



Marketing of indigenous and broiler chicken for meat in Kamrup metropolitan district of Assam, India

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Abstract

The present study focuses on determining the marketing channels involved in broiler chicken and indigenous chicken marketing in Guwahati, the capital of Kamrup metropolitan district as well as capital city of Assam (India). Primary data were collected by face to face interview with suppliers, wholesalers and retailers involved in the poultry business in the city. Wet markets dominated the poultry business in which the integrator companies were involved as one of the major players in the marketing channel meant for sale of farm raised broiler chicken. Backyard indigenous chicken collected from rural households were marketed by the retailers with or without involvement of wholesalers in the channel. The wholesaler's and retailer's price share in the consumer's purchase price for broiler chicken and indigenous chicken was analysed. Indigenous chicken meat was costlier than that of broiler chicken. This reflected preference of rural people at the production site to indigenous chicken meat (local brand) and aversion to broiler chicken on the ground that broilers were believed to be fast grown through use of medication. However, compared to the rural situation, broiler marketing and consumption in the city were found to be proportionately much higher (80%) than that of indigenous birds (20%). The wholesale and retail sale price shares in the consumer's purchase price for broiler and indigenous birds were 21.78% and 32.43% respectively with higher profit margins for both the players in indigenous bird marketing. This led to a conclusion that the common broiler marketing channel was more organized than that of indigenous birds.

Keywords: marketing, indigenous chicken, broiler chicken, Kamrup, Assam.

1. Introduction

Poultry farming has been recognized as a fast-growing profitable business worldwide. In India, it has transformed to an industry from the backyard farming activity practised in rural households (Chatterjee & Rajkumar, 2015). The country today ranks 3rd and 5th in the poultry egg and meat production respectively in the world. Compared to 1.5-2% increase in the growth rate of crop production, the chicken egg and meat productions have been rising at the rate of 8% and 10% per annum respectively. The organized sector is contributing about 70% of the total output and the rest 30% of production is added from the un-organized sector. The industry is well dominated by the southern states of the country which top the list of egg and broiler production in different regions. It is considered as a profitable enterprise because of faster growth, rapid return and regular income. Besides supply of egg and meat for nutritional benefit, the industry has been playing a great role in employment generation and socio-economic development of the country. Today, 80% of about 1.6 million peoples' employment in the poultry industry is generated in the farms itself while the rest 20% are associated with the feeds, pharmaceuticals and farming equipment production. At the same time, additional people are engaged in marketing and processing of poultry and poultry products for their distribution to consumers through un-organized and organized domestic markets and also export markets. In the coming years poultry production is predicted to grow more under the policy initiative of the government towards doubling farmers' income (Annon, 2017) [1]. Simultaneously various factors such as change in food habit, urbanization and increasing awareness on

balanced nutrition have led to increased demand for chicken meat which at present contributes about 47.05% of total meat production in India

The marketing system may vary from place to place depending upon the kind, quality and quantum of the product and prevailing social and physical environment (Blandon *et al.* 2009) [2]. It is reported to be efficient and rewarding to all those players who are involved in production, marketing and consumption of chicken (Yadeta *et al.* 2002) [14].

Situated in the northeastern region of India, Assam is an agricultural state where more than 85% of the state's population lives in the rural areas and involve in mixed crop and livestock rearing activity. Although rice cultivation dominates the agricultural system, livestock and poultry rearing are considered as important farming activities with immense contribution towards rural household economy (Borah & Halim, 2014) [3]. People of Assam raise chicken, duck and pigeons in rural and urban areas for self-consumption and as a source of income. The State shares 3.73% of the country's poultry population with second highest population in the backyard farming sector in rural areas. As per 19th Livestock Census report, the state also accounts for 50% of total poultry population in the northeast region. Ninety percent of the people of Assam and other north eastern states are non-vegetarian (Hazarika, 1993) [7]. There is a great demand for poultry meat since it is cheaper than fish and mutton and consumed by almost all sections of people. Besides backyard farming, intensive farming of broiler chicken has now been widely accepted in rural and urban areas on a small scale or large scale (Saikia Borah,

2001)^[4]. Still, Assam and other north eastern states of the country have a long way to attain self-sufficiency in poultry meat and egg as these are regularly being imported from other regions of the country.

Alongwith the rise in intensive farming over the passage of time, the market scenario is also expected to be changed proportionately. Documentation on the marketing system of poultry and poultry products have been carried out in different parts of India (Shreya & Murthy, 2017)^[12]. With a view to focus in this aspect, the present study was undertaken to document the marketing of chicken in Kamrup metropolitan district of Assam in relation to the rising trend in adoption of intensive poultry farming as a business.

2. Materials and Methods

The study was conducted on the marketing of broiler chicken and indigenous chicken in Kamrup Metropolitan district of the state of Assam. The district is the most important one in the state due to the fact that, Guwahati, the metropolitan city of Assam and entire north-east region is situated in this district. More than 80% of the district’s population is found in this city which also holds Dispur, the capital of Assam. The city with more than 12.5 lakhs population is considered as the important business centre for the entire North-East region. Among others, there is a good marketing hub of wholesalers and retailers in different areas of city for supply of poultry and poultry produces. For the present study, a total of 40 respondents which included 4 suppliers, 10 wholesalers, and 26 retailers associated with poultry business were interviewed face to face using a structured questionnaire. Marketing channels involved in supply of birds for meat in the city were identified from the interview based study. Data pertaining to the market margin and the marketing costs which included the costs of transportation, labour, mortality loss and miscellaneous expenses borne by the individual stake holders during business in the channel were obtained from the respondents on the live body weight (kg) basis of birds. Total marketing cost and market margin involved in the channels were calculated by summation of the stake holder’s respective data (Acharya and Agarwal, 2007). Profit share received by different intermediaries was calculated on percentage basis from the consumer’s purchase price existed for broiler chicken and indigenous chicken during the study period.

3. Results and Discussion

Among the 40 respondents interviewed in the study, 25 (62.5%) were found dealing with live bird marketing and 15 (37.5%) in marketing of table eggs. Of the live bird dealers, 15 (37.5%) dealt in marketing of broiler chicken and 3 (7.5%) in marketing of indigenous chicken while 7 (17.5%) were engaged in both broiler and indigenous chicken marketing in the city. The study identified 3

channels for marketing of broiler chicken. These were:

- Channel 1: Producer → Retailer → Consumer
- Channel 2: Producer → Wholesaler → Retailer → Consumer
- Channel 3: Producer → Integrator Company → Wholesaler → Retailer → Consumer

Channels 1 and 2 involving one and two intermediaries respectively between the producer and consumer were usually adopted for marketing of birds raised in independent or non-contract broiler farms maintained by small farmers. In the case of Channel 3, the integrator companies who were involved in raising birds with the producers under contract agreement arranged the sale of birds to the wholesalers. This channel was found to be the most prominent for systematic disposal of birds. The present finding corroborated with that of Kumar (2014)^[11] and Shreya *et al.* (2017)^[12]. Daily marketing of broiler chicken in bulk was usually performed through this channel, while it was minimal in the other two channels. The producers or integrators didn’t have to bear any marketing cost since the birds were lifted directly from the farms by the wholesalers. Marketing of indigenous chicken from rural households was accomplished through 2 channels. These were:

- Channel 1: Producer → Retailer → Consumer
- Channel 2: Producer → Wholesaler → Retailer → Consumer

In channel 1, the villagers (producer) used to sell live birds to retailers, who brought them to the city for door to door sale. In channel 2, commission agents were involved for collection of birds at producer’s door step and at different sale points of daily or weekly market and supply them to wholesalers and then to the retailers for sale at their retail shop or door to door sale. Both the channels were found equally functioning in the marketing of the indigenous birds in the city similar to the earlier reports made by Saikia Borah (2001)^[4] and Khan (2011)^[9].

Birds were usually sold on live weight basis. The consumers according to their requirement in general preferred to bring home dressed bird, whole or cut in ready to cook pieces without any extra cost. However, Kumar (2014)^[11] reported pricing by retailers on the basis of dressed weight. In the present study, the retailers were also found to sell dressed broiler cut at the cost more than double the live weight cost. Marketing of chicken meat was found to be dominated by wet market and this corresponded with the reports of Gangwar *et al.* (2010)^[6] and Kumar (2014)^[11]. However, processed and frozen chicken products imported from other states were also known to be marketed in departmental stores, shopping malls of the city for ready access to the customers.

The price share in the marketing of broiler chicken and indigenous chicken at different steps starting from wholesaler to the consumers are presented in Table 1.

Table 1: Average price share in consumer’s purchase prices for broiler chicken and indigenous chicken

Particulars	Broiler chicken		Indigenous chicken	
	Rupees/kg	Price Share (%)	Rupees/kg	Price Share (%)
Wholesaler’s purchase price	88.00	78.22	250.00	67.57
Marketing cost incurred by wholesaler	3.00	-	15.00	-
Wholesaler’s net margin	5.00	4.44	65.00	17.57
Wholesaler’s gross margin	8.00	7.11	80.00	21.62
Retailer’s purchase price	96.00	85.33	330.00	89.19

Marketing cost incurred by retailer	6.50	-	5.00	-
Retailer's net margin	10.00	8.88	35.00	9.46
Retailer's gross margin	16.50	14.67	40.00	10.81
Consumer's purchase price	112.50	100.00	370.00	100.00

The indigenous chicken was more than three times costlier than the broiler chicken. Consumer's purchase price for broilers, although higher than the notified (Rs. 100/ kg live weight) maximum price, was less variable than that for the indigenous birds. This study showed lack of transparency in pricing of chicken in the wet markets and this corresponded to the earlier report of Kochewad *et al.* (2017) ^[10]. Higher cost of indigenous birds reflected attitude of rural people who preferred locally produced birds (local brand) and showed aversion to broiler chicken due to a common thinking that the broilers were fast grown through medication. However, compared to the rural situation broiler marketing and consumption in the city were found proportionately to be much higher (80%) than that of indigenous birds (20%). The wholesale and retail sale price shares in the consumer's purchase price for broiler and indigenous birds were 21.78% and 32.43% respectively with higher profit margins for both the players in indigenous bird marketing. This might indicate the broiler marketing channel to be more organized than that of indigenous birds. The study also revealed that the retailer's profit in broiler sale was double than the profit made by wholesalers. However, in respect of indigenous bird marketing, wholesalers were found to earn more profit than the retailers.

4. Conclusion

The study revealed that marketing of chicken in the capital city of Assam was carried out prominently through wet markets in different channels. Broiler chicken in large quantities were marketed daily through a channel which involved the integrator companies as one of the main players besides the wholesaler and the retailers. Indigenous birds were marketed by retailers with or without involvement of the wholesalers. Higher consumer's price for indigenous chicken indicated its greater demand than the broilers. Broiler chicken sale in the city was much higher than indigenous chicken and this reflected more acceptance of city dwellers to broiler meat than that of indigenous birds.

5. References

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