

FARMERS RESOURCES

**ECONOMICS OF A BROILER UNIT WITH AN OUT-TURN OF 1500 BROILERS
AT FORTNIGHT INTERVALS (15 CROPS P.A)**

Introduction:

The scheme envisages an out-turn of 1500 Broilers at fortnight intervals. The day-old chicks will be reared for 40-45 days and then disposed off for marketing with a requisite weight gain and a minimum gap of one week is allowed for cleaning and disinfection of shed and equipments to make it ready for subsequent hatches.

The operations shall start from 1st week of March and shall last up to ending December every year and this way a total of 22500 birds will be raised per annum. Any delay in the marketing beyond 45 days will reduce the out-turn of broilers and extending the period of operation beyond December will result in reduced profitability.

From the month of January to ending February the rearing will be stopped owing to cold temperature and electricity interruptions. However, general cleaning, disinfection and repairing of sheds, equipments shall be taken up by the entrepreneur during these months.

ECONOMICS ANALYSIS

(A) Capital cost:

S.no.	Item	Cost in Rs. (000)
1	Land	Self-owned
2	Construction cost of double storey poultry shed providing 4500 sq.ft. floor space to house 3 batches of 1500 broilers at fortnight intervals @Rs.150/- sq.ft.(effective & economical low cost construction)	675
3	Construction cost of store room for feed/equipment 10'x15' @Rs.200/ sq.ft.	30
4	Cost of equipment for 4500 birds @Rs.10/bird	45
5	Cost of 4500 birds day old broiler chicks @ Rs. 12/chick	54
6	Feed for 4500 birds @ 2.5 kgs/bird = 11250 kgs @ Rs. 9/kg	101.25
7	Misc. expenditure on medicine etc. (saw dust, Electricity/water) @Rs.5/bird	22.5
	Total:	927.75
	Owners margin @ 25%	231.75
	Finance from other agencies e.g. bank loan etc	696

(B) Gross Returns per crop:

S.no.	Item	Rs. (000)
1	By sale of 1425 broilers (5% mortality margin) after 45 days each weight 1.2 kgs. = 1710 kgs. @ 45/kg	76.95 say 77
2	By sale of empty gunny bags and manure	1.5
	Total:-	78.5

(C) Techno-Economic Analysis for one year:

S.no.	Item	Rs. (000)
1	Gross returns per annum from 15 crops =78.5 x 15	1177.5
2	Investment for purchase of 562.5 qtls of feed @ Rs.900/qlt	(-)506.25
3	22500 day old chicks @Rs.12/chick	(-)270
	Net returns per annum	401.25

(D) Techno-Economic Analysis without loan:

S.no.	Annual Deduction on account of	Rs. (000)
1	Depreciation of building and equipments	10
2	Labour charges for casual labour @Rs.2000/PM	20
3	Misc.expenditure on medicines etc. @Rs.5/bird	112.5
	Total:-	142.5 say 143
	Net Savings (401.25-143)	258.25

(E) Techno-Economic Analysis for seven years till liquidation of financial help/loan :(In case the entrepreneur intends to borrow the loan from bank)

S.no	Annual Deduction on account of (in Rs.)	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year	7 th Year
1	Repayment of loan	99200	99200	99200	99200	99200	99200	99200
2	Interest on capital cost @12%	83400	71400	59520	47520	35620	23760	11880
3	Depreciation of building/equipment	10000	10000	10000	10000	10000	10000	10000
4	Labour charges for casual labour @Rs.2000/PM	20000	20000	20000	20000	20000	20000	20000
5	Misc.expenditure on medicines etc. @Rs.5/bird	112500	112500	112500	112500	112500	112500	112500
	Total deductions in Rs. (000)	325	313	301	289	277	265	253
	Net Savings per annum in Rs. (000)	76	88	100	112	124	136	148

With the liquidation of loan and from 7th year and onwards, the entrepreneur will gain a net profit of Rs. 2, 58,000 per annum (approximately)

Note:-

The scheme has been worked out subject to the following conditions:

1. The chicks will have to be arranged from commercial hatcheries and price fluctuation in them be correspondingly accommodated in the final sale price.
2. Any increase in the cost of feed shall correlate to the corresponding increase in the sale price of broilers.
3. The scheme is a broad guideline and is likely to vary as per the change in price/cost of various specified items.
4. The scheme is workable on the above guidelines if run by the entrepreneur on scientific lines.
6. The construction work should be undertaken under proper guidance of an expert in poultry husbandry from concerned departments/university
7. The net profit will tend to increase if rate of interest levied is less (eg agricultural loans) and vice versa.

For any other query e-mail to contact@kashvet.org
www.kashvet.org