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# Marketing of broiler and its scope in Latur Tehsil of Latur district

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#### Abstract

Present experiment was undertaken to study the marketing pattern of broiler birds. In this study seven producers, sixteen wholesalers and seven retailers were selected randomly for interview and thus the total sample size became 30. Out of 30 broiler farmers 8 farms from Murud, 2 from Shelu,7 from Shirala,3 from Dhanegav and 10 from the highway of Ambajogai in Latur tehsil were selected. Result showed that, In Channel-I net price received by the producer was high (86.76 percent) for large broiler farms. 75.75 and 82.29 percent for small and medium farm, respectively. In channel-II the net price received by the producer was found highest (89.77 percent) for large size group of farm and 85.19 percent and 75.86 percent in medium and small size group of farm, respectively. Study indicated that among the all three channel the net price received by the producer was highest in channel III which is about (97.16 percent) in large size group of farms followed by medium (96.38 percent) and small (94.69 percent).

Keywords: Marketing channel, price spread, broiler, Latur

### Introduction

The broiler industry is one of the fastest growing industries in India. Today India is the third largest producer of eggs (after china and the USA), nineteenth largest producer of broiler and fifth largest producer of poultry meat in the world (Lenka & Bibhu 2015) [3]. The Indian poultry sector with 7.3 percent growth in poultry population, has witnessed one of the fastest annual growth of about 6 percent in eggs production, 10 percent in meat production and 8.35 percent in broiler production over the last decade amongst all animal based sectors (Pawariya and Jheeba, 2015) [4].

In Maharashtra state, the poultry industry has flourished in Private sector. Commercial production of layer poultry birds as well as broiler poultry has been concentrated at the hands of big entrepreneurs. The poultry population in Maharashtra state was 647.56 lakhs as per the 18<sup>th</sup> livestock census (of the year 2007). The total poultry population has been increased by 46.34% over livestock census 2012 and the total poultry population is 74.3 million during 2019.

In Latur district as per the 19<sup>th</sup> livestock census the total number poultry population was 4,83,662 which include total number of 1,72,212 of broiler. Broiler chicken production has undergone drastic changes and development over the last few decades (Shariatmadari 2012) <sup>[5]</sup>. The study on status of broiler farm in Latur tehsil of Latur district was undertaken to investigate the real situation, major hurdles, factors influencing profitability, the market structure and dependence of broiler farmers on various agencies. A well planned questionnaire, its output and personal interviews of broiler farmers were planned to assess the situationn.

# **Materials and Methods**

The present research work was undertaken to study the status of broiler farm in Latur tahsil of Latur district. It includes the tools and techniques employed for completion of the study. The present study was carried out in the Department of Animal Husbandry and Dairy Science, College of Agriculture, Latur, VNMKV, Parbhani, Maharashtra state. A Comprehensive Questionnaire was prepared to collect the information by personal interview with individual farmers.

# Selection of area

The present study was conducted in the Urban as well as rural area of the Latur tehsil of Latur district. The Latur district comprises of 10 tehsil. Latur tehsil was selected for the study of the research work which comes under the jurisdiction of Marathwada Agriculture University,

Parbhani.Broiler farms were divided into three groups i.e, small, medium and large size farms.

The farms having birds population between 500-1500 were catagoriesed as small size farms, those having birds population between 1500 to 2500 birds as medium size farms and those having birds population above 2500 as large size farms. Each group comprised of 10 broiler farms.

# **Selection of respondents**

The respondents are important for any research work. The total population of broiler farmers in selected villages were asked and then from it scientific broiler farms were selected. The scientific broiler farm in the sample were selected randomly. All the total 30 respondents were selected for study from all the selected villages.

# Statistical analysis

# Marketing of broiler farming

Marketing cost was calculated by estimating the cost incurred in the process of marketing of poultry selling. The cost incurred after product ready for selling till it reaches to the consumers hand generally constitutes the marketing cost. It includes transportation cost, handling cost, storage cost, market fees, similarly, the share of total marketing costs and the total marketing margins have also been estimated to analyze the price spread.

# **Results and Discussion**

# Marketing infrastructure for broiler products in Latur tehsil of Latur district

In this chapter an attempt was made to study the marketing problems of broiler farmers in Latur tehsil. It is divided into three sections. First section deals with the market structure. The second section deals with the marketing channels and the third section deals with the price spread, variations in price of chicken.

# Market Structure

In Latur tehsil, feed manufacturers have their own trader

agents appointed at various producing centres to buy chickan and to supply feed and day old chicks. These type of tradeshave contributed to a great extent to the development of broilerfarming in Latur tehsil. In general the traders supply the day old chicks and poultry feed at the prevailing market prices the farmers who receive bank loan usually pay the money far the day old chicks immediately to the traders. but feed is bought on credit basis from the traders.

In the case of broilers, the traders supply day old chicks and feed. When the said batch is sold both of them - the trader and the broiler farmer- divide the profit in agreed ratio. Thins type of arrangement in the district is usually made by exserviceman, retired government employee and buisnesman. The broiler chicken is sold to the local chicken centre, hotels, bars and restaurant.

# Marketing channels

ThoughLatur tehsil is a part of Latur district. The wholesale traders/commision agents from various cities in Latur district, send vehicles once in a week and collect birds from the broiler farmers. However, 2.55 Rsis deducted from the market price towards transportrcharges. The marketing channel for chicken in Latur tehsil is depicted in the form of cartogram. Three types of marketing channels were observed to be operating in the region they were as follows.

**Type I:** Producers - Wholesalers - Retailers - Consumers

**Type II:** Producers - Retailers - Consumers

**Type III:** Producers - Consumers

For convenience of economic analysis the consumers purchase price was considered 100 percent. The net price received by the producer includes the cost of production and the producers margin. It was observed that the economics of broiler farming varies with the types of channels. The price spread in different marketing channels was recorded for broiler farming (Table 1, 2 and 3).

# A. Price spread in marketing channel-I in broiler farm

**Table 1:** price spread in marketing channels-1 for broilers in small, medium and large size groups of farms. Channel 1-producer-wholesaler-retailer-consumer

Sr. No.	Particulars	Small	Medium	Large	
1	Net price received by the producer	58.33 (75.75%)	59.66 (82.29%)	59.00 (86.76%)	
2	a) Purchase price of wholesaler/producer sale price	58.33 (75.75%)	59.66 (82.29%)	59.00 (86.76%)	
	b) Cost incurred by wholesaler				
	1. Transport charges	3.66 (4.76%)	2.00 (2.75%)	2.00 (2.94%)	
	2. Shrinkage and mortality	2.25 (2.92%)	1.50 (2.06%)	1.50 (2.20%)	
	3. Loading and unloading	1.25 (1.62%)	1.16 (1.60%)	0.87 (1.28%)	
3	a) Purchase price of retailer	65.50 (85.06%)	64.33 (88.73%)	63.37 93.19%)	
	b) Cost incurred by retailer				
	1. Transport charges	2.66 (3.46%)	1 (2.52%)	0.87 (1.28%)	
	2. Shrinkage mortality	1.83 (2.38%)	1.50 (2.06%)	1.10 (1.61%)	
	3. Storage	2.50 (3.24%)	1.50 (2.06%)	1.10 (1.61%)	
	4. Slaughtering and dressing	2.50 (3.24%)	3.33 (4.59%)	1.75 (2.57%)	
4	Retailers sale price/consumer purchase price	77.00 (100%)	72.50 (100%)	68.00 (100%)	

The cost incurred in the marketing of broilers by various market intermediaries like producers/farmers, wholesalers and retailers were worked out per birds. During the present study an attempt was made to have a deep insight into the marketing sector of broiler products. The resultant price fetched by broiler chicken in the market was determined by various factors such as transportation costs, loading and unloading

charges, storage and margins of marketing agents selling the products on retail and wholesale basis.

The result indicates that the net price received by the producer was high (86.76percent) for large broilerfarms. 75.75 and 82.29 percent and percent for small and medium farm, respectively. Data indicates that the transport charges, shrinkage and mortality, loading and unloading charges were

added in the product received by the wholesaler to reach the retailers counter. Result show that among these three group of farms the transportation, shrinkage and mortality, loading and unloading charges were highest for the small group

It is evident from the table 1 that in Channel-I the wholesaler cost was Rs.65.50, 64.33 and 63.37 per kg live broiler in small, medium and large size farms and transportation charges 4.76%, 2.75%, and 2.94% in small, medium, and large farms, shrinkage charges 2.92%, 2.06% and 2.20% in small. Medium and large farms in channel-I but the transportation cost because the produce was to be transported

from farms to the retailers and hotels. The present result are in agreement with Amarpurkar and Murthy (2017) [1].

The best price at which consumer purchases the product was studied on rate in rupees for 1 kg live weight broiler basis. It was observed that retailers sale price per kg of live broiler chicken was found maximum in small (Rs. 77.00) groups of broiler farmers followed by Rs. 72.00 and Rs. 68.00 in medium and large size groups of broiler farms.

# B. Price spread in marketing channel-II in broiler farm

**Table 2:** Price spread in marketing channel -II for broiler in small, medium and large size group of farms. A.Channel -2 producer-retailer-consumer

Sr. No.	Particulars	Small	Medium	Large
1	a) Net price received by the producer	58.50 (79.86%)	59.00 (85.19%)	60.00 (89.77%)
	b) Cost incurred by the retailer	58.50 (79.86%)	59.00 (85.19%)	60.00 (89.77%)
	Transport charges	3.00 (4.09%)	2.00 (2.88%)	1.33 (1.99%)
	2. Shrinkage and mortality	2.25 (3.07%)	1.00 (1.44%)	0.50 (0.74%)
	3. Loading and unloading	2.25 (3.07%)	1.25 (1.80%)	1.00 (1.49%)
	4. Slaughtering and dressing	5.00 (6.82%)	4.00 (5.77%)	3.33 (4.98%)
	5. Storage	2.25 ((3.07%)	2.00 (2.88%)	0.66 (0.99%)
2	Retailers sale price /consumer purchase price	73.25 (100%)	69.25 (100%)	66.83 (100%)

During the study it was observed that retailers was another agent who purchases the broilers from both wholesalers and broiler producers/farmers. The net price received by the producer was found highest (89.77 percent) for large size group of farm and85.19 percent and 75.86 percent in medium and small size group of farm, respectively in Table 2.

Result show that cost incurred by retailers was highest Rs. 73.25 per kg live weight basis in small farm followed by Rs. 69.25 and Rs. 66.83 in medium and large size group of farm in channel-II, respectively. Among these three marketing channels. The main item of channel-II is storage (go down charges) which was found highest 3.07 percent for small size group of farm and 2.88 percent in medium and 0.99 percent in large size group of farm, respectively.

It was observed that another main item of expenditure were shrinkage charges was highest (3.07 percent) for small farms followed by 1.44 percent and 0.74 percent in medium and large farms, respectively and also the Loading and unloading charges was found highest (3.07 percent) for small size group of farm followed by 1.80 percent and 1.49 percent in medium and large size group of farm for channel-II. In this channel the go down cost is the major cost because the retailer purchases the produce directly from the farmer so storage becomes an important factor as they need to store the broilers in Table 2. Similar finding was observed by Singh *et al.* (2010) <sup>[6]</sup>.

# C. Price spread in marketing channel-III in broilers

Table 3: Price spread in marketing channels-III for broilers in small, medium and large size groups of farms. Channel 3-producer-consumer

Sr. No.	<b>Particulars</b>	Small	Medium	Large
1	Net price received by the producer	62.50 (94.69%)	60.00 (96.38%)	60.00 (97.16%)
	Cost incurred by the producer	62.5 (94.69%)	60.00 (96.38%)	60.00 (97.16%)
	Transport charges	1.00 (1.51%)	0.50 (0.80%)	0.50 (0.80%)
	Slaughtering and dressing	2.00 (3.03%)	1.50 (2.40%)	1.00 (1.61%)
	Packaging	0.50 (0.75%)	0.25 (0.40%)	0.25 (0.40%)
2	Consumer purchase price	66.00 (100%)	62.25 (100%)	61.75 (100%)

Study indicate that among the among all three channel the net price received by the producer was highest in channel 3 which is about (97.16 percent) in large size group of farms followed by medium (96.38 percent) and small (94.69 percent in channel 3 Result show that the marketing cost was highest in Channel-III in small (Rs. 66.00) size group of farms followed by medium (Rs.62.25) and large (Rs.61.75) size group of farms and then transportation, slaughtering and dressing, packaging are the another major charges in the marketing cost. In channel III, value of slaughtering and dressingg is maximum in large size group which was (1.61 percent) farms followed by medium (2.40 percent) and small (3.03 percent). Ttransportation charge is another main item in marketing cost which incurred about (0.80 percent)in large and same in medium size group of farms and in small (1.51 percent)in

channel 3.packaging cost in large size group was highest (0.75 percent) followed by medium (0.40 percent) and small (0.40 percent). It has been seen from the Table. 3 that all the cost mentioned above were highest in small size group of farms followed by the medium and large size group of farms. The net price received by the producer ultimately leads to the consumers purchase price which was highest. Similar finding was observed by Kemrin *et al.* (2018) <sup>[2]</sup>.

### Conclusions

Study indicate that among the among all three channel the net price received by the producer was highest in channel 3 Result show that the marketing cost was highest in Channel-III in small (Rs. 66.00) size group of farms followed by medium (Rs.62.25) and large (Rs.61.75) size group of farms

and then transportation, slaughtering and dressing, packaging are the another major charges in the marketing cost. In channel III value of slaughtering and dressing is maximum in large size group which was (1.61 percent) farms followed by medium (2.40 percent) and small (3.03 percent)

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