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ECONOMIC ANALYSIS OF POULTRY FARMING IN THE KOPPAL DISTRICT OF KARNATAKA

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ABSTRACT : In India, the poultry sector plays an important role in all classes of people, notably the economically disadvantaged and it also brings about the desired amount of socioeconomic improvements in rural regions, which are critical for rural development and rural prosperity. In poultry farms, 80 per cent of the employment was directly generated and 20 per cent was in the provision of feed, pharmaceuticals, equipment and other services. The main objective of the study was to analyze the investment of poultry farms in Koppal district of Karnataka. The investment analysis of poultry farms would serve as a measure of economic indicators. On the basis of net present value, benefit-cost ratio, internal rate of return, and payback period layer and broiler farms are found economically viable and most profitable. While the net present value of investments in layer and broiler farms was ₹ 7,58,21,183 and ₹ 16,72,951 per farm at the discount rate of 12 per cent. The benefit-cost ratio was 1.06 and 1.07 in layer and broiler farms, respectively. The present study showed that the internal rate of return was 19 per cent and 26 per cent in the case of layer and broiler farms, respectively. The payback period was 3.22 and 3.00 years in the case of layer and broiler farms, respectively. The study concluded that there is more scope for increasing the income of poultry farmers by advising them to make investments in both layer and broiler farming activities.

Key words : Poultry, layer, broiler, economic analysis, economic feasibility, investment.

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INTRODUCTION

India's poultry industry represents a major success story, growing at about 8.51 per cent per annum in the layer (egg) market and the broiler (meat) market is 7.52 per cent per annum (Anonymous, 2019). Most poultry farms are concentrated near cities and metros where there are well-organized markets. Presently about 75 to 80 per cent of eggs and poultry meat are consumed by just 25 per cent of the population residing in urban areas. The present per capita availability of eggs is 79, while chicken meat consumption is 5.5 kg whereas the ICMR recommendation is the consumption of 180 eggs and 10.8 kg of poultry meat per person per annum. Rapid industrialization, economic liberalization, and monetization of the rural economy have induced demand for poultry products in domestic markets.

The poultry business is beneficial and profitable with glorious prospects of increasing the accessibility to high-quality protein for the consumption of humans in a short period of time. For food, it's the easiest and cheapest source of protein. (Udoh and Etim, 2007; Alam, 2000). Besides its nutritional value, poultry has turned out to be an important source of livelihood and employment. It has employed millions of people worldwide directly in poultry farming and its allied business of feed production, hotel/restaurant industry, retail, wholesale business, carriage, and transport *etc*. The poultry industry has significantly developed in the world and now is an important source of foreign exchange earnings for many countries. It is expected that poultry meat will increase seven-fold in the first two decades of the 21st century (FAO, 2003)

As per the 20th livestock census report, the contribution of the poultry sector to Karnataka GSDP was 1.79 per cent. The total egg production of Karnataka was 59,994.19 lakh of which backyard poultry was 1,216.83 lakh, commercial poultry was 52,602.94 lakh, and others 6174.42 lakhs in the year 2018-19. The leading districts in broiler chicken production include Bengaluru

Feasibility of investment in broiler farms

The net present value, benefit-cost ratio, internal rate of returns, and payback period was calculated at 12 per cent discount rate. It is revealed from Table 9 that the net present value of the investment was ₹ 16,72,951. The benefit-cost ratio is the ratio between the discounted gross return and discounted cost of input. The obtained benefit-cost ratio was 1.07. The internal rate of return was found to be 26 per cent indicating the higher return which was above the prevailing interest rate and the payback period was found to be 3.00 years. From all four criteria, we can conclude that investment in broiler farming was found to be financially feasible and an economically sound enterprise in the study area. The findings of the present study agreed with the findings of Kumar and Rai (2006) and Singh *et al* (2010). Therefore, we accept the null hypothesis of more profitability in poultry farming.

CONCLUSION

On the basis of net present value, benefit-cost ratio, internal rate of return and payback period investment in layer and broiler farms found economically viable and financially feasible for improving the financial status of the poultry farmers. Based on the findings of the research study, it is concluded that there is more scope for increasing the income of poultry farmers by advising them to make investments in both layer and broiler farming activities in the region.

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