



## **CHALLENGES AND PROSPECTS OF POULTRY INDUSTRY IN HYDERABAD**

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### **ABSTRACT**

*The study was conducted in Hyderabad of Telangana region, with the prospects and challenges of the local poultry industry as its main objective. Ten poultry farmers were engaged as research participants using both structured and semi structured interviews. Interactions with the poultry farmers in the municipality revealed that, poultry and its products provide some acceptable form of protein to humans to combat mal-nutrition, create employment and also give income to these farmers. Marketing of eggs does not present any problem at all with cash flow to farmers during egg collection. There is also abundant labor and land for poultry farming. All farmers provided a well-ventilated house for housing their poultry birds (intensive system). The main management practices carried out by the farmers are; the provision of feed, security, water, regular replacement of litters and vaccination against diseases. Problems encountered by the farmers include inadequate capital, expensive feed and equipment, incidence of diseases and poor weather conditions. Other constraints of the industry in the municipality include; expensive vaccine, expensive veterinary services, management of sick birds, low patronage of live birds due to few restaurants and hotels in the municipality. The study concludes that, government should implement more stringent measures so as to protect the local poultry industry from dying and also support poultry farmers through subsidies.*

*Poultry and its products are of considerable significance to both humans and animals. They are the major source of food, income, employment as well as socio-cultural values. So much enthusiasm has been generated in the production and consumption of poultry meat and egg that has led to increase in demand for poultry meat and its products.*

**KEYWORDS:** Poultry, Birds, Eggs, Farmers, Farming, Proteins.

## **INTRODUCTION**

Hyderabad has the largest livestock population in Telangana. Livestock population in Hyderabad was estimated about 10,000 crore's in 2016. The price of livestock has dramatically increased from agricultural products throughout the world. The main reason of escalating the price of livestock product is due to rising income in newly emerging developing nations and high population growth. Poultry is also one of the live stock agricultural products that are highly demanded throughout the world and Hyderabad too.

So much enthusiasm has been generated in the production and consumption of poultry meat & eggs that, It has led to increase in demand of poultry meat and its products. Meanwhile, chicken meat is cheaper than other animal product relatively (Mohammed Khairul Islam et al. 2014).

However, in Hyderabad there are few private enterprises engaged on Modern Poultry Industries and producing in a modern way. The rest of the producers are farmers breeding traditionally and they used as an extra income generating activities.

## **OBJECTIVE OF THE STUDY**

The primary objective of the study was to identify the various aspects relating to the growth and sustainability of poultry industry. Besides these primary objectives, there are some specific objectives of the study are:

1. Identify the main challenges of the poultry industry.
2. How poultry industry addresses the challenges it faces.
3. Proposing the prospects of poultry industry.

## **LITERATURE REVIEW**

Raza et al.( 2012) mentioned in their report that the sector needed feed supply to cater for the growing numbers of birds therefore cultivation, production and importation of feed-mill ingredients were made available by the government. This amplified need for feed made use of waste by-products from other agricultural processing activities such as fish meal, oyster shells, rice and wheat bran and vegetable oil. Ghana's domestic poultry sector has been on the

decline, supplying only about 10 percent of total poultry demand in the country.

Mangal (2009) reported that low demand for locally produced DOC is due to high mortalities recorded during brooding and poor laying capacity of pullets. Also there is insufficient youth participation in the agricultural sector to which the poultry is a sub sector even though this class of people is the most productive of any society as it contains people in the prime of their lives physically and mentally.

Quaye (2008) reported that the feed manufacturing industry in Ghana is saddled with the unstable prices of feed ingredients. Banks' lending rates have remained stubbornly high in Ghana, even as the benchmark PR has been recently reduced.

Khor (2006) suggested that one key element causing the deterioration of the local poultry industry is the competition faced from cheap imports from the EU. Other reported constraints include the high energy prices which continue to increase production costs by over 60 percent. One of the reasons for low production is the absence of any legislative framework or policy to regulate the operations of local hatcheries.

Khor (2006) stated that the productivity of poultry grew from one million birds in the late sixties to ten million by the late seventies. Most businesses in Ghana especially commercial poultry businesses are Small and Medium Enterprises (SMEs) and are privately owned. He categorized commercial poultry production in Ghana into large-scale (over 10,000 birds), medium-scale (5,000-10,000 birds) and small-scale (50-5,000) enterprises. He also observed that the industry experienced the effects of the Structural Adjustment Programmes, whose policies encompassed the withdrawal of government support for drug costs, the discontinuation of government importation and support for feed-mill ingredients and the reduction of preference in credit rates for agriculture lowering of the preferential credit rates for agriculture. These raised production costs dramatically, resulting in the closure of many operations.

Oppong-Anane, (2005) asserted that poultry feed cost in Ghana, is even higher compared to other countries and takes 70 - 80 % of the production cost. As a known fact, in the last few years US poultry exports to Ghana have increased to reach between 24-31 percent of the market demand. They concluded that high interest rates on loans with unachievable repayment schedules make it economically unfriendly for commercial poultry farmers to subscribe

for banking product.

Levy and Powell (2005) noted that, SME's are thought to be flexible and innovative organisations that are able to respond quickly to customer and market demands (flexibility).

Okantah, Aboe, Boa-Amponsem, Dorward and Bryant (2003) concluded that, constraints associated with inputs such as feed cost, quality and availability, as well as marketing of produce, among others, poses a gloomy and uncertain future for the industry.

Barbut (2002) and Ramatu, Larvoe, and Adaku, (2014) studied about the chicken consumption every year. They concluded that chicken is one of the major sources of animal protein all over the world. They also stated that commercial poultry offers opportunity for farmers to generate income to sustain their livelihood as well as serve a source of inputs for the production of other products.

### **Advantages of the poultry industry**

1. Poultry produce manure for increase crop yield which will be used to feed them (farmers).
2. Poultry provides the required protein content as a substitute to red meat.
3. Poultry do not destroy agricultural land through overgrazing as in the case of cattle.
4. Poultry will not go to destroy somebody's farm.
5. Poultry produce with a short interval, unlike cattle which takes longer period to multiply.

### **DATA ANALYSIS AND INTERPRETATION**

Data were gathered through primary and secondary sources of data collection. Primary data employed a completion of questionnaires (structured and semi-structured interviews). Simple random sampling was also used as a sampling method for egg sellers and consumers. Purposive sampling techniques were as well employed in the selection of poultry farmers and key informants from the Ministry of Food and Agriculture and in the local poultry industry. A total of 10 farms were visited in the study area and 50 questionnaires were administered for both egg and meat sellers and consumers. The questionnaires helped to know the range of prospects the problems, the type of birds, suggested solutions and the extent to which these products help to develop the people from a collective perspective of consumers, farmers and experts. Secondary data were also gathered from existing facts and figures, the Ministry of

Food and Agriculture, Regional Office about the prospects and challenges that the local poultry industry experiences. They were used to validate data collected from the farmers and other research participants to triangulate the primary data. The research made use of focus group discussions held with poultry farmers, sellers and consumers in small groups ranging between 6-12 people with the interest of obtaining the information needed for this research work. Key informant interviews were also employed to gather data from people who were knowledgeable on specific issues such as rearing and selling poultry birds and its products. Data collected from the focus groups were triangulated with the data from the key informants. Researcher's observation was done to validate information from the respondents. Participant and non-participant observations were employed in the study to collect data on the prospects and challenges of the local poultry industry. Questionnaires were also designed and administered to collect data from the respondents on their sector. Both open-ended and closed-ended questionnaires were administered to the research participants. Descriptive statistics was also employed in the analysis and presentation of the data gathered.

**Table 1**

Some other job engagements.

<b>Others</b>	<b>No of respondents</b>	<b>%</b>
Poultry only	2	20
Agriculture (crop production)	3	30
Professional employment	5	50

★ **Source: Primary Data**

From Table 1, it was noted that most of the respondents were engaged in other economic activities aside poultry production. It was revealed that 20 percent were solely engaged in poultry production, 30% in crop farming and 50 % in other economic activities.

### **Daily egg production**

The percentage proportion of eggs producers in the study area is shown in Table 2. It shows that 50 % of egg producers in the Municipality produce less than or up to 50 crates of eggs daily, 40% produces 51 to 100 crates daily, and 10 % produces 101 to 500 daily.

**Table 2.**

Egg production and the range of eggs produced daily.

Range of eggs (No of crates)	Egg producers (%)
50	50
101-500	10

★ **Source: Primary Data**

### **Effects of season of egg laying and glut**

Table 3 shows egg producers and the season they experience increased egg production. 80 percent of the producers reported that their birds perform well during the rainy season. 10% indicated that their birds perform well during early dry season. While, 10% attributed performance to good poultry feeding. Majority of the egg producers therefore consider the rainy season as the most favorable period for egg laying. This is due to high feed intake, which invariably results in increased egg production.

**Table 3**

Egg producers and the season they experience increased egg production.

Season	Egg production (%)
Rainy	80
Dry	10
Do not know	10

★ **Source: Primary Data**

### **Feeding**

The problem of feeding and the corresponding number of farmers who responded is shown in Table 4. From the table, virtually all the problems associated with feeding of birds were considered a major problem for them. Interestingly, 50% of the respondents considered birds feeding in Hyderabad as very expensive, particularly with fish, soy beans and wheat. Inadequacy supply to feed birds (30%) and bad feed formulation (20%). Due to the high cost of feed and the difficulty in measuring the right quantities for birds, 80% of producers buy their feeds from the south; only 20% reported that they prepare the feed themselves. Invariably, inadequate feeding definitely results in birds producing small-sized eggs and reduced quantity of eggs.

**Table 4.**

Problems associated with feeding of birds.

<b>Feeding problems</b>	<b>Egg producers (%)</b>
Expensive feed	50
Inadequate feeding	30
Bad feed formulation	20

★ **Source: Primary Data**

### **Water**

Access to water for birds was considered as an intermediary problem. This is due to the availability of water in the Municipality. It becomes a problem if the farm is located at the outskirts of the study area without immediate capital to construct a borehole for the supply of water. The cost of buying water from water tankers is costly; hence the use of automated drinker which makes the work of the laborers simpler.

### **Weather**

Prevailing weather condition in the study area was also another issue observed by research participants to be a hindrance poultry production. Most often, particularly in the dry season, temperatures in the area range between 40°C-43°C that affect poultry productivity as birds cannot thrive well in those high temperatures.

### **Labor**

Availability of labor and land were not considered much as a problem as commented by most of the key informants interviewed. Producer's focus group regarded labor as a minor problem because they indicated that there are lots of people without jobs in the study area. Research participants were of the view that getting people to work in the poultry farm is not a heavy task although they do not have the needed technical know-how as far as handling of birds maybe concerned. However, these laborers turn to acquire the skills gradually as they stay on the job.

### **Land**

Land holding was also considered by research participants and farmers focus group, as an issue in study area. This is because land for the poultry industry is restricted by the local authorities; therefore the intention of expanding and creating more farms becomes very

difficult.

### Meat production and marketing

Researchers' observation revealed that out of 10 poultry farms visited, only one farm at that time had approximately 1000 broiler birds. Reason for the farmers' low interest in keeping broiler birds was attributed to low demand for the live birds which are sold at a lower price, according to key informants interviewed. Farmers focus participants revealed that even though the consumers prefer live birds to others, the price is relatively high compared to the imported chicken parts to the. Participants also attributed to the low demand of live birds to the inadequate restaurants and other food vendors in the

### Deciding on market margin

Most of the poultry producers interviewed were of the view that they got nothing from the sale of the birds and felt their profit came from only the eggs. This may be partly true for the low input. The data presented in Table 5 support the fact that the gain in the market margin currently favors the producer. However in terms of business turnover, the retailer and the processor are usually better off with the retailer earning per day GHC 7.66 on each bird sold and the processor earning GHC10.00 per day for each bird sold or processed, respectively from several suppliers.

**Table 5**

Estimated market margins.

Value chain actor	Scenario	Market margin (GHC)	Difference	Mean
Farmer (Producers)		Farm gate production cost		
	1	15-12	3	5.00
	2	15-10	5	
	3	15-8	7	
Retailer		Retailer price-farm gate		
	1	20-15	5	7.66
	2	20-12	8	
	3	20-10	10	
Processor		Retail price-farm gate		
	1	25-20	5	10.00
	2	25-15	10	
	3	25-10	15	

★ **Source: Primary Data**

### Egg storage, breakage and marketing

Information gathered from the Ministry of Food and Agriculture revealed that most of the

retailers store their eggs in well ventilated rooms. The temperature in the room is usually around room temperature, which is determined by the season. Almost all the farmers’ focus group participants (90%) mentioned that, the dry season(February-July) was the period when they experience high egg spoilage. The spoilage was thus attributed to the non-availability of cold store facilities to the egg producers. Against this background, it is necessary that proper storage facilities be provided to preserve eggs which would enhance the table egg industry in Hyderabad. Apart from these concerns, it was generally admitted by farmers and egg sellers’ participants within Hyderabad that there is good market for eggs in the study area and that during egg collection, there is cash flow and their pockets are usually attractive. Majority of the producers interviewed said they are unable to meet demands in Hyderabad particularly during the wet seasons. This usually leads to the loss of wholesalers and retailers as indicated in Table 6.

**Table 6.**

Problems with egg handling and marketing.

<b>Egg problem</b>	<b>Egg production (%)</b>
Spoilage	30
Breakage	10
Low sale	10
Unable to meet demand	40
Low egg price	10

★ **Source: Primary Data**

Egg breakages, low sales and low egg price were considered minor problems in Hyderabad. Delays in picking eggs as well as poor handling of eggs during transportation.

According to participants, were the major factors considered for egg breakages. This is in line with Nuel (1980) who related good quality eggs with proper handling all egg producers interviewed indicated that they had no problems with the marketing of their eggs. The only requirement was awareness creation of its availability. Indeed, they admitted demand is usually high with importation from other localities.

### **Record keeping**

According to the research participants and other secondary data sources, all poultry farmers within Hyderabad had at least Secondary School Education; there was no single farm with proper record keeping. For this reason, farms visited during interviews and observation could not tell the exact number of birds that had died at what dates and the probable causes. Most

farms visited could not tell the cost difference between the prepared feed and already mixed feed from other sources in Hyderabad. Most of the farmers were just of the view that the cost of preparing it was high, hence, they did rather buy the already mixed feed. Indeed proper records would have kept them on track to know which option to take at what time. Visits to the farms revealed that most of the poultry farmers could not tell the average number of eggs laid during the laying period.

## **CONCLUSION**

The study had shown that local poultry farmers in the study area face numerous challenges such as inadequate capital, expensive feed, disease infestation, inadequate market for their products (meat and eggs) and bad weather conditions. High rate of egg spoilage and breakages also affect egg sellers particularly during hot seasons and packages for transportation. The high demand for eggs in Hyderabad gives an indication that there are a lot of prospects for both egg producers and sellers; therefore, the need for egg producers to take advantages of vaccination programs to avoid diseases such as Coccidiosis, Infectious Bursal Disease, Newcastle and Fowl Pox Infestations. Marketing of eggs does not pose any problem except during the dry season when farmers need to adopt measures to help in proper egg storage. Their operations are very susceptible to price changes in feed ingredients as they are unable to stock large quantities of feed. Despite these challenges, the poultry industry has a lot of prospects for the future and hence adequate measures must be put in place to harness these prospects/potentials of the industry by the farmers themselves and the local authorities.

The poultry industry must be given the necessary attention from the Ministry of Food and Agriculture as it has the potential of reducing protein deficiency within Hyderabad and the country at large.

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