress control measures undertaken. However, as many as 87 per cent of the respondents have not insured their farms and only 54 per cent of them had membership with Hyderabad Broiler Farmers' Association.
As regards the employment generated, it was found that on an average the employment generated by the sample broiler farms worked out to 3.32 males and 2.83 females per farm per bird cycle. The extent of labour generated per 1,000 birds per cycle was highest in the case of small farms at 61 person days as compared to 38 person days and 37 person days in the case of medium and large farms respectively. On the whole, the extent of labour generated worked out to 40 person days per 1,000 birds per bird cycle in the case of the sample broiler farms.

Feed conversion ratio obtained by the sample broiler farmers may be used as an indicator to assess their efficiency in broiler production. It was found that the feed conversion ratio increased with the increase in the farm size from 2.47 for small farms to 2.63 for medium farms and 2.68 for large farms. For all the farms the feed conversion ratio worked out to 2.59. Thus, it may be observed that, as against the standard feed conversion ratio of 2.67, only the sample broiler farmers belonging to the category of large farms could attain the standard fixed in this regard.

Cost of feed and cost of day-old broiler chicks were the two major components in the total cost of rearing broilers, together accounting for 88 per cent. While there is no marked difference in cost of rearing broilers across the different categories of farms, the net returns over fixed and variable costs were found to be very much higher for the small farms (Rs. 3.06 per bird per cycle) as compared to medium and large farms (Rs. 1.81 and Rs. 1.96 respectively). The net returns over fixed
and variable costs per bird cycle were Rs. 8,583, Rs. 15,269 and Rs. 33,725 for the small, medium and large farms respectively, the corresponding figure for all the sample farms being Rs. 18,853.

The cost of production per kg. of broiler meat increased with the increase in the farm size. It worked out to Rs. 13.71, Rs. 14.54 and Rs. 14.85 for the small, medium and large farms respectively, the corresponding figure for all the sample farms being Rs. 14.32.

The break even volume analysis for the sample broiler farmers showed that it would take less than one and a half year to even out the fixed cost in the case of the small farms, the corresponding figures being about two years and three years in the case of the medium and the large farms respectively. For all the farms taken together it would take about two years to break even or to even out the fixed cost.

As regards the profitability of broiler farming, it was found that almost all the respondents derived considerable profits from broiler farming. However, they were of the view that fixing of minimum procurement price for broiler meat, arranging for more credit supply and supply of feed/ingredients at subsidised rates would be helpful in making broiler farming a more profitable enterprise.

In the light of the findings of the study, the following measures may be suggested for the promotion of broiler
farming in Andhra Pradesh in general and Ranga Reddy district in particular:

1. Liberal financial assistance may be made available to the broiler farmers to enable them to set up their own feed mixing facility.

2. It is necessary for the Government to fix the minimum procurement price for chicken and regulate the licensing of private hatcheries in order to ensure regular and steady profits for the broiler farmers.

3. In view of the higher extent of labour generated, lower cost of production, higher net returns and lesser period required to even out the fixed cost for the small farms as compared to others, it may desirable to encourage more number of broiler farmers to set up units with 5,000 birds and below.

4. Provision of adequate credit and supply of feed/feed ingredients at subsidised rates are also necessary to make broiler farming a more profitable enterprise.