

RESEARCH PAPER

Marketing channels and problems of commercial broiler rearing in Dharwad district

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ABSTRACT

In recent years there has been growing recognition among the development community of the role of poultry. Production is accelerating at the pace of poverty reduction and reaching out to the poorest of the poor. There is also growing evidence to demonstrate the role of poultry marketing in enhancing the food and nutrition security of the poorest households and in the promotion of gender equality. At the same time, the market and production context of poultry production has been changing rapidly over the last the decades. This paper argues that the satisfaction level and problems of poultry farm owners towards production and marketing of poultry products. Based on a review of available evidence, the paper includes that it is production and marketing level to continue to promote poultry to contribute towards poultry farm owners and livelihood support but concerted efforts must be made to find organizational solutions to minimize public health risks and government provide appropriate extension support on issues like disease prevention, predation, improving hatchability, etc. Unfortunately most government extension programmes in the developing countries are not oriented towards addressing the needs of poor advice to poultry farmers.

KEY WORDS : Technical guidance, Price fluctuations, Shrinkage losses litter material, Commercial broiler

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The present research study is on marketing channels and problems of commercial broiler rearing in Dharwad district. Poultry industry has made a rapid progress in the last three decades. India occupies the 2nd place in the world for egg production and 3rd

place in the world for poultry meat production. Poultry meat is the fastest growing component of the global meat is the demand, India, the world's second largest developing country, is contributing to the expansion through the rapid growth of its poultry sector. In India, poultry sector growth is being driven by rising income, together with the emergence of vertically integrated poultry producers that have reduced consumer prices by lowering production and marketing costs. Additionally poor transport infrastructure and a lack of cold chain facilities currently limit the feasibility of handling significant volumes of chilled or frozen product. In this context, the researcher felt it relevant to analyses the satisfaction level of poultry farm owners towards

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production and marketing of poultry business. The outlook for poultry production in India looks bright. The growth of layer business is estimated at six per cent and broilers at 12 per cent annually. Government policies to augment domestic grain production and ensure the availability to the poultry sector without exporting the grains directly will encourage the industry to grow.

India may not be an exporting country for eggs and chicken but the industry can assure feeding the more than one billion human population with quality eggs and chicken at cheaper prices than anywhere else in the world. Poultry is one of the fastest growing segments of the agricultural sector in India. Major factors behind the fast growth of the sector are growth in per capita income, a growing urban population and falling real poultry prices. Besides increased investments in breeding, hatching, rearing and processing have also contributed significantly towards the growth of the sector. Total egg production in India in 2005 was 46 billion. The four southern states - Andhra Pradesh, Tamil Nadu, Maharashtra and Punjab are the major producing centers. Per capita consumption of eggs was highest in Andhra Pradesh, Lakshadweep, Punjab and Andaman and Nicobar Islands.

METHODOLOGY

Both primary and secondary information were collected and used in the study. Primary data were collected with the help of well-structured and pre-tested schedule. In Dharwad district two talukas were selected namely Kalaghatgi and Dharwad talukas. All broiler farms from these talukas were post- enumeration classified into three categories *viz.*, small (<5000 birds), medium (5000 to 10000 birds) and large (>10000 birds).

The present study was conducted in Dharwad district and this district is congenial to poultry farms in all aspects especially with respect to climatic variability, production and marketing infrastructure. Dharwad district was selected since the regional hatchery office and poultry training centre were present in Dharwad district. In Dharwad district Kalaghatgi and Dharwad talukas were selected based on concentration of broiler farms. From each taluka 15 broiler farms, 3 wholesalers and 15 retailers were selected through purposive sampling. Thus the total sample size of respondents was 66.

The data was collected through personal interviews from the commercial broiler rearing farmers, wholesalers and retailers with the help of well-structured pre-tested

schedule by survey methods. The information was collected regarding marketing channels and problems of commercial broiler rearing during 2013-14.

In the Channel-I, wholesaler himself go to the producer and purchase the produce and then sold it to retailer. This was the most commonly used Channel in the study area. As per the information collected from the respondents most of producers sold their produce through this Channel. In the Channel-II, producer sold the produce to the wholesaler; in turn brought the produce to the market and sold to the hotels/bars. Channel III, retailer himself went to the producer field and purchased the produce and again he sold it in the retailer shop. Channel-IV, here the producer takes the produce to his own outlet.

Channel-I : Producer-Wholesalers - Retailer - Consumer.

Channel-II : Producer - Wholesalers-Hotels/Bars

Channel -III: Producer-Retailer-Consumer

Channel -IV: Producer-Consumer

ANALYSIS AND DISCUSSION

The findings of the present study as well as relevant discussion have been summarized under the following heads :

Commercial broiler cost incurred by farmers in different channels :

The cost incurred in the marketing of broilers by various market intermediaries like producers/farmers, wholesalers and retailers were worked out per 1000 birds. This result is in conformity with the findings of Bharti *et al.* (2013). The marketing cost was highest in Channel-IV Rs. 6025. Transportation, electricity and shrinkage are the major charges in the marketing cost. Value of shop rent is maximum in channel IV (41.49%), which is followed by transportation charge (16.59%), electricity charge (8.29%) and shrinkage losses (16.18%). Here the producer takes the produce to his own outlet. The value of shop on rent is maximum in this as the produce has to reach the ultimate consumers in Table 1. The findings are in conformity with the results reported by Siddram (2004).

Marketing cost incurred by wholesalers in different channels :

The wholesaler cost was Rs. 8175 in Channel-I and

Table 1 : Commercial broiler cost incurred by farmers in different channels (Rs./1000 birds)					
Sr. No.	Items	Producer cost			
		I	II	III	IV
1.	Transportation	-	-	-	1000 (16.59)
2.	Shop rent	-	-	-	2500 (41.49)
3.	Godown	-	-	-	-
4.	Electricity charges	-	-	-	500 (8.29)
5.	Storage and shrinkage losses	-	-	-	975 (16.18)
6.	Packaging charges	-	-	-	500 (8.29)
7.	Loading and unloading charges	-	-	-	550 (9.12)
	Total	-	-	-	6025 (100)

Table 2 : Marketing cost incurred by wholesalers in different channels (Rs./1000 birds)					
Sr. No.	Items	Wholesaler cost			
		I	II	III	IV
1.	Transportation	1750 (21.41)	1500 (19.74)	-	-
2.	Shop rent	-	-	-	-
3.	Godown	4000 (48.93)	3500 (46.05)	-	-
4.	Electricity charges	750 (9.17)	800 (10.53)	-	-
5.	Storage and shrinkage losses	1175 (14.37)	1200 (15.79)	-	-
6.	Packaging charges	-	-	-	-
7.	Loading and unloading charges	500 (6.12)	600 (7.89)	-	-
	Total	8175 (100)	7600 (100)	-	-

Table 3 : Marketing cost incurred by retailers in different channels (Rs./1000 birds)					
Sr. No.	Items	Retailer cost			
		I	II	III	IV
1.	Transportation	-	-	1500 (14.05)	-
2.	Shop rent	-	-	2500 (23.41)	-
3.	Godown	-	-	4000 (37.47)	-
4.	Electricity charges	-	-	500 (4.68)	-
5.	Storage and shrinkage losses	-	-	1125 (10.53)	-
6.	Packaging charges	-	-	550 (5.15)	-
7.	Loading and unloading charges	-	-	500 (4.68)	-
	Total	-	-	10675 (100)	-

Table 4 : Problems faced by the wholesalers (Garret's score) (n=6)			
Sr. No.	Particulars	Sum of score	Rank
1.	Delay in payment	370	I
2.	Market price fluctuations	346	II
3.	Lack of market information	288	III
4.	Lack of storage facility	196	IV

Table 5 : Problems faced by the retailers (Garret's score) (n=30)			
Sr. No.	Particulars	Sum of score	Rank
1.	Festival season cut-off	2322	I
2.	Market price fluctuation	2088	II
3.	Water facility is not available	1986	III
4.	Non-availability of birds in time	1590	IV
5.	Storage problems	1410	V
6.	Improper location for outlets	1045	VI
7.	Investment in standardizing shops	890	VII
8.	Deep frozen chicken in malls	855	VIII

Rs. 7600 in Channel-II. Out of this, Godown charges (48.93) of channel-I and (46.05) of channel-II accounted for the major share, followed by transportation charges (21.41%) of channel-I and (19.74%) channel-II and shrinkage charges (15.58%) of channel-I and (14.37%) of channel-II. The godown cost was followed but the transportation cost because the produce was to be transported from farms to the retailers and hotels in Table 2.

Marketing cost incurred by retailers in different channels :

In the marketing cost of broilers retailers was another agent who purchases the broilers from both wholesalers and broiler producers/farmers. Cost incurred by retailers in channel-III is the highest marketing cost (Rs. 10675) among the marketing channels. The major item of channel-III is godown charges (37.47%). Next important item of expenditure were shop rent charges (23.41%) of channel-III and storage and shrinkage charges (10.53%) for channel-III. In the channel III the godown cost is the major cost as in this channel the retailer purchases the produce directly from the farmer so storage becomes an important factor as they need to store the broilers in Table 3. The findings are in conformity with the results reported by Singh *et al.* (2010).

Problems faced by wholesalers :

Garrett ranking analysis of problems associated with wholesalers. Among four factors considered, the lack of credit facility was the major problem expressed by most of the wholesalers was delay in payment with a mean score of 61.66, so this problem got assigned first rank. Whenever there is market price fluctuation (57.66) the wholesalers get affected and it got second rank. Sometimes they lack of market information (48) and lack of storage facility (32.66) during rainy season was the last problem expressed by them in Table 4. The findings are in conformity with the results reported by Devi and Kanchan (2006).

Problems faced by the retailers :

Among eight factors considered, festival season cut-

off was the major problem expressed by most of the retailers with a mean score of 77.4 this is during the shraavan and during the month of December when the hindus go to ayyappa swami temple so this problem got assigned first rank, followed by market price fluctuation (69.6), water facility (66.2) is not available in the retailer shop, non-availability of birds in time during demand season, storage problems, proper location for outlets, standards of shop and deep frozen chicken in malls which is not affecting much so this was the last problem expressed in Table 5. The findings are in conformity with the results reported by Raghavendra (2007).

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