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Prospects and Problems of Broiler Enterprise under Contract Farming System with Particular Reference to Marketing Practices

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Abstract: The present study was carried out to examine the cost and profit of raising broiler farms and also to examine the existing marketing system of commercially produced live broiler under contract growing system. The findings of the study were based on the analysis of primary data. The sample size of the study was 65 which included 25 contract growing farmers and 40 traders. The average cost of raising broiler per farm per batch (50 days) was estimated at Tk. 73322 for 1000 birds. The gross return per broiler farm per batch (50 days) for 1000 birds was estimated at Tk. 81380. The net return (profit) per broiler farm per batch (50 days) for 1000 birds was estimated at Tk. 8058. In broiler marketing system five important channels were identified. The average marketing cost of Aftab Bahumukhi Farm Limited (ABFL) for 1000 birds was Tk. 2295. The average marketing cost of broiler in Dhaka city for wholesaler-cum-retailers and retailers were Tk. 2824 and Tk. 2046 per 1000 birds respectively. In Kishoreganj market the marketing cost of wholesaler-cum-retailers and retailers were Tk. 2545 and Tk. 2370 per 1000 birds respectively. The average gross margin of broiler in Dhaka city market for ABFL, wholesaler-cum-retailer and retailer were estimated at Tk. 9000, Tk. 7500 and 9000 respectively for 1000 birds (1500 kg). In Kishoreganj the average gross margin of broiler for ABFL, wholesaler-cum-retailers and retailers were estimated at Tk. 4500, Tk. 7500 and Tk. 9000 respectively for 1000 birds (1500 kg). Problems associated with production and marketing of broiler and eggs were identified. Both the farm owners and traders provided some suggestions for the solution of these problems. Some recommendations were also made on the basis of the present study.

Key words: Broiler enterprise, contract farming and marketing practices

Introduction

Commercial poultry farming started in Bangladesh was largely as a back yard venture. The villagers have been keeping indigenous chicken for their domestic consumption with very little commercial motives. Recently, a large number of poultry farms have been established on commercial basis in and around the cities and towns and are operating under intensive management. Contribution of poultry in supplying animal protein in Bangladesh is about 22 to 27% (Hoque, 1992). Now a day, poultry industry is being accepted as a profitable business. As a result, the number of commercial poultry firms is being expanded all over the country. In 1989-90, the poultry population of Bangladesh was 89.86 million, which increased to 116.48 million in 1993-94 (Alam, 1995). It indicates that every year the poultry population is increasing at 6.49%. So, the demand for poultry enterprise is increasing in Bangladesh. For a sustainable

development of poultry industry, a well developed production and marketing system is needed, because an efficient production and marketing system can play important role in improving the poultry industry and thereby raising the income of poultry firm owners as well as traders. There is an increasing interest in commercial poultry farming in Bangladesh and many new farms are being set up every year. About 60670 chicken farms and 30760 ducks farms have already been set up in the country in the private sector (DLS, 1998). Aftab Bahumukhi Farm Limited (ABFL) is one of the commercial breeding farms which has introduced contract growing system of broilers and layers production from 1994. ABFL provides necessary training to the contract growers and supplies chicks, feed and veterinary coverage on credit. After marketing, broilers are marketed by the company and credited amount are deducted from the total sale. In Bangladesh, poultry meat has a great demand as

compared to other meat. Simply because of the limitation and religious taboos in case of pork and beef (Jabbar and Green, 1983). Poultry meat, particularly from broiler are superior to other types of meat available for human consumption for its tender, palatability and digestibility. Broiler meat can efficiently and rapidly fulfill the shortage of protein requirement since it can be produced at least possible time as compared to other meat producing animals. In this study emphasis will be given on production and marketing of poultry products specially broiler under contract growing system and find out related problems which are involved in production and marketing of broiler and also try to find out solution of these problems.

Materials and Methods

Selection of the study area is an important step for conducting any study. For the present study Bajitpur Upazila under Kishorganj district was selected because this Upazila is the leading area of poultry production, specially broiler production under contract farming system. The commercial broiler farm owners of the selected areas and other market participants in the selected markets were considered as the population for this study. The selected samples consisted of 25 broiler farms under contract farming system and 40 broiler traders. The total sample size of the present study was thus 65. Out of 65 samples 25 contract growing farms were selected from Bajitpur Upazila under Kishorganj district. Again, out of 40 broiler traders, 25 broiler traders were selected from various markets of Dhaka city in which 10 were wholesaler-cum-retailers and 15 were retailers. On the contrary 15 broiler traders were selected from Kishoreganj district in which 5 were wholesaler-cum-retailers and 10 were retailers. For the present study, the data were collected from April to August 2001. The data for the study were collected from primary sources.

Analytical technique used: After collection of data, these were edited and coded. All the collected data were summarized and scrutinized carefully and recorded in master sheets. Finally, relevant tables were prepared in accordance with the objectives of the study. Data were presented mostly in the tabular form, because it is simple in calculation, widely used and easy to understand.

Simple profitability analysis: Profitability of broiler enterprise has been examined on the basis of gross margin and net return analysis.

Gross margin analysis: Gross margin analysis was done to have an estimate of the difference between total return

and variable cost. The argument for using the gross margin analysis is that farm owners of Bangladesh are more interested to know their return over variable cost. Moreover, for short-run analysis as well as for farm planning, gross margin analysis is widely used. This analysis is also easily understandable to the farm owners because of its simplicity.

Net return analysis: This analysis considered fixed cost (which includes cost for land rent, interest on operating capital, depreciation of tools and equipment, etc.). Net return was arrived at by deducting all costs (variable and fixed cost) from gross return. Interpretation and discussion of the findings are presented in simple terms, such as, average, percentage, ratios, etc.

Results and Discussion

Cost of raising broiler: The major variable costs of farmer for raising broilers were the day-old-chicks, feed, litter, labour, veterinary service and electricity etc. and major fixed costs were depreciation of fixed assets, rent of land and tools and equipment etc. The average total cost per batch (50 days) per farm for 1000 birds was estimated at Tk. 73,322.21. The itemwise average costs of broiler raising farms are presented in Table 1.

Cost of day-old-chick: The average purchase price of each day-old-chick was Tk. 17. The total cost per batch per farm for 1000 day-old-chicks was Tk. 17000. This was 23.19% of total cost.

Cost of feed: Average feed cost per batch per farm for feed of 1000 birds was Tk. 42500. The amount was 59.33% of the total cost.

Transportation cost: Average transportation cost of each (1000 birds) farm was calculated at Tk. 1070.00 which was 1.46% of total cost.

Cost of veterinary services: Average veterinary cost per batch per farm for 1000 birds was Tk. 4500.00 (6.14%).

Labour cost: Average labour cost per batch per farm (for 1000 birds) was estimated at Tk. 2000.00, which was 2.73% of total cost.

Table 1: Itemwise average cost of raising broilers per farm per batch (50 days)

Cost items	Tk 1000 ⁻¹ birds	% of total cost
Day-old chicks	17000	23.19
Transportation	1070	1.46
Feed	42500	59.33
Veterinary cost	4500	6.14
Labour	2000	2.73
Electricity	1062	1.45
Wastage (due to death of birds)	3500	4.77
Litter	300	0.41
Housing	250	0.34
Tools and equipment	40	0.05
Others (entertaining, personal expenses)	100	0.13
Total	73322.21	100.00

Table 2: Average net return (profit) per farm per batch (per 1000 live broilers)

Items	Amount (kg)	Tk kg ⁻¹	Gross return (Tk.)	Total cost (Tk.)	Net return (Profit) (Tk.)
Live broiler	1450	56	81200	73322.21	8057.79
Feces/droppings	300	0.60	+180		

Table 3: Modes of transportation used by broiler traders

Items	Kishoreganj		Dhaka	
	Wholesaler-cum-retailer	Retailer	Wholesaler-cum-retailer	Retailer
Pick-up	1 (20)	-	7 (70)	-
Tempu	3 (60)	1 (10)	1 (10)	6 (40)
Van	1 (20)	8 (80)	2 (20)	9 (60)
Rickshaw	-	1 (10)	-	-
Total	5 (100)	10 (100)	10 (100)	15 (100)

Figures in parentheses indicate (%)

Table 4: Operating capital of sample traders

Operating capital of wholesaler-cum-retailer			Operating capital of Retailer		
Amount (Tk.)	Number n=15	Per cent (%)	Amount (Tk.)	Number n=25	Per cent (%)
Up to 100000	2	13.33	Up to 15000	3	12.00
100001-150000	4	26.66	15001-30000	5	20.00
150001-200000	6	40.00	30001-45000	10	40.00
200001-250000	2	13.33	45001-60000	4	16.00
250001-300000	1	6.66	60001-75000	3	12.00
Total	15	100.00	Total	25	100.00

Table 5: Sources of Financing

Sources	Number of respondents		
	Wholesaler-cum- retailer	Retailer	All
Own	6 (40)	5 (20)	11
Own + Borrowing	4 (26.66)	20 (80)	24
Own + Bank	3 (20)	-	3
Own + Bank + Borrowing	2 (13.33)	-	2
Total	15 (100)	25 (200)	40 (100)

Figures in parentheses indicate percentage.

Table 6: Average price of broiler in different months of the year 2000

Month	Price (Tk. kg ⁻¹)	Month	Price (Tk. kg ⁻¹)
January	54	July	58
February	54	August	58
March	55	September	56
April	55	October	56
May	58	November	56
June	58	December	54

Table 7: The average marketing cost of Aftab Bhumukhi Farm

Cost of items	Cost/1000 birds (weight 1500 kg)	%
Transportation	1000	43.57
Feed	680	29.63
Salary of the employee	320	13.94
Electricity	50	2.18
Wastage	5	0.22
Rent of the shop	10	0.44
Personal expenses	100	4.36
Cost of cage	20	0.87
Telephone	60	2.61
Miscellaneous cost	50	2.18
Total	2295	100.00

Electricity Charges: Average cost of electricity charges was Tk. 1062.21 per farm (100 birds) which was 1.45% of total cost.

Litter: Average litter cost per batch per farm (1000 birds) was Tk. 300.00 (0.41% of total cost).

Table 8: Marketing cost of wholesaler-cum-retailers in Kishoreganj market

Cost of items	Cost/1000 birds (wt. 1500 kg)	Per cent
Transportation	1050	41.25
Feed	500	19.65
Salary of the employee	450	17.68
Electricity	250	9.82
Wastage (death)	60	2.36
Rent of the shop	20	0.79
Personal expenses	120	4.72
Cost of cage	20	0.79
Tools and equipment	25	0.98
Miscellaneous cost	50	1.96
Total cost	2545	100.00

Table 9: Marketing cost of retailers in Kishoreganj market

Cost of items	Cost/1000 birds (wt. 1500 kg)	Per cent
Transportation	500	21.10
Feed	600	25.32
Salary of the employee	460	19.41
Electricity	250	10.55
Wastage (death)	70	2.95
Rent of the shop	225	9.49
Personal expenses	120	5.06
Cost of cage	20	0.84
Tools and equipment	25	1.06
Miscellaneous cost	100	4.22
Total cost	2370	100.00

Wastage: Average cost of wastage per batch per farm (1000 birds) was Tk. 3500.00 which was 4.77% of total cost.

Table 10: Marketing cost of wholesaler-cum-retailers in Dhaka city market

Cost of items	Cost/1000 birds (wt. 1500 kg)	Per cent
Transportation	866	30.69
Feed	620	21.95
Salary of the employee	510	18.06
Electricity	270	9.56
Wastage (death)	63	2.23
Rent of the shop	133	4.72
Personal expenses	150	5.31
Cost of cage	20	0.71
Tools and equipment	21	0.74
Miscellaneous cost	170	6.02
Total cost	2823.99	100.00

Table 11: Marketing cost of retailers in Dhaka city market

Cost of items	Cost/1000 birds (wt. 1500 kg)	Per cent
Transportation	650	31.77
Feed	700	34.21
Salary of the employee	250	12.21
Electricity	150	7.33
Wastage (death)	70	3.42
Rent of the shop	30	1.47
Personal expenses	115	5.62
Cost of cage	10	0.49
Tools and equipment	21	1.03
Miscellaneous cost	50	2.44
Total cost	2046	100.00

Housing Cost: Average housing cost of per broiler farm per batch for 1000 birds was calculated at Tk. 250.00 (0.34%).

Tools and Equipment Cost: Average per batch per farm (for 1000 birds) tools and equipment cost of broiler was estimated at Tk. 40.00 (0.05% of total cost).

Profit of broiler raising farm/farmer: In the present study, the average price of per kg. live broiler was estimated at Tk. 56 while the average price of per kg. droppings was estimated at Tk. 0.60. Gross return per farm per batch (50 days) for 1000 birds (1450 kg) was Tk. 81380.00 and the net return (profit) per batch per farm for 1000 birds was Tk. 8057.79 (Table 2). Fig. 1 shows relative gross and net return in terms of costs.

Broiler marketing system: Marketing system of broiler, which is composed of marketing channels, market participants (traders) and performed marketing functions, is discussed below:

Marketing channels of broiler: The marketing channel or channel of distribution is a path trace in the direct or indirect transfer of ownership to a product, as it moves from a producer to ultimate consumer or industrial users (moven). The marketing channels of broiler as found in the study areas are shown in Fig. 2

Market participants: The market participants who were involved in broiler marketing from the point of Aftab Bahumukhi Farm Limited (ABFL) to the consumers are discussed below.

Aftab Bahumukhi Farm Limited (ABFL): The first link in the chain of broiler marketing was the ABFL. ABFL distributed day-old chicks to the contract growers from its modern hatchery and also supplied other necessary inputs. After 50 days ABFL bought back the broiler at fixed rate from the contract growers and marketed through ABFL own sales centres in Dhaka (90% of total broiler) and out of rest 10% broiler, 8% broiler sales to local traders at ABFL and 2% sales to traders of Sylhet market. From the Fig. 2 the following channels can be identified:

Channel-I: ABFL → Contract farms under ABFL → ABFL → Four own sales centre of ABFL (Dhaka) → Wholesaler-cum-retailer - Retailer - Consumer (Dhaka).

Channel-II: ABFL → Contract farms under ABFL → ABFL → Four own sales center of ABFL (Dhaka) → Wholesaler-cum-retailer - Consumer (Dhaka).

Channel-III: ABFL → Contract farms under ABFL → ABFL → Four own sales center of ABFL (Dhaka) → Consumer (Dhaka).

Channel-IV: ABFL → Contract farms under ABFL → ABFL → Wholesaler-cum-retailer - Retailer - Consumer (Kishoregonj).

Channel-V: ABFL → Contract farms under ABFL → ABFL → Wholesaler-cum-retailer - Consumer (Kishoregonj).

Channel-VI: ABFL → Contract farms under ABFL → ABFL → Sylhet market.

Sales centre of ABFL: There are four own sales centres of ABFL in Dhaka city situated in Mohammadpur, Cantonment (C.S.D), Sagunbaghicha and Bonosri Residential area. ABFL marketed 90% of its total live broiler by its own sales centre, among this amount (90% of total live broiler) it sells 10% direct to ultimate consumer and next 80% sell to wholesaler-cum-retailer in Dhaka city.

Wholesaler-cum-retailer (Dhaka): The wholesaler-cum-retailers (Dhaka) were the professional traders in the channels of broiler marketing. They had a permanent shop with adequate storing facilities in market places. They performed both wholeselling (60%) and retailing (20%) activities of broiler. They purchased a large amount of broiler birds directly from the sales centre of ABFL and sell it to retailers in Dhaka city. In the study area the wholesaler-cum-retailers sale 60% of broiler to the retailer and 20% of broiler direct to consumers in Dhaka city.

Retailer (Dhaka): In Dhaka city market most of retailers have a permanent shop. In the present study, they bought broilers from the wholesalers-cum-retailers of Dhaka and sold to the consumers. The retailers operated their trading activities in Dhaka city market everyday. In the present

Table 12: Marketing margins of different intermediaries (Tk 1000⁻¹ live broiler, 1500 kg)

Markets	Inter-mediaries	Purchase price A	Sale price B	Marketing margin C=B-A	Marketing cost D	Net margin C-D
Dhaka	ABFL	82500.00	91500.00	9000.00	2295.00	6705.00
	Wholesaler-cum-retailer	90000.00	97500.00	7500.00	2823.99	4676.01
	Retailer	94500.00	103500.00	9000.00	2046.00	6954.00
Kishoreganj	ABFL	82500.00	87000.00	4500.00	1000.00	3500.00
	Wholesaler-cum-retailer	87000.00	94500.00	7500.00	2545.00	4955.00
	Retailer	90000.00	99000.00	9000.00	2370.00	6630.00

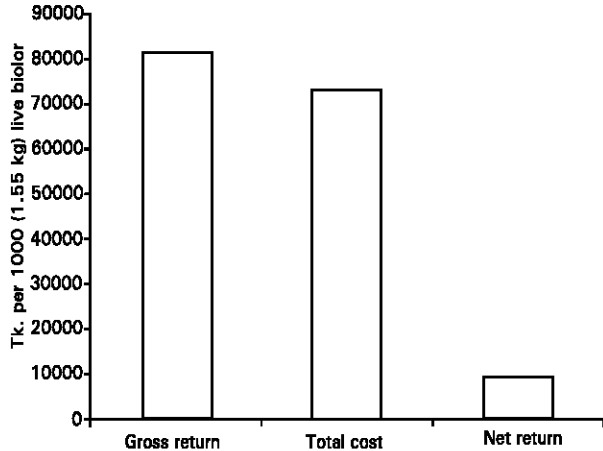


Fig. 1: Shows gross return, total cost and net return (profit) per farm per batch for 1000 live broiler birds

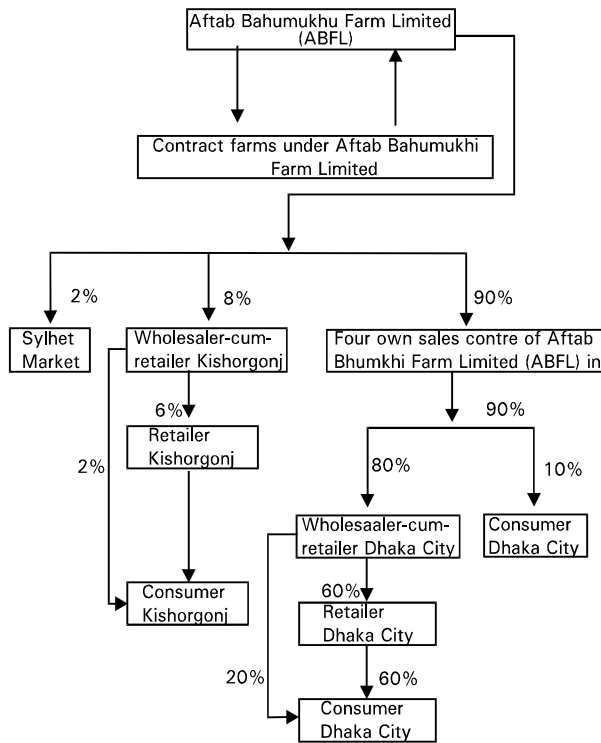


Fig. 2: Marketing Channels of live broiler of Aftab Bahumukhi Farm Limited (ABFL) under contract farming system

study, they sold all of their broiler birds to the ultimate consumers of Dhaka markets.

Wholesaler-cum-retailer (Kishoreganj): In Kishoreganj markets the wholesaler-cum-retailers were the established traders of broiler marketing and they had permanent shop in the market place. In the present study they purchased broiler birds (8% of total broilers) from ABFL at Kishoreganj. The wholesaler-cum-retailer sold 6% of total live broiler to retailer at Kishoreganj and 2% broiler direct to consumers.

Retailer (Kishoreganj): The retailers were the last link in the channel of broiler marketing. They were the professional traders who operate in the local market everyday. Most of the retailers of Kishoreganj do not have any permanent shops in the markets. They purchase broiler from wholesaler-cum-retailer of Kishoreganj and sold all their broiler to consumers of Kishoreganj.

Marketing function

Exchange functions: Buying: In the present study wholesaler-cum-retailer in Dhaka city buy broiler from the sales centre of ABFL in Dhaka city. Retailers in Dhaka city buy broiler from wholesaler-cum-retailer. Some consumer directly buy broiler from ABFL and other buy from retailers or from wholesaler-cum-retailer.

Selling: In the present study ABFL sold 90% of its broiler by its own sales centre in the Dhaka city, 8% of broiler sold to the local traders in Bajitpur and rest 2% of broiler sold to Shylet market.

Physical functions: Storage: The storage function is primarily concerned with making goods available at the desired time. It may be the holding of supplies of broiler birds as the inventories of wholesalers and retailers. A kind of cage usually made of thin rod/iron is used by the traders for transportation and handling of broiler. The traders used these cages for storing their broilers temporarily at the market or shop places. All traders had store their broilers with feed until the final disposal.

Transportation: The market participants mainly used the truck, pick-up, van, tempo and rickshaw for transporting their broiler birds. Table 3 represents the (%) of

different transportation modes, which are used in broiler transporting.

Processing: To adopt the changes and meet the demand of the 21st century, a modern poultry processing plant with the capacity to process 1,000 bird per hour equipped with the plants and machinery of World Famous STORK company of Netherland was commissioned by ABFL at Bajitpur. It ensures quality and hygienic products. There exists prechilling and portioning facilities availing which customers can have any part of the chicken they desire, such as chicken's breast, leg, wing etc. ABFL is the pioneer to install this plant in Bangladesh. In this study only one dealt with the marketing of live broiler. Many institutional buyers like hotel owners, fast food owners and Chinese restaurant owners process live broilers after purchasing.

Facilitating functions: Standardization: The poultry traders normally grade poultry in sizes and weights. In the study area, the average standard preferred weight of broiler is 1.5 kg.

Financing: In the present study ABFL extended credit facility and supplied necessary input to the contract farmers. Market participants of broiler trading collect their money from various sources.

It is evident from the Table 4 that operating capital of about 13% wholesaler-cum-retailer was upto Tk. 100,000. The table also indicates that for about 27% wholesaler-cum-retailers operating capital level was Tk. 100,001 to 15,000 and 40%, about 13% and about 7% traders operating capital was Tk. 150,001 to 200,000, Tk. 200,001 to 250,000 and 250,001 to 300,000 respectively. Operating capital of 12% retailer was upto Tk. 15,000, operating capital of 20% retailer was Tk. 15,001 to 30,000. Operating capital of 40, 16 and 12% retailers were Tk. 30,001 to Tk. 45,000, Tk. 45,001 to 60,000 and Tk. 60,001 to 75,000 respectively. It is evident from the Table 5 that 40% wholesaler-cum-retailers and 20% retailers fully depended on self finance and about 27% wholesaler-cum-retailers and 80% retailers depended on own source and money borrowing from relatives and other non-institutional sources. Twenty % of wholesaler-cum-retailers collected money from own sources and bank but none of the retailers borrowed money from bank. About 13% of wholesaler-cum-retailers depended on own sources with bank and borrowing from relatives.

Risk-bearing: In case of poultry marketing, physical risks occur from theft, death, deterioration of quality, wastage and loss of weight.

Table 6 shows the extent of price changes in different months of the year 2000. In case of poultry marketing market risk may occur due to excess supply or lower

prices of substitute goods like fish, indigenous poultry, beef, mutton and change in the taste and preferences of the people due to rumour, i.e. aflatoxin, etc. In the present study ABFL took it seriously and introduced an internal insurance scheme to cover the risk of loss and safeguard the interest of the contract growing farmers in case of immature death of chicks by diseases and other cogent reasons. Because of this measures farmers feel secure and are encouraged to take up this venture.

Market intelligence: The effective working of poultry marketing depends on market information. The trader in poultry marketing requires market information to plan business to their best advantage and to market their product effectively. Personal contacts, leaflet, bulletin, news paper etc. are the major media for dissemination of market information among the poultry traders.

Marketing cost of broiler: The various cost items like feeding, labour cost, transportation, vaccine cost, personal expenses, shop rent, losses due to death and theft, salary/wages etc. are incurred by the different intermediaries in the channel of poultry marketing.

The total marketing cost of ABFL for 1000 birds was Tk. 2295.00 in one production season. The highest cost item of ABFL was the transportation cost which was estimated at Tk. 1000.00. This cost represents 43.57 % of total cost (Table 7). ABFL used truck as the mode of transportation. The second highest cost was feed cost, which was Tk. 680.00 (29.63 %). The other cost items incurred by the ABFL included, salary of the employee Tk. 320.00 (13.94 %), electricity Tk. 50.00 (2.18 %), wastage Tk. 5.00 (0.22 %), rent of the shop Tk. 10.00 (0.44 %), personal expenses Tk. 100.00 (4.36 %), cost of cage Tk. 20.00 (0.87 %), telephone Tk. 60.00 (2.61 %), miscellaneous cost Tk. 50.00 (2.18 %) (Table 7).

The total marketing cost of wholesaler-cum-retailers in Kishoreganj was Tk. 2545.00. The highest cost item of wholesaler-cum-retailers was also the transportation cost which was estimated at Tk. 1050.00 (Table 8). This cost represents 41.25% of total cost. The second highest cost was feed cost which was Tk. 500.00 (19.65%).

Other cost items of the wholesaler-cum-retailer included salary of the employee Tk. 450.00 (17.68%), electricity cost Tk. 250.00 (9.82%), wastage Tk. 60.00 (2.36%), rent of the shop Tk. 20.00 (0.79%), cost of cage Tk. 20.00 (0.79%), personal expenses Tk. 120.00 (4.72%), tools and equipment cost Tk. 25.00 (0.98%) and miscellaneous cost Tk. 50.00 (1.96%) (Table 8).

Total marketing cost of retailers in Kishoreganj for 1000 birds was calculated at Tk. 2370.00. The highest cost item of retailers was feed which was Tk. 600.00 (Table 9). This cost represents 25.32% of total cost. The second highest

cost was transportation cost which was Tk. 500.00 (21.10%). Other cost items were salary of the employee cost Tk. 460.00 (19.41%), electricity cost Tk. 250.00 (10.55%), wastage Tk. 70.00 (2.95%), rent of the shop Tk. 225.00 (9.49%), cost of cage Tk. 20.00 (0.84%), personal expenses Tk. 120.00 (5.06%) and miscellaneous cost Tk. 100.00 (4.22%) (Table 9).

The total marketing cost of wholesaler-cum-retailers in Dhaka city was estimated at Tk. 2823.99. The highest cost of wholesaler-cum-retailers was transportation cost which was Tk. 866.66 (Table 10). This cost represents 30.69% of total cost. The second highest cost was the feed cost which was Tk. 620.00 (21.951%). Other cost items were salary of the employee Tk. 510.00 (18.06%), electricity cost Tk. 270.00 (9.56%), wastage Tk. 63.00 (2.23%), rent of the shop Tk. 133.33 (4.72%) cost of case Tk. 20.00 (0.71%), tools and equipment cost Tk. 21.00 (0.74%) and miscellaneous cost Tk. 170.00 (6.02%) (Table 10).

The total marketing cost of retailers in Dhaka city for 1000 birds was estimated at Tk. 2046.00. Feed cost was the highest cost item of retailers which was 700.00 (34.21%). The second highest cost was transportation which was Tk. 650.00 (31.77%). Other cost items were, salary of the employee Tk. 250.00 (12.21%), electricity cost (150.00 (7.33%), wastage Tk. 70.00 (3.42%), rent of the shop Tk. 30.00 (1.47%), cost of case Tk. 10.00 (0.49%), personal expenses Tk. 115.00 (5.62%), tools and equipment Tk. 21.00 (1.03%) and miscellaneous cost Tk. 50.00 (2.44%) (Table 11).

Marketing margin: It is evident from Table 12 that the gross marketing margin of ABFL in Dhaka was Tk. 9000.00, marketing cost and net marketing margin were Tk. 2295.00 and Tk. 6705.00 respectively for 1500 kg live broiler. The gross marketing margin of wholesaler-cum-retailer (Dhaka) was Tk. 97500.00 and net marketing margin was Tk. 4676.01 per 1500 kg live broiler. The gross marketing margin of retailer (Dhaka) was Tk. 9000.00 and net marketing margin was Tk. 6954.00. In Kishoreganj, the gross marketing margin of ABFL was Tk. 4500.00 and net marketing margin was Tk. 3500.00 for 1500 kg live broiler. The gross marketing margin of wholesaler-cum-retailer in Kishoreganj was Tk. 7500.00 and net marketing margin was Tk. 4955.00. The gross marketing margin and net marketing margin of retailer in Kishoreganj was Tk. 9000.00 and Tk. 6630.00 respectively. It is evident from the present study that although the higher marketing cost, the net margin of ABFL in Dhaka is higher than that of Kishoreganj because of higher scale price. ABFL sale a small portion of their total live broiler (8%) in Kishoreganj market mainly for getting money immediately and to avoid longer marketing channel. At wholesaler-cum-retailer

level, although the price of broiler in Dhaka is high, the net margin is comparatively lower because of higher marketing cost in Dhaka than that of Kishoreganj. The net margin of retailers in Dhaka is higher because the demand for broiler meat in Dhaka is higher than that of Kishoreganj and for that reason the price of broiler is higher in Dhaka and also the marketing cost of broiler at retail level in Dhaka is lower than that of Kishoreganj.

Problems faced by the farmers and traders: In the study area, all the farm owners and traders faced many problems in the production and marketing of broiler birds. The major problems faced by the broiler farm owners include low status of broiler rearing, broiler pollutes environment, broiler create family disruption, out-break of disease, non-availability of medicine and vaccine, inadequate knowledge of broiler diet, low price of live weight broiler, not lifting broiler at contract growers convenient time, propaganda against broiler meat, non-availability of day-old-chicks, high price of feed, complicated procedure in sanctioning credit for broiler shed, high price of chicks, electricity problem, space problem, management problem and attack by predatory animals etc. Problems of traders include transportation problems, feed problems, inadequate marketing facilities, lack of market information, lower market price, unfavourable political condition, shortage of broiler birds, tips and donation etc.

Suggestions as conceived by the contract growers: In order to overcome the problems of broiler farming and to make the broiler farming more profitable, following suggestions were made by the contract growers: ABFL should supply feed at prices lower than market price.

Intensive preventive management practices should be adopted to get-rid of farm marketing of broiler due to disease infestation.

Steps should be taken to ensure the supply of medicine and vaccine at the right time and at reasonable prices. The government should give incentive to the private pharmaceutical industries to come forward to supply necessary medicines and vaccines.

Government should provide loans on easy terms and conditions in poultry sector. The support of financial institutions will help broiler farm owners to purchase modern tools and equipment as well as making better housing facilities for the broilers.

Availability of day-old-chicks at the right time is a major problem in continuing broiler business. ABFL therefore, should make necessary arrangement for timely availability of day-old-chicks.

For efficient management of broiler farming,

smooth/regular supply of electricity should be ensured. ABFL should give higher price for broiler than what was prevailing to encourage the contract growers for broiler farming.

Suggestions made by the intermediaries: To overcome the problems and to improve the broiler enterprise, the following suggestions were made by the intermediaries:

i) Well-Developed Transportation System: Transportation problem affected traders adversely in broiler marketing. In the study areas, the selected traders demand a suitable and well-developed transportation system for carrying broiler birds. They also suggested reducing transportation cost for broiler transportation.

ii) Reasonable Price of Feed: To overcome the feed problem, most of the sample traders suggested that the government and non-government organizations should play a significant role in making provision for adequate broiler feed in the country, that the traders could purchase feed at reasonable price. They also suggested for establishing sufficient feed factory in the study area.

iii) Price Stability: Low and unstable price of poultry bird is a serious problem against the profitable trading. They traders suggested that the government should take proper step to ensure the stable and reasonable price for broiler. It was found that the price fluctuation was very high in case of broiler, it was minimum 50 to maximum 60 at farm level and minimum 55 to maximum 70 at retail level. To maintain price stability, government should fix-up the price and control price.

iv) Adequate Supply of Broiler Birds: For the sufficient supply of broiler birds throughout the year, the traders suggested for more production of broiler birds by increasing the number of broiler raising farms. Enhanced production of broiler is not coming up due to some reasons e.g. high price of feed, inadequate credit facility and high price of chicks. Broiler production could be increased by solving these problems.

v) Adequate Marketing Facilities: Most of the traders suggested for increasing the existing marketing facilities. They also demanded specific and permanent market shops for their business. Sometimes the owner of the market did not agree to allot shops for broiler business, specially in the case of neat and clean pucca market due to bad smell and question of cleanliness.

Though all farmers and traders faced many problems in the raising and marketing of Broiler birds under contract farming system but it could be concluded that raising and marketing of broiler is a profitable business. The demand for broiler is increasing day by day. As a result, large number of people are coming forward production and marketing of broiler. Proper and adequate steps should be taken to develop this enterprise. Only the private sector is not enough to develop this enterprise without the government support and its necessary intervention in the development of infra structural facilities and market for broiler.

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