

Knowledge Management In Poultry Industry: A Case Study Of Chicken Contract Growing In The Province Of Iloilo, Philippines

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ABSTRACT

The research study entitled "Status Of Contract Growing of Chicken in the Province of Iloilo was conducted to characterize the chicken growers and their farms, determine farm profitability, and identify the problems that beset the industry. Data were gathered from January to March 2003. The study revealed that contract chicken growers in Iloilo were generally males, married and were in their middle age (50 years). Majority (83.3%) had farming as their main occupation. To some growers, contract growing was only their secondary source of income. On the average, the farmers have been in the contract growing business for 8.6 years. In terms of number of partnership with growers Vitarich predominated in the place. Other major companies were, Swift, B-Meg and BAVI. Growers had 3.5 poultry houses on the average but the number was as low as 3 and as high as 10 units. They started with an average of 6,4000 birds the present stock of growers is as low as 6,000 and as high as 85,000 birds. The average number of production cycle per year was 7.5 cycles and it ranged from 5 to 9 cycles per year. Ad libitum feeding was commonly practiced during the brooding stages but the proportion following the practice was lower during the rearing and finishing stages. All growers used antibiotics and disinfectants, and also vaccinated their birds. Broilers were marketed at an average age of 30.4 days. Others disposed their bird as early as 29 days to as late as 45 days. Target weight averaged 1.5 kg but could be as low as 1.3kg and as high as 1.6 kilograms. Generally, birds were disposed live. No severe problems beset the industry. As a whole contract growing of chicken is as highly profitable agribusiness venture. Average income per farmer was P140, 454.49 and P 7.65 on a bird basis.

1.0 INTRODUCTION

Contract growing of chicken has become a popular agribusiness venture in Iloilo. The scheme involves the business of raising chicken as a joint venture of poultry farmers and companies engaged in Poultry industry. A few year back, there was been surge in number of farmers in the contract growing of chicken.

This study therefore, is an important attempt to study the Status of Contract Growing of Chicken in Iloilo. The government needs to have strong knowledge on the status, production and problems of chicken contract growing in order to develop effective policies involving the poultry industry. This study seeks to identify and extract tacit knowledge of managing poultry industry specifically in chicken contract growing.

1.1 Objectives of the Study

This study was conducted to determine the status of contract growing of chicken in Iloilo.

More specifically, the project aimed to:

1. describe the socio-demographic profile of contract growers and identity the of the companies involved.
2. find out the mode of arrangement between contract growers and the companies.
3. find out the status of poultry farms in terms of;
 - a. size of poultry farms
 - b. production and management
 - c. marketing schemes
4. determine problems associated with contract growing of chickens.

2.0 REVIEW OF LITERATURE

History tells that chicken was known in India as far back as 3200 B. C. From India, knowledge about it moved northward and eastward. The chicken became known in the new world history after its discovery by Columbus. Hence, it is very difficult to trace chicken origin when the food produce becomes appreciated. It was said that Romans were the first to become interested in the economic value of chicken. it was not, however, until the beginning of the 19th century that the chicken become important as agricultural animal in some places. The Filipinos have known of the food

value of the chicken before the discovery of the Philippines by Magellan (PCARRD, 1976).

In this result, more and more poultry business were raised in the Philippines. Many businessmen were interested in Poultry-keeping because it gives pleasure as well as profit to persons of both sexes, all ages, all walks of life in all sections in the country. It is useful alike on the farm and in the city backyard, in the cold north, in the sunny south, in the hill and mountain country, or in the plain. It maybe conducted as an inclusive business or as sideline. It affords pleasure and profit for rich and poor alike. In fact, it is the universal agricultural industry. United States census reports show that poultry is more generally kept on farms than any other kind of livestock.

Few realize how large the poultry business is today, due to the fact that it spread out over such large area. As an occupation, poultry keeping is comparatively new, although poultry has been raised for domestic purposes or other wise for over thirty centuries. No attempt was made to keep poultry in any extensive commercial way until within the last century (Frona, 1982).

Although nobody knows exactly when chicken was first domesticated, available records show that it probably, however known that the chicken was probably domesticated in China by 1,400 B.C. the domesticated fowl of today is assumed to have originated from one of four species of jungle fowls that inhabit the forest for Southeast Asia.

3.0 METHODOLOGY

The research study included all available contract growers in Iloilo and also all the companies involved. An interview schedule was used to gather the needed information. Data gathered included the socio-economic profile of grower, production and management data, and problems associated with the contract growing of chicken.

4.0 RESULTS AND DISCUSSION

4.1 Characteristics of the growers

Contract growers in Iloilo were generally in their middle age (50 years old). The youngest was 33 years old and their main occupation is farming.

The dominant company involved in the business was Vitarich and it is also the most preferred location of the most companies.

Table 1: Characteristics of the farmers.

Characteristics	Mean	Range	Number of Respondents
1. Age	45.8	36-56	
2. Sex			
Male			68%
Female			32%
3. Civil Status			
Single			6%
Married			94%
Widow			
4. Main Occupation			
Farming			100%

4.2 General Description of the Farm

Contract growing of chicken in Iloilo' on the average, have been in operation for 8.6 years. The study started as low as 2 years and as high as 27 years.

The number of poultry houses ranged from 1-12 units. The starting stock of growers when they first started to operate averaged 6,062 birds. Present stock of growers ranged from as low as 5,000 birds and as high as 80,000 birds.

Table 2: General Description of the Farm.

Farm Description	Mean	Range	Number of Respondents
1. No. of years of contract growing	8.6	2-27	
2. Partners			
Vitarich			40%
Swift			25.7%
B-Meg			20%
BAVI			3%
Others			11.3 %
3. No. of houses	3.5	1-12	
No. of birds when started	6,062	2,500-20,000	
No. of birds per houses	24,018	5,000-80,000	

4.3 Production and Management Practices

The number of production cycles ranged from 5-97times per year and the average was 6.5 cycles. As to production cycle this province was relatively more frequent.

In feeding of birds, ad libitum feeding was more common during the brooding stages and being practiced by 71.4 % growers. However, only little over one-half of the growers practiced ad libitum during rearing and finishing stages of the birds. All the growers used disinfectants and antibiotics and all vaccinated their birds.

Table 3: Production and management practices.

Production and Management Practices	Mean	Range	Percent (N)
1. No. of production per year	6.5	5-7	
2. Types of feeding			
a. Brooding			
Controlled			14.3%
Adlibitum			86.7%
b. Rearing			
Controlled			35.7%
Adlibitum			64.3%
c. Finishing			
Controlled			28.6%
Adlibitum			71.4%
3. Use of Antibiotics			100%
4. Use of disinfectant			100%
5. Use of Vaccines			100%

4.4 Marketing Practices

On the average, the growers disposed their chicken at the age of five weeks. However all growers disposed their birds at a relatively younger age (37.1 days).

The target marketable weight of growers was 1.5 kilograms but the average targets were as low as 1.2 to as high as 1.5 kilograms.

Generally, the growers disposed their chicken live birds while few growers in Iloilo disposed their birds either as lived or dressed chickens.

Table 4: Marketing Practices.

Marketing Practices	Mean	Range	Percent (N)
1. Age of broilers at market (days)	37.1	33-45	
2. Weight of broiler (kg)			
a. Target	1.5	1.2-1.5	
3. Disposal of Chicken			
a. Live			
b. Dressed			100%

4.5 Cost and Return Analysis

Contract growing of chicken was highly profitable business venture in Iloilo. Average income per farmers was P137,876.00, and per bird was P5.74. In fact almost all growers claimed that contract growing of chicken was highly profitable agribusiness enterprise and none claimed that the business was not profitable.

Table 5: Cost and Return Analysis.

1. Receipt	Value
Share of contract growers	P154, 627.88
Chicken dung	12,749.56
Sales of Bags	2,587.37
Total Receipts	P169, 964.81
2. Expenses	
a. Variable Cost(Labor, elec., and etc.)	28,086.19
b. Fixed Cost	
(Depreciation and taxes)	4,001.72
Total expenses	32,087.91
3. Net Income	
Per Farmer	137,876.90
Per Bird	5.74

Table 6: Profitability Rating.

Items	Percentage
Not Profitable	0
Slightly profitable	2.8
Moderately profitable	0
Highly profitable	97.2

4.6 Problems Encountered

No severe problems affected the industry but to a slight extent, growers complained of the occurrence of typhoon, delay in the delivery of supplies by the company and outbreak of the diseases.

Table 7: Problems Encountered.

Problems	NO	SL	SE
1. Lack of farm worker	89	11	0
2. Lack of water	92	7	1
3. Lack of land for expansion	97	3	0
4. Delay in the delivery of feeds	64	36	0
5. Losses	92	8	0
6. Occurrence of typhoon	36	64	0
7. Low priced offered	97	3	0
8. Farm accessibility	97	3	0

Legend NO= Not a Problem SL=Slight SE= Severe

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

The study was conducted to characterize the chicken growers and their farms, determine farm profitability, and identify problems that beset the industry. Data were gathered from January to March 2003.

Contract growers in Iloilo were in their middle age (50 years old). They were generally males, married and farming as their main source of occupation.

As to the number of years of operation, on the average, growers were in contract growers for 8.6 year and they started as low as 2 years and as high as 27 years.

The average houses they owned was 3.5 houses with average number of birds raised at the start was 6,062 birds with average capacity of houses of 24,018 birds. In terms of production cycles growers produced 5 to 9 times per year with average production cycles of 6.5 cycles.

In feeding the birds, ad libitum feeding was most common feeding practice especially during brooding stages and some practiced feeding ad libitum method during rearing and finishing stages of birds.

Growers disposed their chicken at the age of five weeks with a target marketable weight of 1.5 kilograms but the average target weight is as low as 1.2 and as high a 1.5 kilograms and disposed the birds either live or dressed.

Based on the cost and return analysis given contract growing of chicken is a profitable business due to the income received by the growers of P137,876 annually and per birds of P5.74.

As to the problems encountered no severe problems affect the industry but to a slight extent, growers complained of the occurrence of typhoon, delay in the delivery of the supplies by the company and outbreak of disease.

Based on the problems given by the growers it is recommended therefore, that measures of disease prevention should be further enhanced, and partner companies should endeavor to deliver supplies promptly.

Contract growing of chicken was highly profitable business venture. In Iloilo the industry does not encounter severe occurrence of typhoon, the low priced offered, delay in the delivery of supplies and outbreak of the disease.

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