

A REPORT

ON

Study The Effect of Production Group on The Market Linkage of Poultry Meat and Egg.

Summer Internship Program

At

Organization: BRLPS (JEEViKA)



XAVIER INSTITUTE OF SOCIAL SERVICE

RANCHI- 834001

PRESENTED TO: SUBMITTED BY:

BRLPS (JEEViKA) KUMAR ABHIJEET

Patna Ranchi

FOREWORD

Backyard poultry project is an alternate option to earn livelihood for the poor of poorest class of family in rural sector of Bihar. The practice of poultry farming helps members of project to improve their economic status.

Project has benefited the member by providing Day Old Chicks at a very low and subsidized rate so that they can earn maximum profit to support their family. Also there are some issues which members are facing due to certain circumstances.

The demand of poultry meat and egg in India is increasing over time and there is a very good scope for the beneficiaries to establish their market because demand in market will always increase by time there is opportunity to earn a good profit by selling product as well as it helps to improve nutrition of rural poor's.

JEEViKA works towards social and economic empowerment of poor by providing sustainable livelihood opportunities through self-managed community based institutions. Good health ensures better work productivity thus improving economic conditions of rural poor. Backyard poultry project is an initiative to improve the health of poor class and to support their livelihood. The project is successfully working in several pockets of Bihar to assess the influence on economic condition of poor class.

I hope that this report on "Study the effect of production group on market linkage of Poultry meat and Egg" will be helpful to BRLPS in effective implementation of proposed business model to help the beneficiaries of Backyard poultry project

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List of Acronym

FGD- Focus Group Discussion

PRP- Poultry Resource Person

LHS- Livelihood Specialist

SHG- Self Help Group

CLF- Cluster Level Federation

VO- Village Organization

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ABSTRACT

Market linkage of poultry meat and egg is an important part of business because it creates link between producer group and the end consumer. It involves head to head movement from the place of production, middlemen, wholesaler, and retailer and at last goes to the end consumer including the supply chain management.

During the project, emphasis was given to study the present market situation of poultry meat and egg, demand and supply of product, current status of production and to develop a business model to improve the market of that particular product. Area of study for this project was four blocks Baisi, Jalalgarh, Dhamdha, Purnia East and market of Purnia district, Bihar. Retailers, wholesaler, mother unit entrepreneurs and SHG members were interviewed to collect data. Egg and poultry wholesalers were interviewed to collect the data about market whereas household survey was done in seven village of four different blocks in Purnia district to collect data about current production status.

From the study it has been found that market is dominated by broiler meat and farm egg where maximum of eggs are imported from Punjab, West Bengal and Andhra Pradesh, on the other hand production of broiler is from home district, neighbor district and West Bengal.

For an effective linkage of production group to market towards a more efficient system, a model has been proposed in the study. The business model is proposed to provide maximum profit to the members of production group associated with backyard poultry, JEEViKA. The model is structured according to the socio-economic and geographical condition of region and the members associated with JEEViKA are mostly belong to poorest class. Hence the model is to carter the problem of marketing and to provide maximum profit to the members of production group. The model focus joining the member of production group for proper flow in production and supply to the retailers by overriding the involvement of intermediaries and finally provide maximum profit to the members.

The important consideration in model are following:

- Developing marketing strategies
- Cutting the extra cost during production and supply
- Availing maximum profit share to the production group
- Development of an ideal production

The model has been given to target the local market in the first stage but it can be extended to the bigger market of locality by the time according to the increased consumer demand

CHAPTER- 1 INTRODUCTION

1.1 BACKGROUND

Poultry meat and egg is an integral part of daily consumption however the demand for the product is increasing every year in market due to growing population and change in food habit of people. The increase in demand is about 8-10 percent per year. There is dominance of broiler meat and farm egg due to high production, lower price, easy accessibility and proper market linkage. There is involvement of middlemen in this business in both upward and downward PG/PC. In light of these concerns this study was taken up in Purnia East, Jalalgarh, Baisi and Dhamdha Block of Purnia District of Bihar, under the coordination of JEEViKA. The study sought to examine the various aspects of market of poultry meat and egg in Purnia district with a view to improve its efficiency. Despite the common perception of the low returns to investment in backyard poultry, especially among members, studies have shown that there is scope to increase the demand and develop an organized market linkage.

India is the second largest producer of poultry meat and egg but Bihar is currently at lower level in production as most of the eggs in market of Bihar comes from other states like Punjab, Andhra Pradesh and West Bengal whereas there is meat production in some district of Bihar.

Backyard Poultry project of JEEViKA support the members of SHG to earn additional livelihood through poultry farming and egg production. The member are provided Day Old Chicks at a subsidized rate they grow it at their household for meat and egg production. This a great effort from government of Bihar for poverty alleviation. Members take the chicks after 28 days of care at mother unit and grow it at their household for a duration and sell the meat in market, on the other hand the female starts laying egg after a duration of six moth and continues for next one year. On an average there is 20-25 egg production from one hen under a healthy environment whereas the male gains a weight of about 3 kg in a duration of two month at household.

Purnia is one of the thirty-eight district of Bihar with a total population bout thirty-three lakh and city population about three lakh according to the census 2011. In the entire district of Purnia there is about 2.5-3 lakh egg consumption on a daily basis which will go double in season of winter whereas there is consumption of about 30-40 quintal of poultry meat only in 5 km radius of Purnia city.

The wholesalers and retailers of Egg in Purnia totally depend on production from other state to fulfill the demand in market. Most of the egg shipment comes from Barwala district in the states of Punjab, sometime from Andhra Pradesh and West Bengal. The market is divided in different stage where the shipment comes to the big wholesalers in bulk quantity and then they supply it to the small wholesalers according to the demand, from there the product goes to the retailers and finally to the consumer. Though there are some wholesalers who directly order the shipment from part of West Bengal and sell it to the retailers.

Market of meat is not so organized because of poultry production at household level, farm level and involvement of intermediaries. Poultry farmers grows the chicks at the farm for 35-40 days, by the time chicks gain a weight up to 2 kg then it is transported to the wholesaler or cutter center and finally to the consumer. Sometime the middlemen purchase the chicks of weight around 1 kg from the

farmers and grow it at their own farm for little duration and then sell it to the wholesalers at the market rate.

The common product in market is broiler, deshi and farm egg which is regularly consumed by people. As the breed which member are practicing under the guidance of JEEViKA is different from all of them and new for the consumer so there is problem with marketing of meat and egg. The breed “Kuroiler” has different variety and taste of meat and eggs are slight orange in color and comparatively large in size than the other eggs in market. The root of all problems related to marketing is the new existence of product.

There are total 14 blocks, 37 mother unit and about 10500 beneficiaries in Purnia district who are practicing under backyard poultry and the most of member are facing the issue of marketing.

1.2 STATEMENT OF PROBLEM

What are the various issues being faced by the beneficiaries of backyard poultry project and how it can be solved?

1.3 OBJECTIVE

- To study the current market of poultry meat and egg with demand and supply chain
 - To study the consumption capacity and gap analysis
 - To understand the transaction at different level
 - To conduct survey for understanding of production status and related issues
-
- Input service
 - Output service
 - Market issues
 - Risk bearing factors
-
- To assess the influence of Production group on the economic conditions of poultry meat and egg growers in selected blocks of Purnia
 - To propose a business model for beneficiaries

CHAPTER-2 AREA OF STUDY AND METHODOLOGY

2.1 GEOGRAPHICAL LOCATION OF THE REGION

Present study has been carried out in Baisi, Jalalgarh, Purnia East and Dhamdha blocksof Purnia district of Bihar. Purnia District is one of the thirty-eight districts of Bihar state. The district headquarters are located at Purnia. The district is bounded by the Katihar, Bhagalpur, Madhepura, Araria and Kisanganj district and some part of West Bengal. The district occupies an area of 3202 km². There are 14 blocks in Purnia district which are Amour, Baisa, Baisi, Banmankhi, BarharaKothi, Bhawanipur, Durgapur, Dhamdha, Jalalgarh, Kasba, Purnia East, Rupouli and Srinagar.

2.2 DEMOGRAPHIC PROFILE

According to the census 2011, Purnia district had a population of 282,248 of which male and female were 1, 48,077 and 134171 respectively. The district has a population density of 1,014 inhabitants per square kilometer (2,630/sq. mi) .Its population growth rate over the decade 2001-2011 was 28.66 percent. Purnia has a sex ratio of 930 females for every 1000 males, and a literacy rate of 51.23 percent.(source: Census 2011)

2.3 SELECTION OF THE STUDY AREA

Out of 14 blocks of Purnia, the survey was done in eight village of four different block in Purnia district. The village were selected on the basis of mother unit in different blocks where the village were Paikagola and Belwa village in Purnia East block, Misrinagar and Railwaytola village in Jalalgarh block, Simaliya and Diha village in Baisi block and at last AmadiKukran and Bardela village in Dhamdha block.

Study for market research in different part of Purnia district to collect proper data related to poultry meat and egg. Survey was started with wholesalers through retailer in market of Bhattha Bazar, Madhubani, Khuskibagh, Jalalgarh and Baisi. Market research related to demand and

S. NO.	BLOCK	VILLAGE OF STUDY	POPULATION
1	Purnia East	Paikagola, Belwa	
2	Jalalgarh	Misrinagar, Railwaytola	
3	Baisi	Simaliya, Diha	
4	Dhamdha	AmadiKukran, Bardela	

supply of product and understanding of current market channel

TABLE 1: List of Block, village and Population

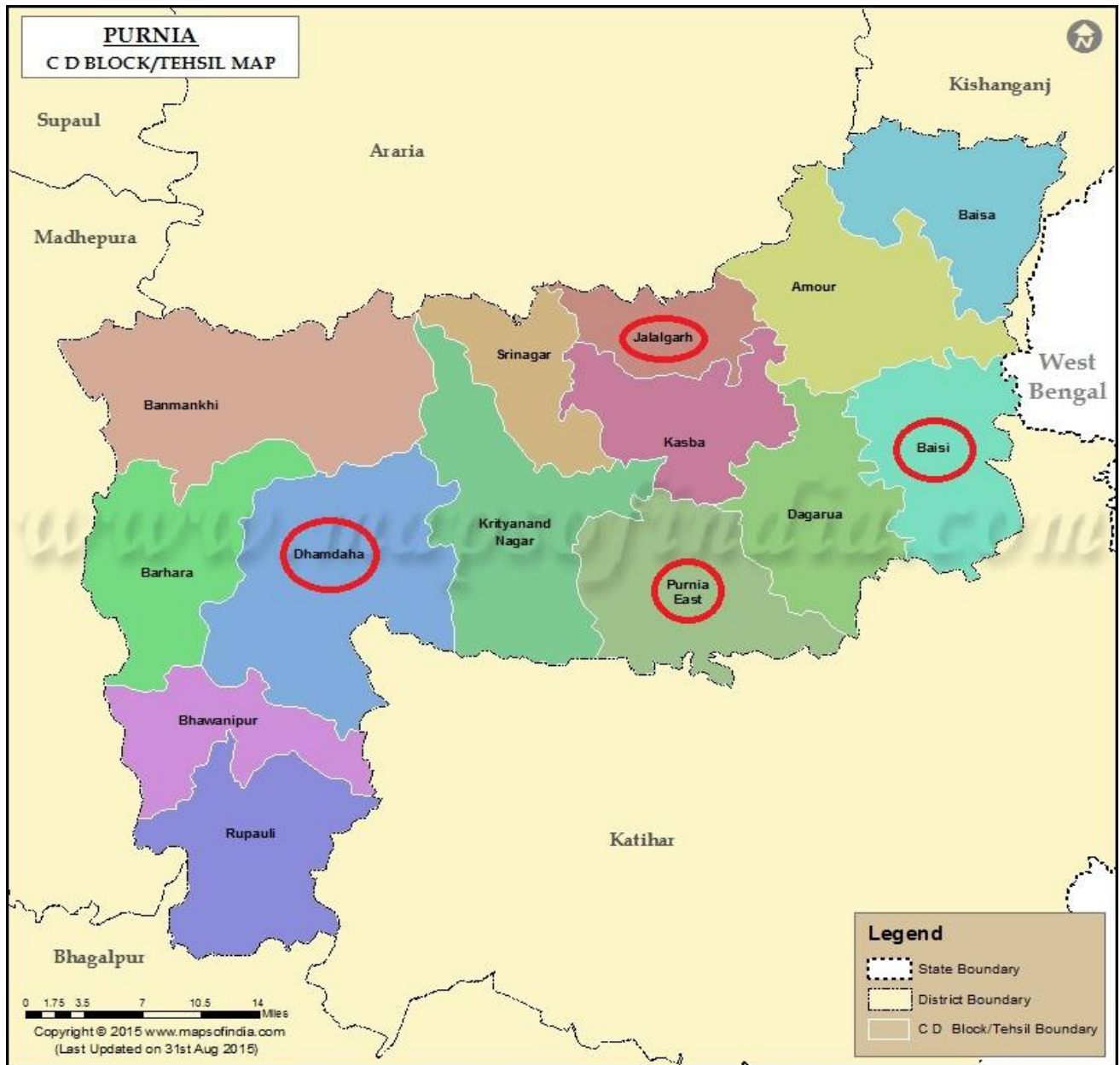


PLATE-1Map of blocks, Purnia district

four blocks namely Purnia East, Jalalgarh, Baisi and Dhamdha where seven village were studied in Purnia district.

2.3.1 WORK SCHEDULE

DATE	ACTIVITY
2nd -5th May	<u>Introductory part</u> <ul style="list-style-type: none"> • Selection of two Blocks and choose one Mother Unit from each. • Select two village from each block • Understanding of backyard poultry model and operation of mother unit. • Interaction with members.
6th-12th May	<u>Understanding of current egg and meat market of the district trough survey</u> <ul style="list-style-type: none"> • Size of the market • Channel through market is running • Demand of product in the market (Current and seasonal) • Total Daily consumption of meat and egg • Gap analysis (Study will go through retailer to wholesaler/producer)
1th May- 4th June	<ul style="list-style-type: none"> • Study of 4 Blocks (1 Block = 5 days) • 2 Mother Unit from each Block. • 5-6 sample Households from each Mother Unit • Poultry Resource Person meeting with support of livelihood specialist • Village Organization meeting • Study on current production pattern. • Data capturing of meat and egg production
5th-11th June	<ul style="list-style-type: none"> • Business model development for Producer group
13th - 18th June	<ul style="list-style-type: none"> • Report writing • Presentation

TABLE 2: Work Schedule

2.4 RESEARCH DESIGN

The research design is based upon the study of market of poultry meat and egg in present situation and beneficiaries under backyard poultry project. Study was focused on existing market issues with members.

Case study research design will be helpful to study the existing situation of producer group of backyard poultry project in Purnia district and how it can be improved. Case study would help for in-depth analysis of field and market.

2.5 SAMPLING DESIGN

- Purposive sampling

Following sampling units were identified for this study:

- Retailers
- Wholesalers
- PRPs
- Beneficiaries

Seven wholesalers of egg and 4 wholesalers of poultry meat were interviewed and 48 household survey in 7 village of 4 blocks in Purnia district were interviewed for study.

2.5 NATURE AND SOURCE OF DATA

Secondary data about various mother units, village and beneficiaries was collected from the Block Project Implementation Unit of Purnia East, Jalalgarh, Baisi and Dhamdha office.

Primary data was collected by interacting with mother unit entrepreneur, Poultry Resource Person, members of SHG, wholesalers, retailers by using questionnaires and FGD. Wholesalers and retailers provided the information about cost incurred to them in buying and selling of poultry meat and egg, supply chain and demand of market whereas the members provided the information about current production status under backyard poultry project. The questionnaire surveys were held with the help of Poultry Resource Person who was well known to all the families. All the interviews/surveys were conducted in an informal setting.

2.6 METHOD OF DATA COLLECTION

- Unstructured interview (open ended question):

Unstructured interview was used to collect data. Two methods of data collection were used to gather qualitative and quantitative data both from member for household survey and wholesaler for market survey.

- In-Depth Interview

Repeated face-to-face interaction with the members of production group to get in-depth perspective related to production of poultry meat and egg and also various issues at household level and marketing whereas interaction with wholesalers to study the current market channel, demand and supply. In-Depth interview help to collect several related data with accuracy where new facts and figures came in light.

- Focus Group Discussion

A discussion with the member of SHS on Village Organization level for in-depth analysis of issues related to marketing. Discussion based on different topic related to poultry right from practice at the household level to market of poultry meat and egg. A collaborative interview assess the member to discuss on different topic at same time. It help to provide more accuracy in data collection

2.7 TOOLS FOR DATA COLLECTION

Two different tools were used in both of the method of data collection

- Interview schedule

A set of questions were formulated where the interviewee were free to answer the question from their experience under a comfortable environment. Most of the time the interview was arranged at the place of interviewee. This tool of data collection was used to interview the wholesaler and household survey.

- Checklist

The agenda of research was predefined and the discussion goes under one topic so a set of four to five sub-topics were prepare to be discussed during the focus group discussion. All the sub-topics were related to backyard poultry project starting from household to market of the product. This tool of data collection was used only at VO level.

2.8 DATA INTERPRETATION AND ANALYSIS

2.8.1 MARKET SURVEY

► COLLECTION OF DATA

Data collection was started from the retailer in different market of Purnia to reach the wholesaler and to understand the chain of market, profit and demand in market. In the initial phase of market survey, the wholesalers were interviewed both of poultry meat and egg who are dealing with different capacity and at different level of market. To collect data from wholesalers, interview questions were focused on following:

- Demand in market
- Source of supply
- Market channel
- Daily consumption
- Change in demand over a period
- Profit ratio
- Gap analysis
- Risk bearing factors

All the points mentioned were discussed in detail with the respondents at their place of work. The market survey helps to understand to understand the existing model of market in Purnia district as well as the market status of particular product offered by the beneficiaries of Backyard poultry project. Total of seven egg wholesalers and four poultry meat wholesalers were interviewed to collect data.

- Demand in market
 - Meat: There is domination of broiler in market due to ease of availability, higher production rate, lower price and consumer demand. Sometimes consumer demand for other breed like *Deshi* but maximum demand is for broiler meat. The other reason for higher demand of broiler is also that consumers are habituated to the taste and quality of meat at an appreciated price.
 - Egg: Demand for farm egg is dominating the market of Purnia because it is easily available at every place at and sold at a reasonable price in the market and demand is throughout the year.
- Source of supply
 - Meat: Supply for meat in market is from different place of production. Sometimes it comes from village through hawkers and also from different poultry farmers in home district but most of the production comes from neighbor district and some part of West Bengal. The local wholesalers order the shipment according to the demand in market.
 - Egg: Most of egg in market are supplied from state of Punjab, Andhra Pradesh and West Bengal where the shipment goes to wholesaler in different location of market. There are also one or two layer farm in the district which are producing egg on small scale but the number of these farms are increasing and there will be more in near future. There is very little amount of supply from household level.

- Market channel
 - **Meat:**

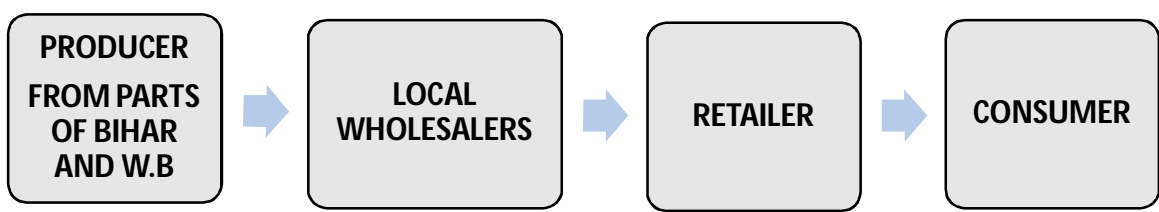


Figure 1: Market channel of meat

- **Egg**



Figure 2: Market channel of egg

- Daily consumption

- Meat: According to the survey, daily consumption of poultry meat only in five kilometer market radius of Purnia municipal area is in between 30-50 quintal on daily basis. Seasonal demand increase in normal under this condition.

- Egg: According to the survey of wholesalers

- Change in demand over a period

Survey with wholesalers of poultry meat and egg says that there is large percentage of increase in demand over last five year. Population is increasing by time and demand for food is also increasing with it and also change in food habit of people is creating demand in market.

- Risk bearing factors both in poultry meat and egg

- Mortality- seasonal mortality which entirely depends on the age of chicks where small chicks survive in warm temperature but older chicks can survive in cold temperature (up to a limit) and vice versa.

- Price fluctuation- Regular fluctuation in market and price war effects the market.

- Durability- Age of chicks also control the demand market.

- Rumors- Several rumors may affect the market in negative aspect.

- Disease- It cause loss of life and property.

- Over production- It directly affects the price which goes down in market.

2.9 ENCOUNTER AND EXPERIENCE IN THE FIELD

► Collection of data

Household survey of benefited members under backyard poultry project to collect data related to the production status of meat and egg, also to understand the situation and collection of data related to marketing of product. Survey of field started from mother unit where the chicks are kept for 28 days under care of entrepreneur who is responsible for feeding and vaccination of chicks for entire duration. At second stage, focus group discussion at VO level with members of SHG to discuss on various related topics. At last members were surveyed at household level to collect individual data. A total of 48 members were interviewed from 7 villages of 4 blocks in Purnia district. Collection of data from household level were focused on following topics

- Practice of poultry at household level
- Current status of production and Issues related to poultry at household level
- Market related issues
- Risk bearing factors

During the survey, members were interviewed and data was collected on the basis of their experience in poultry farming under backyard poultry project. Several issues were discussed for in-depth analysis of data at various levels.

• **Practice of poultry at household level:**

All the members benefited under backyard poultry project will get a total of 150 chicks in 6 lots of 25 chicks. Many of the members have got 2-3 lots of chicks. After 28 days of care at mother unit the chicks have to be distributed among members where they take the 28 days old chicks at their respective households and keep it for further production. After a duration of 2 months at household level the male chicks gain a weight of 2.5-3 kg which is good to be sold. On the other hand the female chicks start laying eggs after age of six months and one hen produces at least 20-25 eggs per month under a healthy environment and the production continues for next one year. The production rate of this breed of chicks is higher than any other breed which can be practiced at household level at such a low maintenance.

• **Current status of production and Issues related to poultry at household level:**

Production rate of poultry meat or egg is not up to the satisfaction level due to less production ratio at household level. Members are facing a lot of problems related to chicks at household level which results in less production. There are some reasons for lower production:

➤ **Household mortality:**

Death of chick at household level affects the production of egg and meat because once the chicks' starts dying then the member use to consume or sell it at early age. Mortality is the reason which is affecting most of the household. Following are the reason for high mortality rate:

○ **Change in habitat**

On the first day when members take the chicks at household level from mother unit then there is sudden change in habitat of chicks because at the mother unit they live under a controlled environment which is not available at household level. Under this change the weak ones fall sick which most of the time results to death.

○ **Instant change in food habit**

At mother unit, the chicks eat three different type of feed i.e. pre-starter, starter and finisher feed for a duration of 28 days but when they are taken to household level then members use to feed them wheat and rice which they are not able to digest. This is reason mortality at many of the households.

○ **Infectious disease**

Sometime chicks are caught by infectious disease which affects all the chicks and cause death at large scale. Chicks get infected by disease like pox from other breed of chicks like Deshi at household. This kind of deadly disease affect chicks because they are not vaccinated for such disease at mother unit and reason behind it is that vaccination of pox can be injected after 45 days but chicks has to be retained at mother unit only for 28 days.

○ **Delay or absence medical assistance**

When chicks fall sick then they will die within 24-48 hours if not given a proper medical assistance. Usually member don't provide medicine to the chicks rather they use to consume or sell it because they know that chick will die.

○ **Unavailability of medicine in local market:**

Members of poultry project are generally from rural areas and medicine is not available at their locality. They have to travel at least 8-10 km to get medicine and also medicine are not available in loose quantity which is the main reason why members don't agree to buy medicine.

○ **Improper living condition**

The place where chicks has to be kept should be cleaned on a regular interval and very less moisture in the cage and well ventilated but environment is not as appropriate at most of the household. Dirt and moisture in the cage cause various infection which results to dead. Sometime cage of chicks has been kept in open space where the rainfall and storm affects and on the other hand some members are bound to keep the chicks in a closed room.

○ **Unavailability of backyard at household**

The backyard poultry project is supporting a lot of members and their families to earn an additional livelihood but many of the members are so poor and they don't even have a backyard and they are bound to keep their birds in cage for 24*7. If there is home of 5-6 members at the same place then they are not able free their chicks in an open space due to theft and other problems. This breed of bird need to live in open space in day time for a good health so they don't survive in a cage for longer period. On the other hand where the members are having even a small open space or backyard then there is good health, high production and less mortality of chicks.

- ❖ During the survey, a total of 48 households were surveyed and where members has been benefit with 2441 chick in total.

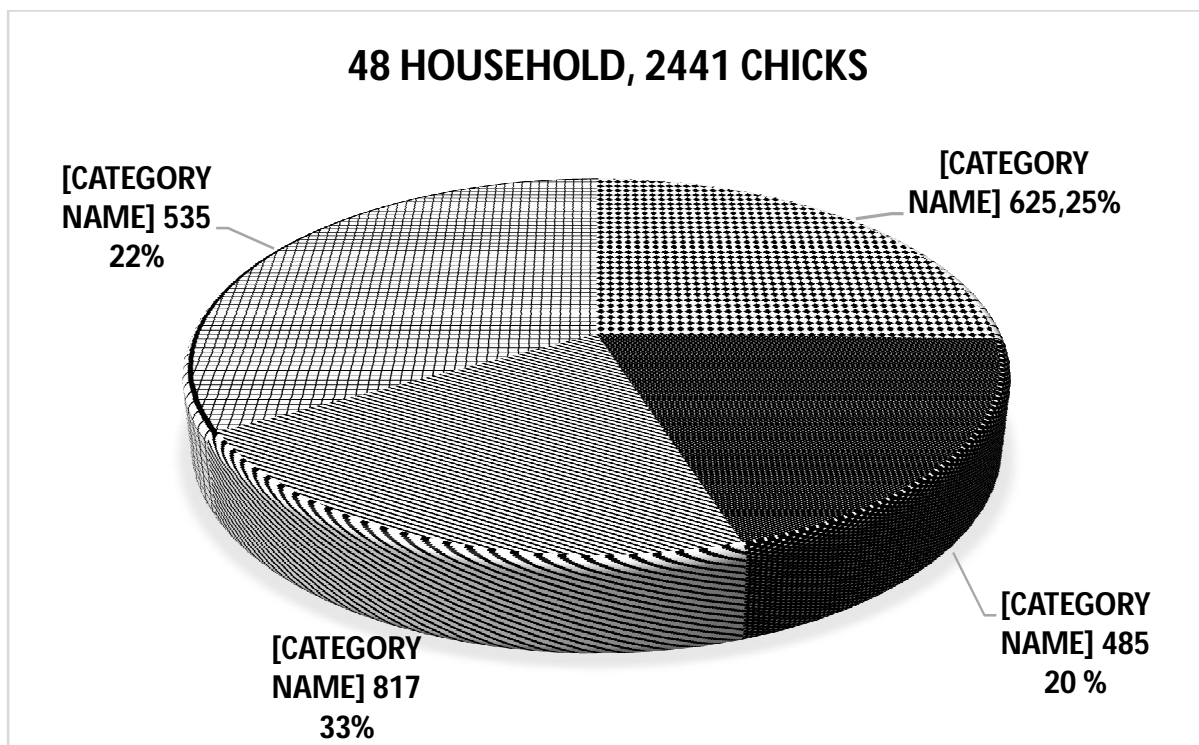


Chart 1: Data collected during field survey

➤ **Risk of financial loss**

All the above factors explain reason for mortality at household level and when the chocks start dying then member the members feel the risk of financial loss. They try to recover the money which they have spent on buying chicks from mother unit on a subsidized rate. This problem is very common among member which results to sell and consumption of chicks at very early stage.

➤ **Consumption of female chicks:**

Male chicks are ready to be sold after a duration of two month at household because it gains weight of at least 2.5-3 kg but the member also use to sell female chicks along with male chicks to make an instant profit and sometime due to mortality. That is the reason for low production of egg at most of household. On the other hand there are few members who are getting about 25 egg per month from a single hen.

• **Market related issues**

After all the main problem which members are facing is issue of marketing for the particular product. More or less the eggs can be sold in the market on a good price but problem with poultry meat is area of concern. Following are the reason responsible for marketing issues

○ **Dominance of other variety of product**

There is dominance of other variety in market where broiler is dominating the market of poultry meat whereas farm egg is dominating the market of egg. Due to ease of accessibility at a reasonable price these product has very good demand on market and also consumers are habituated to that particular variety which makes it most demanded product in market of poultry meat and egg.

○ **Lack of consumer awareness**

Most of the consumers are not aware of the particular breed of poultry meat which is being produced by members under backyard poultry project. The product don't have a particular identity in market and there is lack of consumer awareness which results to lack of demand that is the reason why members are facing such problems in selling the chicks in market. Consumer awareness is necessary to create the demand of a particular product in market and identity of product.

○ **Rumors in market**

Fake identity and rumors in market has affected the identity of product as many of the retailer sell the meat by calling it deshi Chinese or fake deshi and on the other hand there are some other people who has spread rumor in market about the chicks that its Chinese breed, breed of hawk, chicks having disease etc. and these rumors has already spoiled the market of particular breed.

○ **Lack of proper business model**

A proper business model is required to create the market of a particular product and flow in production and supply. Currently the members are selling the produces in their locality and nearest market because there is no appropriate market to sell meat or egg. Sometime when a

consumer demand the product for second time from retailer and it is not available then s/he is bound to purchase their usual product. A proper channel of market can help the members to supply products on a regular basis.

CHAPTER 3-ECONOMIC AND MARKET ANALYSIS OF EXISTING SITUATION

SWOT Analysis

Analyzing the various internal and the external factors which are or may affect the poultry meat and egg business in the terms of marketing. Strength and Weakness are the internal factors whereas Opportunity and Threat are the external factors.

STRENGTH

- 1 Proper and regular channel of distribution for DOC to the members and supported by government of Bihar.
- 2 Available market in locality of every village where product can be sold.
- 3 Medical assistance to the chicks before and after distribution.
- 4 Organized form of members at SHG, VO and CLF level.
- 5 Quality of product is better than other comparative product.
- 6 The production of egg is 240-300 which is more than the claim of company is.
- 7 Poultry project has the potential to support livelihood of a poor class family.

WEAKNESS

- 1 Household mortality
- 2 Mortality at mother unit
- 3 Lack of experience and skill among the members related to poultry
- 4 Lack of concerned PRPs at ground level
- 5 Impatience members and early consumption of birds
- 6 Egg production at few household
- 7 Limited availability of local expertise at household level
- 8 Low productivity rate due lack of proper and healthy environment

OPPORTUNITY

- 1 Demand for meat and egg is very good and increasing by time.
- 2 Current Production of meat and egg at household level can be improved.
- 3 Availability of private and public transport connection from town to village.
- 4 Demand for product in market can be improved.
- 5 Scope for higher profit margin due to the better quality of product.
- 6 A proper market channel can be developed for supply of products.

THREAT

- 1 The particular variety of the product don't have a proper identity in the market
- 2 Rumors in market by the other traders is spoiling the business
- 3 Uncontrolled price of the product
- 4 Currently lack of demand in market for particular variety
- 5 Local traders may try to interrupt in the business.
- 6 Credit transaction is a risk of financial loss
- 7 Unfavorable whether condition is always a risk to life of chicks
- 8 Price fluctuation in market of poultry meat and egg is common
- 9 Market competition on the basis of price may affect.

CHAPTER-4 IDENTIFICATION, ASSESSMENT AND IMPLEMENTATION OF SYSTEMATIC SOLUTION

A Business Model can be developed in an ideal situation where there is demand of the product in market and flow in the supply of product. The model is developed keeping in mind to provide maximum profit to members of Production Group by overriding the cost of intermediaries. This model is divided in to various steps where the process is defined in sequence it starts from the consumer awareness to the profit sharing

Product Promotion

Every new product is required to be promoted in market for the purpose of consumer awareness and to create a demand in market. This particular breed of chicks is new in market and has no proper identity among consumer so they don't prefer to buy it (consumer buying behavior). Awareness can be spread among consumer through a proper channel of communication depending upon the nature of product and type of consumer. For this product promotion is necessary so that it can generate desire to buy the product which create demand in market. Once the consumer try a product and they like it then the consumer themself become product ambassador when they recommend it to others (word of mouth) and through this demand increase in market. Product promotion is required for following reasons:

- To introduce the product in the market
- To aware the consumer about product
- To attract the consumer for the first try
- To create the demand in market
- To give a base to the product origin
- To neutralize the rumors which are currently going on in market about the product
- To create a positive reputation of product
- To give an identity to the product

• Effects of a proper promotion

- Product will get a proper identity
- Confusion about the product will be solved
- Members will be able to sale the product in the open market
- Advertisement creates the Curiosity about the product
- Curiosity leads to desire to buy the product
- Desire creates the demand of product

- Once there is demand of product created in market then it will increase day by day

- **Tools of promotion: Advertisement**

Advertisement through various medium can target at least 50-60 percent of population which can help to create the demand in market. The content of advertisement should be related to the origin of production and variety of product supported by government of Bihar which gives a trademark to the product.

- Flex
- Hording
- Banners
- Poster

Point of sale (POS)

A proper point of sale will be required to sell the product to the end consumer so the local retailer/cutter will be contacted to sell the product **once** the demand rises in market the first supply of product will be started in nearest Block market. A survey will be conducted by the help of LHS and PRP to contact the retailers in the local market where the retailers of Egg and Meat will be targeted separately. At least 2-3 retailers from each product should be chosen in the starting phase and following point will be considered

- By the time members will be able to sell the product in the market and there will be demand of product in market
- The proper Point of Sale will be established in the local market
- The local retailers will be target

Source of supply

A proper channel to supply the product from Production group to retailer, One or two person from one Mother Unit will be responsible for supply of product and the person should be from same locality (PRP can be considered)

MEAT

- Chicks will be collected from Household by supplier
- After weight, entry will be done in a proper Book of Record on the name of member
- Bamboo basket can be used as container for chicks
- Use of local transportation to cut the extra charge
- All the chicks will be directly supplied to the cutter center

EGG

- All the eggs will be collected by the supplier at one place, Collection center
- Entry will be done in a separate Book of Record on the name of members
- Eggs will be packed in egg tray to save from damage
- Egg tray can be collected from the local retailers on a lower price of 80 paisa- 1 rupees/tray
- Packed egg will be taken to market by public/local transport
- Eggs will be directly delivered to the retailer
- Egg trays from the previous delivery will be collected from the retailer

Product, Price and place

Product

There are two types of product

- Meat
 - Tow segment in meat
 - 1 Less than 1.5 kg: This segment of meat can be sold at retailer/ cutter.
 - 2 More than 1.5 kg: This segment of meat will be sold to hotels.
- Egg

Price

- All the retailers either of Egg or Meat works on a certain profit margin
- The price of competitive product may affect the market
- In starting phase the price of the product must be around the price of competitive product
- Meat price must be equal to price of Broiler
- (The current price of meat is b/w 120-130)
- Egg price must not be much higher than the farm Egg.
- (there can be a difference of Rs. 1/-)

Issues

- Market of Meat and Egg is full of risk in sense of price fluctuation
- The price of broiler may affect the market of meat
- Price of broiler may fall or rise anytime(overproduction)

Measures

- Relevant pricing strategy
- Ideal price according to the market
- Control on price and supply
- Market update on price of product

Profit Margin

There is certain margin at every level in a business where the involved players make their profit with some margin between purchases and sell of product. For poultry meat and egg the retailer will make their own margin according to the market.

MEAT

Margin for meat will go up to 20 rupees/kg including feeding cost for retailer excluding margin of supplier and cost of transportation

EGG

Margin for egg is 1 rupees/unit for retailer in market. This price is excluding package charge, Margin of Supplier and cost of transportation.

Supply and collection

COLLECTION

- Market runs on credit transaction
- Risk of bad debt
- Risk of financial loss
- A separate book of record will be maintained for the retailer
- Payment for the previous order must be done on the next supply
- Payment must be fairly distributed among the members on a regular basis

SUPPLY

- Supply of product should be done in a controlled environment
- Excess supply will affect the price of product
- Supply should be controlled specially in meat so that chicks do not retain at cutter center for a longer duration
- Weight loss of chicks will affect the business
- Supplier will make sure that female chicks are not being delivered at cutter center
- Damage of product must be taken care

Suggestion for proposed business model.

- In the first phase Block will be the target market

In initial phase of supply, the nearest block market will be targeted because it will be easy to supply product according to demand. Also it will be good to start from base because the production won't be enough to target the bigger market in the very primary stage.
- Non-vegetarian Hotels and Dhaba can be contacted for a regular and direct supply

There is a large scale of demand for meat in hotels and Dhaba for meat and egg. Such kind of place can be contacted in nearest locality for supply of meat.
- A small board of at every retailer shop

When there will be supply in market then the cutters/retailers shop should have a board to address the particular product so that consumer can notice it easily.
- PRPs can be involved in this business with more responsibility

All of the PRPs are well known person to the members and trustworthy as well so they can be appointed as supplier of product from household level to retailers. This will give satisfaction to members and PRP will be more interested and concerned
- By the time when demand and production increases then chicks will be collected at block level from every household in a village and then it will be supplied to the district market to meet the further demand.

CONSLUSION

Target market is huge and spread over a large area of Purnia district where the total population of city is about 3 lakh and total population of district is about 33 lakh (Ref. census-2011). There is an annual growth of 8-10 percent in market of poultry meat and egg where the demand in Purnia district has increased by 30-40 percent in last five year. Demand has increased over a period of time due to change in food habit and growing population which increases demand in market. As per the demand increases, there is also competition in market with rising number of producer.

Broiler meat and farm egg is dominating the market over a period due to high production, easily accessible and low price in market. The consumers are habituated to that particular variety but there is a good scope for business due to increasing demand in market. Though the current status of production is not enough to start a regular supply chain because if the supply of produces is not enough to fulfill the demand then it will create a negative impact on business. So at first it is necessary to aware consumer about product and then increase the rate of production to meet demand. Here in case of backyard poultry project, everything up to mother unit is very systematic and members get chicks at very subsidized rate. Every beneficiary of project is supported to earn additional livelihood through poultry. Production level of poultry meat and egg is very high under a healthy environment but mortality at household level is the biggest challenge and area of concern which need to be controlled. More effort is required to lead the current situation into an Ideal situation of production.

Current situation of market is unfavorable for the particular product due to lack of consumer awareness and certain rumors in market which has been spread by the competitors. Lack of identity and rumors in market about product made a negative impact on demand of product. There is also some instability in price of product because sometime members sell it at a very good price but at some moment they also sell it at very low price.

A proper business model can help to develop an ideal situation in production and market as well where the beneficiaries can earn livelihood and other people will be also benefited by this.

RECOMMENDATION

► Household mortality need to be controlled with proper medical assistance

Proper mediation of is necessary to avoid the mortality when chicks fall sick because it takes very short duration and disease results to death. Medicine is not locally available in every village and it is also not able in loose quantity so members deny to purchase is because they have to spend a lot of time and money. Also the PRPs need to be more concerned and connected with concerned LHS for proper medical assistance which will be provided to the chick whenever needed.

- Household mortality will be controlled
- Production will increase.
- Many of the members are not able to buy medicine because it's not locally available
- Medicine will be locally available in village.
- PRPs will work on a small margin and will be concerned

► Availability of feed for members in locality

At mother unit the chicks are taken care properly and eat three different quality of feed over a period of 28 days i.e.pre-starter, starter and finisher food but when member take the chicks at household level they use to feed them wheat and rice which is a sudden change in food habit of chicks which results to weight loss, poor health and mortality. If the members continue the finisher feed for next 15-20 days mixed with corn flour then it results in better health of chicks. So if the finisher feed is locally available then members can have an easy access to purchase. Following are the advantage of feeding fisher feed at household for a short duration

- Finisher feed for first 15-20 days is required for a better health of chicks
- Locally available feed will provide ease to the members
- Feeds can be easily bought in loose quantity
- Chicks will gain weight in the starting phase
- Results to better health of chicks

► PRPs need to be more properly trained and concerned

PRP is the key person in backyard poultry project because s/he is the one who plays an important role at implementation level and always available among the member. A PRP is trained for the care of beneficiaries at household level but some of the PRPs are not so concerned and sometime the medicine prescribed by them is not useful. To make effective involvement they need to be sensitized and a properly trained for medical assistance of chicks also they need to be empowered with more responsibilities. Following points has been considered:

- PRP is the key person in this sector
- A PRP should be selected as a person who can work for the community
- They need to be trained for a proper medical assistance at household level
- A PRP training is not enough, they need to sensitized and empowered with more responsibilities

► Product promotion and consumer awareness

Every new product is required to be promoted in market for the purpose of consumer awareness and to create a demand in market. This particular breed of chicks is new in market and has no proper identity among consumer so they don't prefer to buy it (consumer buying behavior). Awareness can be spread among consumer through a proper channel of communication depending upon the nature of product and type of consumer. For this product promotion is necessary so that it can generate desire to buy the product which create demand in market. Once the consumer try a product and they like it then the consumer themself become product ambassador when they recommend it to others (word of mouth) and through this demand increase in market. Product promotion is required for following reasons:

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ANNEXURE



PRP meeting, BPIU Purnia East



Household survey, Diha village, Baisi



Egg producing chicks, Simaliya, Baisi



Focus group discussion, Lalganj,
Purnia East



-----Good health of chicks in Backyard
Belwa



Focus Group Discussion,



**BIHAR
GOVERNMENT**



**BIHAR RURAL
PROMOTIONAL**

**LIVLIHOOD
SOCIETY**

(JEEViKA)



HOME PRODUCTION OF POULTRY MEAT AND EGG

NOTE: The language of hording must be translated into Hindi or regional language so that the local people may understand.