



Marketing of broiler birds in Manipur

Ayam kemrin* . Binodini Sethi . Ram Singh . L. Devarani . L. Hemochandra

School of Social Sciences, College of Post Graduate Studies, CAU-I, Umiam - 793103, Meghalaya

ARTICLE INFO

Article history:

Received December 8 June 2017

Revision Received 30 November 2017

Accepted 15 January 2018

Key words:

Marketing channels, marketing cost, marketing margin, marketing efficiency

ABSTRACT

The main objective of the study was to identify the most profitable and efficient marketing channel in the marketing of broiler birds in Manipur. The study was based on the primary data collected from broiler farmers, wholesalers and retailers after the identification of the major disposal patterns in the study area. The study found out that there were three marketing channels in the study area. Most of the broiler birds was disposed through Channel-I, in which the producers directly sold to the consumers; followed by Channel-II, where the producers sold directly to the retailers; and the least through Channel-III, where producers sold to the wholesalers, who then sold to the retailers and the retailers to the consumers. The marketing cost were the least when the producers directly dispose their produce to the consumers and the marketing margin was nil since no intermediaries were involved in the channel-I. However, presence of large number of intermediaries reduces the marketing efficiency as the marketing cost and margin increases with the number of intermediaries in the channel-II and channel-III.

1. Introduction

In India, the most preferred poultry bird is the broiler bird due to its fast growth, feed efficiency, and ability to withstand extremes of temperature and humidity. The broiler bird reportedly constitutes around 65-70 percent of the poultry market. Most of the broiler farms are simple open sheds while only a few large broiler integrators have controlled – environment housing with automatic feeding and drinking systems with low investment. The growth in the broiler segment is expected to remain strong due to consumer preference for chicken meat, increasing income levels, and changing food habits and to meet the domestic requirement, there is a need of about six-time increase in broiler meat production (GoI, 2015). Like most of the North East regions, in Manipur, backyard farming is commonly practiced which usually comprises of rearing broiler and indigenous birds with low production performances. Manipur state, though highly challenged by its difficult terrain, poor transport and communication system, have tremendous scope for development of small

scale industries like broiler farming which can be a solution to the high unemployment problem among the people. Broiler production and marketing is one of the potential farming businesses of Manipur with the total population of broiler birds 24.80 lakhs in 2012 census as compared to 22.89 lakhs in 2007 census. The chicken (broiler) meat production rose from 4643 tonnes in 1997-8 to 6550 tonnes in 2015-16 in the state and the percentage of deviation of 2012 over 2007 is 8.38% (GoM, 2016). As the income in Manipur has been increasing the demand for broiler meat has increased several folds. During the last three decades the food habits have changed radically and poultry (broiler) products have emerged on the top of the consumption basket of the middle class in the state. The Government of Manipur stated that the broiler meat available in pockets in the market are not adequate to meet the increasing demand and in order to meet the demand, approximately 1260 live chicks are imported annually from other states like Andhra Pradesh, Haryana, Punjab, *etc.* but still the state is inefficient to fulfil the regular market demands.

*Corresponding author: ayamcamryn0305@gmail.com

Now shops selling live birds and other poultry products especially that of broiler birds have mushroomed everywhere in the state due to the increasing demand of the broiler meat (GoM, 2016). The state has also set up developmental goals to promote more production and marketing of broiler birds in order to meet the increasing demand of the local consumers. The situation thus, demands an increasing focus towards it from research, development and policy making point of view. Broiler meat being perishable commodity needs to have an effective and efficient marketing system. An efficient and effective marketing system minimizes the cost of marketing services and ensures the largest share of consumers' price to the producers. But the presence of the intermediaries in the channel of broiler meat marketing and distribution not only works against the managerial skill of broiler farmers but also decreases the marketing efficiency. For the development of the marketing system of broiler meat, it is necessary to know the marketing margin, and price spread of broiler birds which may help to explore the possibilities of reducing marketing costs and margins for the welfare of the producers and consumers. Marketing is as important as production and indeed it is an integral part of production.

Having stated the importance and potentiality, this study was conducted with the following specific objectives

- To identify the marketing channels of broiler birds.
- To analyse the marketing cost, marketing margin, price spread and producer's share in consumer's rupee of different channels.
- To determine the marketing efficiency of each channel.

2. Materials and methods

Imphal West District of Manipur was selected purposively for the study as it has the highest number of broiler farms and chicken market centres. The study was conducted in the four randomly selected villages of Imphal West I block and Imphal West II block namely Heibongpokpi, Loitang Khullen, Hiyangthang and Komlakhong. Total of 80 respondents were drawn by using probability proportionate sampling method. Intermediaries at each stage of different channels were selected randomly from the major market; Khwairamband Bazar located in Imphal West District. The primary data were collected from the respondents through pre-tested personal schedule. The data were analysed using statistical tools such as percentages, ratios, means, *etc.* Marketing cost, marketing margin, price spread, producer's share in consumer's rupee, marketing efficiency were calculated.

3. Results and Discussion

3.1 Marketing channels of broiler birds

For the disposal patterns of mature broiler birds from the producers to the ultimate consumers, three marketing channels were identified in the study area. They are as follows

- Channel-I: Producer – Consumer
- Channel-II: Producer – Retailer – Consumer
- Channel-III: Producer – Wholesaler – Retailer – consumer

Table 1. Disposal pattern through different marketing channels

Marketing channels	Quantity(Kg/ annum)	Quantity (%)
Channel-I	8807.40	59.84
Channel-II	4905.71	33.34
Channel-III	1003.91	6.82

3.2 Marketing cost, marketing margin, price spread and producer's share in consumer's rupee

It is very important to study the marketing cost, margin, producer's share in consumer's rupee and price spread of middlemen in order to understand the profitability, nature and genuineness of each market channel, which has been discussed under three major channels. In this section, various parameters, namely marketing cost, marketing margin, price spread and producer's share in consumer's rupee of broiler birds for different channels have been analysed and results are presented in Table 2.

In Channel-I (Producer – Consumer), the producer directly sold the broiler birds to the consumer. The net price received by the broiler farmer was ₹172.50 which was accounted for 98.29 per cent of the price paid by the consumer. The price paid by the consumer per kilogram of broiler bird in this channel was ₹175.50. It was observed that majority of the producer-respondents were involved in this channel as the net price received by them was maximum as compared to the other observed channels.

In the Channel-II, the retailers purchased the broiler birds from the broiler farmers and further sold them to the consumers. Hence, only one intermediary was involved in the process. The net price received by the farmers was found to be ₹169.54 which was accounted for 90.56 per cent of the consumer's rupee.

The marketing margin of the retailers was ₹12.35 per kilogram. The price paid by the consumer in this channel was ₹187.20 per kilogram. In order to gain more profit, the farmers in this channel prefer to dispose off their produce to the retailers. The producer's rationality to sell their produce to the retailers was to avoid transportation cost as well as the marketing risk which the retailers were responsible for. The retailers by the way of their risk bearing ability and market information enjoyed margin or profit in this channel. In the Channel-III, the wholesalers purchased the broiler birds directly from the producers, then sold to the retailers and retailers to the consumers. Therefore, two intermediaries were involved. The net price received by the farmers was found to be ₹167.69 which was accounted for 88.01 per cent of the consumer's rupee.

The net marketing margin was found out to be ₹15.21 per kilogram and the price paid by the consumers was ₹190.52 per kilogram. The broiler farmers in this channel preferred to dispose off their produce to the wholesalers though they receive lower price as compared to directly selling to the consumers as the low price was compensated by various services and feed supplements and also the wholesalers directly came to collect the broiler birds from the doorsteps of the farmers, so they did not need to worry about the transportation and other marketing costs. Table 2 also showed the price spread of broiler birds in different channels. It is evident from the table that the net price received by the producer (₹172.50) was the highest in the channel-I followed by the channel-II (₹169.54) and the channel-III (167.69).

Table 2. Marketing cost, marketing margin price spread and producer's share in consumer's rupee (₹ per Kg)

Particulars	Channel-I	Channel-II	Channel-III
Producer's sale price(₹/kg)	175.5(100)	172.01(91.88)	170(89.23)
Total cost incurred by the farmers			
i. Transportation charges	-	-	-
ii. Loading and unloading charges	-	-	-
iii. Miscellaneous charges	3.00(1.70)	2.47(1.31)	2.31(1.21)
Total (i to iii)	3.00(1.70)	2.47(1.31)	2.31(1.21)
Net price received by the farmers	172.50(98.29)	169.54(90.56)	167.69(88.01)
Price received by the wholesaler	-	-	180.25(94.60)
Total cost incurred by the wholesaler			
i. Transportation charges	-	-	0.79(0.41)
ii. loading and unloading charges	-	-	0.25(0.13)
iii. Wastage/losses	-	-	-
iv. miscellaneous charges	-	-	1.50(0.78)
Total (i to iv)	-	-	2.54(1.34)
Wholesaler margin	-	-	7.71(4.04)
Price received by the retailer	-	187.20(100)	190.52(100)
Total cost incurred by the retailer			
i. Transportation charges	-	1.50(0.8)	1.27(0.67)
ii. loading and unloading charges	-	0.56(0.29)	0.50(0.26)
iii. wastage/ losses	-	-	-
iv. Miscellaneous charges	-	0.78(0.41)	1.00(0.52)
Total (i to iv)	-	2.84(1.51)	2.77(1.45)
Retailer margin	-	12.35(6.59)	7.50(3.93)
Price paid by the consumer	175.50(100)	187.20(100)	190.52(100)
Marketing cost	3.00(1.71)	5.31(2.83)	7.62(3.10)
Net marketing margin	-	12.35(6.59)	15.21(7.98)
Producer's share in consumer's rupees	98.29	90.57	88.02
Price Spread	3.00(1.71)	17.66(9.43)	22.83(11.98)

The price spread was the lowest 3(1.71) under the Channel-I followed by the channel-II 17.66(9.43) and the channel-III 22.83(11.98%). The producer's share in consumer's rupee was the highest under the channel-I (98.29%) with the lowest marketing cost of ₹3 followed by the channel-II (90.57%) with the marketing cost of ₹5.31 and the channel-III (88.02) with the marketing cost of ₹7.62. Therefore, increase in the marketing cost reduces the producer's share in consumer's rupee. The producer received higher share of consumer's rupee in Channel-I due to the absence of intermediaries and less marketing cost incurred by the producer.

Marketing efficiency of different channels

The marketing efficiency of different channels has been calculated using Acharya's modified marketing efficiency approach and is presented in Table 3.

Table 3. Marketing efficiency of different channels

Particulars	(₹/Kg)		
	Channel- I	Channel -II	Channel- III
Marketing cost	3	5.31	7.62
Marketing Margin	-	12.35	15.21
Net price received by the producers	172.50	169.54	167.69
Marketing efficiency	57.50	9.60	7.35

Table 3 revealed that the marketing efficiency was highest in Channel-I (57.50) followed by Channel-II (9.60) and Channel-III (7.35). The marketing efficiency was found to be highest in Channel-I which is due to the less marketing cost (₹3) and non- involvement of any intermediaries. Highest marketing cost and marketing margin were observed in Channel-III, leading to least marketing efficiency.

Hence, it can be concluded that lesser the price spread, higher will be the marketing efficiency. The study has inferred that the marketing efficiency and the net price received by producers were the highest in the channel-I where no intermediary was involved and the least where number of intermediaries was more *i.e.* in the channel-III. This showed that higher marketing cost incurred and marketing margin gained by intermediaries reduces the marketing efficiency of marketing channels. Thus it can be concluded that the most efficient and prominent channel is the channel-I (Producer – Consumer). The results are in conformity with the major findings of Kenea *et al.* (2003). Hence, the study suggests for the standardization of the different marketing costs to enhance the efficiency of the existing marketing channels in the market. Since the marketing cost incurred by the producers was found to be the highest among all, alternative steps should be taken to reduce such high costs so that the profit can be maximized.

References

- Acharya SS, and NL Agarwal (2011). Agricultural marketing in India, 5th edn. Oxford and IBH publishing Co. Pvt. Ltd., New Delhi, pp 48.
- GoI. (2015). Basic animal husbandry statistics. New Delhi, Ministry of Agriculture. Department of Animal Husbandry, Dairying and Fisheries. Government of India.
- GoM. (2016). Livestock census reports. Directorate of Veterinary and Animal Husbandry Services. Government of Manipur, Imphal
- Kenea Y., Legesse D., and Y. Alemu (2003). Poultry Marketing Structure, Spatial Variations and Determinants of Prices in Eastern Shewa Zone, Ethiopia. Proceeding of the 10th Annual Conference of the Ethiopian Society of Animal Production (ESAP). Pp.69- 80, August 21-23, 2002. Addis Adaba, Ethiopia.