

## **ABSTRACT**

In countries with largely agricultural resources, the livestock selling system serves a dual function in economic development. The purpose of this study was to examine the existing poultry marketing system of farm owners in order to calculate marketing costs and margins for poultry and poultry products in a few locations in the Chattogram district. For this study, 13 poultry farms were chosen at random from Anowara thana in Chattogram district. In the existing marketing structure, the analysis identified nine different channels. In the indirect and direct marketing channels, the average price per kilogram poultry was around Tk 148.10 and Tk 143, respectively. The average marketing cost per kg poultry was Tk 4.97. The net marketing margin per kg poultry was Tk.3.83.

**Key note:** Marketing channel, Cost, Margin.

## INTRODUCTION

In countries with largely agricultural resources, the livestock selling system serves a dual function in economic development. Increased demand for money to buy other things leads to more producers and specialization in the cultivation of those items with the highest returns, subject to socio-cultural, ecological, and economic constraints. The term "agribusiness" refers to all enterprises involved in the production and distribution of farm goods. Farm production, storage, processing, and distribution of farm commodities and anything made from them (Davis and Goldberg, 1957). marketing criteria for livestock goods, eggs, and poultry (2011). Agriculture is a significant part of Bangladesh's economy. Livestock is a rapidly expanding sub-sector. Its share of Agricultural GDP represented by livestock in Bangladesh increased from 7.6% in 1974-75 to 12.9 percent in 1998-99, owing primarily to the rise of the poultry and, to a lesser extent, the dairy subsectors, and is now predicted to reach almost 16 percent in 2004. Bangladesh is a country plagued by severe malnutrition, with about half of the people living in poverty (Bangladesh Bureau of Statistics 1998).. Protein insufficiency has long been thought to be the primary cause of malnutrition. Bangladesh consumes only 11.8 grams of animal protein per person per day (Bangladesh Bureau of Statistics 2001), when the United Nations recommends 36 grams. Bangladesh's poultry sub-sector is seen as a key avenue for alleviating poverty, malnutrition, and unemployment (Huque, 1996). Despite the fact that commercial poultry began in 1980, only 14% of the meat produced is from commercial farming techniques today (Alam, 1995). Traditional poultry farming provides the majority of the entire poultry meat supply (Hussain et al., 1990). Agro-industry can help farmers in underdeveloped nations transition from subsistence or traditional agriculture to commercial or modern agriculture through contractual relationships. Contract farming was first established in Bangladesh in 1994 by ABFL, a large corporation (Aftab Bahumukhi [multipurpose] Farm Ltd).

Livestock is an important part of Bangladesh's agricultural economy, and it plays a key role in poor people's livelihoods; more than 75% of the population relies on livestock in some way. For the sake of their livelihood an effective marketing system can aid in the development of the poultry sector in Bangladesh. At the same time, over the previous two decades, the market and production context of chicken production has significantly changed. In emerging countries, rapid economic growth and urbanization have resulted in the rapid creation of industrial large-scale, vertically

integrated chicken production operations, particularly in Asia.

The current study will assist poultry farmers, middlemen, consumers, and policymakers in receiving timely market information. It is undeniable that marketing is critical for delivering high-quality chicken and poultry meat products to consumers at the proper time. Consumers will also benefit greatly.

### **Importance of poultry:**

From an economic standpoint, poultry is very important as a source of income. In order to popularize poultry farming on a commercial basis and meet the growing demand for eggs and meat, a large number of educated unemployed youth have already come forward to start poultry production and marketing (Islam, 2003). Poultry hatcheries, poultry farm owners, poultry traders, hotel and restaurant owners, and fast food traders are among the participants in the agribusiness sector of poultry and poultry meat products. As a result, this industry employs a large number of people as a source of food. Poultry meat, particularly chicken meat, is the most popular and widely accepted animal protein in Bangladesh. Chicken meat contains 23.4 gm of protein, 117.00 kcal of calories, and 1.90 gm of fat, respectively.

### **Objectives**

The study's particular aims are as follows:

- Examine the poultry and poultry meat sellers' current marketing system.
- To determine the chicken and poultry meat products marketing channel.
- Estimate poultry marketing costs and market margins.

# **MATERIALS AND METHODS**

## **Study area**

As my own upazilla is Anowara and my first placement was at Upazila Veterinary Hospital, Anowara, so for the basis of available information, very good transportation facilities of the selected area, poultry farm owners were selected from Anowara thana at Chattogram districts.

## **Period of data collection**

For this study, data were collected from February 2021 to April 2021. Several visits were made during the period to collect necessary data from poultry farm owners.

## **Sample selection**

13 farms were selected from Anowara at Chattogram district.

## **Analytical techniques**

Simple statistical measures were used in this study.

Marketing margin= Price paid by consumer - Price paid by farmer.

Net profit = Marketing margin - Marketing cost

## RESULT & DISCUSSION

Alternative paths for product flow from producers to consumers are referred to as marketing channels (Kohls & Ukl, 1980). It entails a variety of crucial operations carried out at various stages by a network of intermediaries that connect producers and customers. Other poultry farmers sell their birds to a wholesaler, retailer, or retailer. They have direct contact with hotel and restaurant owners, as well as fast food vendors. Chicken is occasionally sold by hawkers throughout the city.

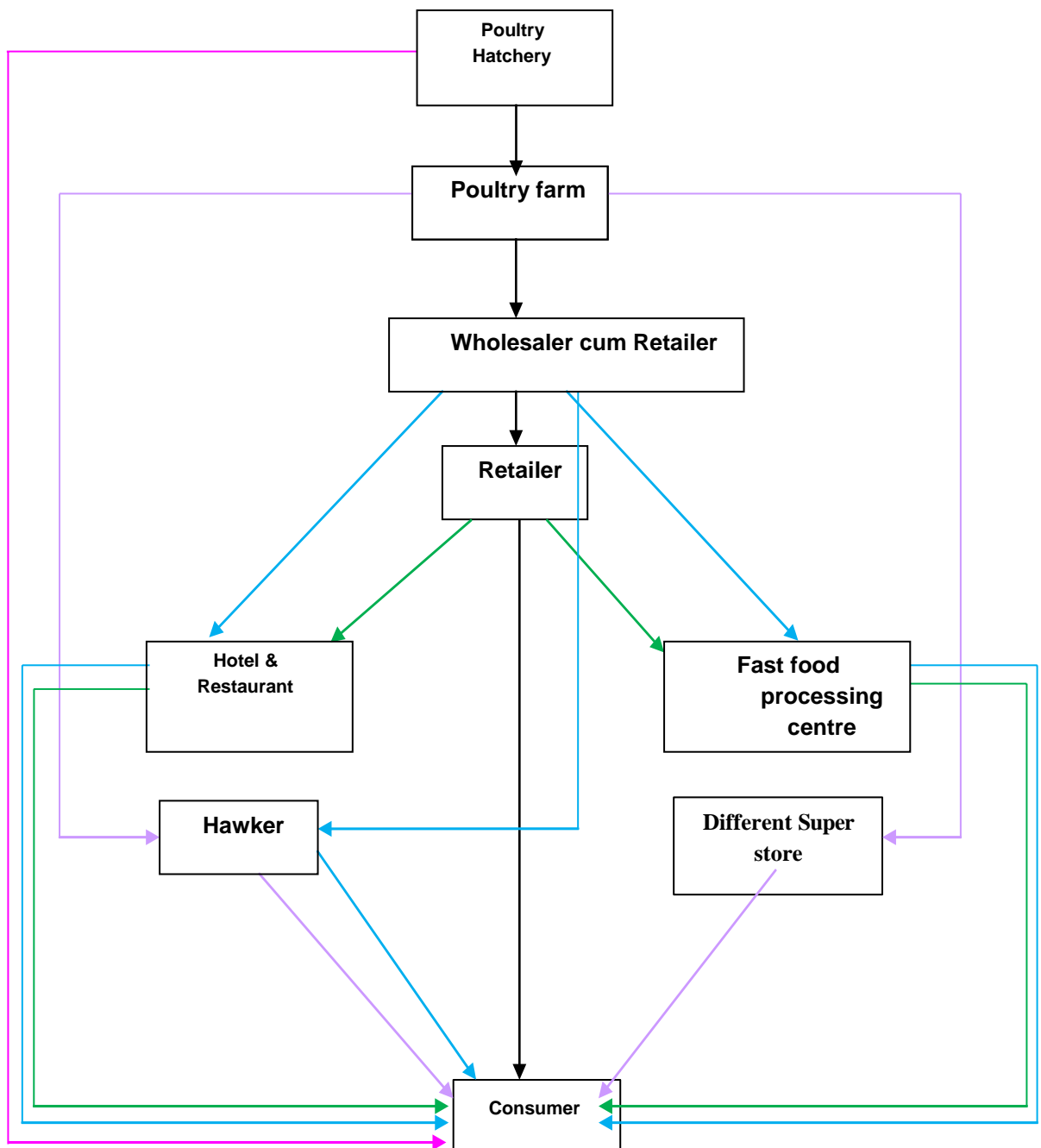


Figure.1: The marketing channel of poultry & poultry meat products

**Direct marketing channel:**

Farm/ poultry farm→consumer.

**Indirect marketing channel:**

Channel 1: Poultry hatchery →Poultry farm →Wholesaler Cum Retailer →Retailer → consumer.

Channel 2: Poultry farm→ Wholesaler cum retailer→ Hotel & Restaurant → Farm→Consumer.

Channel 3: Poultry farm→Wholesaler cum retailer→ Fast food processing centre → Consumer.

Channel 4: Poultry farm →Retailer→ Hotel & Restaurant → Consumer.

Channel 5: Poultry farm →Retailer →Fast food processing centre →Consumer

Channel 6: Poultry farm →Wholesaler cum retailer →Hawker →Consumer

Channel 7: Poultry farm →Hawker →Consumer.

Channel 8: Poultry farm→ Different Super store→ consumer

**Market Participants**

Market participants involved are-

- 1. Poultry hatchery:** Artificial incubation is used in the production and supply of day old chicks in a poultry hatchery. They sell their day old chicks to their own sales center or demand that their DOC be collected from the farm. The cost of poultry transportation is borne primarily by hatchery owners.
- 2. Poultry farm owner:** The marketing of poultry begins with the collection of day old chicks from a hatchery by a commercial farm owner. The majority of poultry farm owners sell to wholesalers and merchants, with a tiny number of local consumers.
- 3. Wholesaler cum retailer:** They are experienced poultry traders with a permanent location in the city. They buy a huge quantity of poultry from a poultry farm and sell it to retailers, hotel and restaurant owners, and fast food operators. They sell to merchants in large quantities at lower pricing.
- 4. Retailers:** They are the final link in the poultry distribution chain. They buy poultry from wholesalers and merchants and sell it to consumers, hotel and restaurant owners, and fast food vendors in their retail stores.
- 5. Hotel & restaurant owners:** This is a location where bird meat is prepared and sold with other things. For cooking at the hotel, the hotel owners/managers obtain

chicken (live or dressed) from farm dealers and wholesalers

**6. Fast food traders:** Fast food goods are kept and exhibited for sale here. The fast food dealer brings the poultry or poultry meat to the processing plant after purchasing it from poultry traders (retailer and wholesaler cum retailer). Fast food is made from poultry meat in a processing plant.

**7. Hawker:** Part-time traders make up the hawkers. They buy poultry from a store and sell it to city residents.

**8. Super store traders:** They buy the chickens from the farm owner. Then they offer their wares to the general public.

In case of direct market the average price per kg broiler is Tk 143 and in case of indirect market the average direct price per kg broiler is Tk 148.10 which is Tk 5.10 higher than direct market (Table 1).

**Table 1. Price difference in direct and indirect market.**

Market Channel	Av. price/ kg poultry
Direct	143
Indirect	148.10
Difference	5.10

**In this study area, 3 farm owners (23%) out of 13 followed direct marketing channel and rest 10 farm owners (77%) followed indirect marketing channel.**

### **Marketing cost & Marketing Margin:**

The cost of marketing covers all company activities required to determine market needs and wants, plan product availability, effect product ownership transfer, provide physical distribution, and assist the full marketing process (Haque, 1996). Rent shop, transportation wages & salaries, storage, power & telephone bill, tools & equipment wastage market tools market security, personnel costs, and so on are some of the numerous cost items.

### **Rent a shop:**

Table 2 reveals that the majority of sample farm owners (69%) sold poultry through a rented store, while 31% sold poultry from their own selling center, with an average marketing cost of Tk 1 per kg poultry, representing 20.12% for farms in Anowara Thana.( Table 4)

**Table-2: Distribution of farm owners by place of sale**

<b>Place of sale</b>	<b>No of farm owners</b>	<b>Percent</b>
Rent shop	9	69
Own sale centre	4	31
Total	13	100%

### **Transportation cost:**

By moving products between locations, transportation promotes place utility and facilitates the availability of things at the appropriate location. Pick-up and rickshaw-van are used as modes of transportation in the research area. Table 3 shows that for moving poultry from farms to middlemen and consumers, 39.5 percent of sample farm owners utilized pickup trucks and 61.5 percent used rickshaw-vans. The average transportation cost per kilogram of poultry was Tk 0.90, accounting for 18.11 percent of overall farm costs (Table 4).

**Table-3. Distribution of farm owners by mode of transport**

<b>Mode of transport</b>	<b>No of farm owners</b>	<b>Percent</b>
Rickshaw van	8	61.5
pick up	5	39.5
Total	13	100



### **Wages and salaries:**

Farm owners typically hire labor on a monthly salary or daily wage basis to undertake various tasks on the farm. Wages and wages cost Tk 1 per kilogram of poultry, accounting for 20.12% of overall farm costs (Table-4).

**Table 4: Cost item of poultry & poultry product marketing**

Cost item	Farms of Anowara Thana	
	Cost/kg poultry (Tk.)	Percent
Rent a shop	1	20.12
Transportation	0.9	18.11
Wages & salaries	1	20.12
Storage	0.50	10.06
Electricity charge	0.15	3.02
Tools & equipment	0.22	4.43
Wastage	0.6	12.07
Market tools	0.04	0.8
Market security	0.25	5.03
. Telephone bill	0.10	2.01
. Personnel expenses	0.11	2.21
. Miscellaneous	0.10	2.01
Total cost	Total=4.97	%=100

### **Storage cost:**

Incase of distant, storage was needed for poultry about 2-3 days. Average storage cost was Tk 0.50 per kg poultry which is 10.06% of total cost for farms (Table- 4).

### **Electricity charge:**

Electricity charge was calculated Tk 0.15 per kg poultry which was about 3.02% of total marketing cost for farms (Table-4).

### **Tools equipment:**

This cost was calculated Tk 0.22 for per kg poultry which was about 4.43% of total cost for farms (Table-4).

### **Wastage:**

Wastage charges for every kg poultry were calculated at Tk 0.60/kg poultry, accounting for 12.07 % of overall farm costs (Table-4). Wastage occurs most frequently when a person dies or exhibits any defects.

### **Market tools:**

Market tools are highly vital these days. As a result of these operations, the marketing system has improved and the association has grown. Market tools cost Tk 0.04/kg of poultry, accounting for 0.8% of total farm costs. (Table-4).

### **Market security:**

The cost of market security was Tk 0.25 for per kg poultry which was about 5.03% of total marketing cost for farms (Table-4).

### **Telephone bill:**

The average cost telephone bill were Tk 0.1/kg poultry which was about 2.01% of total marketing cost for farms (Table-4).

### **Personnel expenses:**

Personel expenses for selling purpose in shop were Tk 0.11/kg poultry which contributed 2.21% of total cost for farms (Table-4).

## Marketing margin

The marketing margin is the part of a consumer's pricing that goes to market intermediaries. According to Khol & Ukl (1980), marketing margin is defined as the difference between what customers pay and what the producer receives. The gross and net marketing margins of poultry are determined in this section. The gross margin was derived by deducting the cost of purchasing the poultry from the cost of selling the poultry, and the net margin (profit) was obtained by removing the gross margin from the entire marketing cost of the poultry.

**Table-5 Marketing margin per farm per kg poultry.**

Name of the farm/	Farm price/ kg poultry	Consumer price/kg poultry	Marketing margin
Direct market			
Munna poultry farm	145	145	0
Habib poultry farm	143	143	0
Raghu poultry farm	141	141	0
Average	143	143	0

In direct market farm owner sell their poultry directly to the consumer. So their marketing margin is zero. Their marketing cost is included with farm poultry price.

**Table-6 Net marketing margin of per farm per kg poultry**

<b>Name of the farm / Indirect market</b>	<b>Farm price/ kg poultry</b>	<b>Consumer price/ kg poultry</b>	<b>Marketing margin</b>	<b>Cost</b>	<b>Net marketing margin</b>
Selim poultry farm	140	150	10	4.97	5.03
Abdullah poultry farm	140	151	11		6.03
Rashed poultry farm	142	149	7		2.03
Mahbub poultry farm	139	146	7		2.03
Ekram poultry farm	138	147	9		4.03
Dilshad poultry farm	136	146	10		5.03
Motahar poultry farm	140	149	9		4.03
Anowar poultry farm	138	146	8		3.03
Iqbal poultry farm	138	148	10	5.03	
Parvez poultry farm	142	149	7	2.03	
Average	139.30	148.10	8.8		3.83

The marketing margin for indirect market shown in tabel-6. The margin ranges from Tk 7 to 11. Average marketing margin was Tk 8.8/kg poultry in case of indirect market. But there is no marketing margin in case of direct market which was also found by Emam, 2010; Masad *et al.*, 2010; Maqbool *et al.*, 2005.

## **CONCLUSION**

Bangladesh is one of the world's developing countries. Its economy is largely based on agriculture. More than 50% of poultry meat is one of the most essential protein sources that can help individuals overcome malnutrition. The majority of Bangladeshis, regardless of faith, consume poultry and poultry meat products. As a result, in Bangladesh, poultry meat is regarded as a significant agribusiness product. Direct and indirect poultry marketing channels were discovered in the aforesaid investigation. The indirect market has a higher marketing cost than the direct market. As a result, middlemen charges are added to the marketing expenditures. Marketing margin is a term that refers to the increase in the cost of the middleman. Farm owners sell their chicken directly to consumers under the direct marketing system. As a result, they save money on marketing. So, if we can reduce the cost of middleman activities, both the farmer and the consumer will profit. Then, at a reasonable price, poultry and poultry products will be offered to the general public. In the indirect market, the average price per kg of poultry was Tk 148.10, whereas in the direct market, the average price per kg of chicken was Tk 143. The average marketing cost was Tk.4.97 per kilogram of poultry. In the indirect market, the net margin per kg of poultry was Tk3.83.

## **LIMITATIONS**

Due to Covid19 pandemic situation ,the sample size was small. Some data were collected in indirect way.

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## **BIOGRAPHY**

I am **Nayan Deb Nath**, son of **Haripada Deb Nath** and **Jharna Rani Devi**. I passed Secondary School Certificate (S.S.C) examination in 2013 followed by Higher Secondary Certificate (H.S.C) in 2015. Now I am an intern doctor under the Faculty of Veterinary Medicine in Chattogram Veterinary and Animal Sciences University. As an upcoming veterinarian I would like to dedicate my rest of life for the welfare of animals. I am keen to be a field veterinarian as well as pet practitioner.





