

## MARKETING OF POULTRY FEED IN PUNJAB—AN EVIDENCE FROM FAISALABAD CITY

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### ABSTRACT

The study on the marketing of poultry feed in Punjab was undertaken to appraise the industry of the pattern of poultry feed marketing, distributive margins of intermediaries involved in the flow of poultry feed and to pin point the drawbacks along with the suggestions for improving the poultry feed marketing in the province of Punjab. The poultry feed producers, agency holders and poultry farmers were interviewed to obtain the detailed information. Cost of production of feed was the lowest in case of home-mixing and the highest for automatic poultry feed manufacturing plants but profit in the former was the lowest due to low volume of sale. Only one intermediary, i.e. the agency holder was involved in the flow of poultry feed. A layer required 8 times more feed than that needed by a broiler.

### INTRODUCTION

Pakistan, like most of the developing countries, is facing protein shortage. The consumption of protein averages about 45 gm per capita in Pakistan. The animal protein amounts to about 23 per cent of the total protein intake against the desirable extent of 40 per cent. Poultry and egg production offer the best prospects for supply of quickest and cheapest sources of animal protein as they demand the least resources as compared to the production of other foods of animal origin like milk, mutton and beef.

The production of meat from sources other than poultry, in the country has remained almost stagnant over the past decade (Imam, 1978). The cost of production of commercial beef and mutton, which is already very high, is expected to increase by four to five times within next 10 years as compared to the

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cost of poultry production (Imam, 1978). Thus a better alternative available with us is to divert our resources to poultry and egg production which is the quickest and cheapest source of protein supply.

Commercial and scientific poultry farming which started in Pakistan in 1963, depends on the feed industry. Among other factors, price of feed and day-old chicks determine the economics of egg and broiler production. Increase in the demand of coarse grains for human consumption and its short supply for poultry feed, has not only inflated the price of the poultry feed but also deteriorated the quality of the feed. These factors along with the malpractices in the distribution of feed has made it difficult for the small poultry farmers to continue their production. The study was conducted keeping in view the following objectives:

- i. To examine the present patterns of poultry feed marketing in Faisalabad city.
- ii. To estimate the distributive margins of the marketing intermediaries in the poultry feed marketing.
- iii. To work out economics of poultry feed marketing under different marketing channels.
- iv. To identify the drawbacks in the present system of poultry feed marketing.
- v. To suggest policy measures for the improvement of poultry feed marketing.

### MATERIALS AND METHODS

Faisalabad city was selected to study the poultry feed marketing because the city is fairly representative of the production and marketing conditions prevailing in the Punjab.

The feed manufacturers were classified into three groups on the basis of the method employed for feed preparation namely automatic plants, semi automatic plants, and hand mixing. In the same way poultry farmers were categorized into three groups: 1) who produced layers only, 2) who produced broilers, and 3) who produced both layers and broilers. For detailed investigation, a sample of six feed producers, 2 agency holders and 42 poultry producers, was taken at random.

### RESULTS AND DISCUSSION

1. *Cost, income and profit of the poultry feed producer:*

The overall cost per bag (i.e. 45 kg) averaged at Rs. 103.14 Rs. 130.78

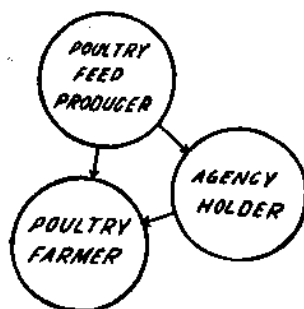
and Rs.131.50 in case of home-mixing, automatic plants and semi-automatic plants, respectively (Table I). Income earned per bag was found to be Rs. 117.14 in case of home mixing and Rs. 146.00 for both automatic and semi-automatic plants. The lowest income per bag for the home-mixed feed was the result of low volume of business and poor quality of the feed. The share of profit of the total income in case of home-mixing was the highest, i.e. 12.21 per cent as compared to 9.92 per cent and 10.43 per cent from semi-automatic and automatic plants, respectively.

Table 1. *Cost, income and profit/bag of poultry feed*

Particulars	Cost (Rs.)	Income (Rs.)	Profit (Rs.)	Profit as a percentage of income
Automatic plant	130.78	146.00	15.22	10.43
Semi-automatic plant	131.50	146.00	14.50	9.92
Home-mixing	193.14	117.14	14.36	12.21

2. *Marketing channels* : In poultry feed marketing only one middleman, i.e. the agency holder, was involved in the marketing system. All the poultry producers got their supply of poultry feed directly from the plant gate as well as from the agency holders. Besides supplying poultry feed, the factory owners also helped to manage the day-old chicks from the hatcheries for the poultry farmers.

### *MARKETING CHANNELS*



### *Marketing of Poultry Feed*

3. *Profit margin of the agency holder:* The agency holder sold poultry feed at the rate of Rs. 137.00/bag and got the commission of Rs.7.00 per bag. The cost incurred by the agency holder averaged at Rs. 1 41 per bag thus giving him a profit of Rs. 5 95 per bag.

4. *Consumption of feed:* The feed consumption per bird came out to be 33.50 kg per layer and 3 87 kg per broiler, costing Rs. 96.79 and Rs. 11.20 per bird for layer and broiler, respectively, as is given in Table 2. The production period of layer was months and that of the broiler nearly 1½ months.

Table 2. *Cost of feed of layer and broiler*

Particulars	Quantity consumed/bird (kg)	Cost of feed/bird (Rs.)	Overhead cost (Rs.)	Total cost (Rs.)
Layer	33.50	96.79	0.13	96.92
Broiler	3.87	11.20	—	11.20

#### *Recommended Strategy*

1. The production of coarse grains has either been stagnant or decreased over the last many years, whereas their demand for poultry feed manufacturing has gone up by 50 to 60 per cent. Well planned programmes of improved quality seeds giving better yield of cereals like maize, sorghum, matri, barley, etc. may be introduced by the Government to minimise the gap between supply and demand.

2. Quality of the feed is generally low. Legislation is being enacted. It should be finalised promptly and implemented strictly to check the quality of feed being manufactured.

3. Research laboratories to test the quality of feed ingredients as well as the finished product should be established in every big city by the Government.

4. Provision in the law should be made to compel the feed producers to stamp the bags showing their contents, weight, date of manufacturing and the date of expiry, etc.

5. Industries to produce mineral and vitamin supplements within the country should be encouraged by the Government.

6. Many of the agro-industrial by products being wasted at this time could be used to prepare high quality feeds. Feathers of poultry (contain 80% protein), offals/intestines/casings (contain 60% protein), blood and poultry manure if processed and sterilized, can be used to enrich the feed (Qureshi, 1983).

Similarily, berseem leaves (22.5% protein) and matri (25.0% protein) may be used as suitable feed ingredients for poultry rations.

7. Home-mixing is about 18 per cent cheaper than the commercial feed purchased. The establishment of poultry farmers cooperatives can produce even,, cheaper home-mixtures. But to maintain the quality, feed should be prepared under the supervision of an animal nutritionist.

8. To refresh knowledge of the poultry farmers with latest developments "Feed Days" regarding poultry feeds should be arranged by the Directorate of Poultry Production, Punjab as well as the Directorate of Agricultural Education and Extension, University of Agriculture, Faisalabad.

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