

Profitability of poultry production among school leavers in Anaocha Local Government area (LGA) of Anambra State, Nigeria

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Abstract

The study was undertaken to investigate the profitability of poultry production in Anaocha Local Government Area of Anambra State, Nigeria. Ten poultry farmers were randomly drawn from each of the ten autonomous communities that make up the local Government Area to give a sample size of one hundred. Structured questionnaire were employed to elicit information from the respondents. Statistical analysis was accomplished by means of frequency distribution, percentages, Likert rating scale and budget analysis technique. Findings of the study indicated that the major source of fund for poultry production among young keepers was personal savings and grants from relatives (71.2%). It was also revealed that young keepers embarked on the project because of its profitability ($X_s = 4.2$), minimal initial capital requirement ($X_s = 3.75$) and because it can be practiced on a small scale ($X_s = 3.5$). Result of analysis also indicated that an average young poultry keeper earned a net income of about forty thousand and thirty naira (₦40,030) in 1998. However, poultry production has some production constraints which include high cost of feed ($X_s = 4.10$), difficulty in securing loan for expansion ($X_s = 3.21$) and clean water supply ($X_s = 3.10$). Aforementioned constraints notwithstanding, poultry have offered gainful employment opportunities to young persons in the study area.

Keywords: Profitability, poultry production, school leavers, anaocha L.G.A.

Introduction

The problem of unemployment among youths has been a major concern of the Nigerian society in recent times. The prospects of job opportunities for this category of Nigerians in the public sector do not meet the large numbers of these young people that are continually churned out of the country's numerous educational institutions annually. Studies have shown that youth unemployment is a major feature of countries of West African region.

According to Livingstone, *et al.* (1987) a noticeable feature of the unemployment problem in West Africa is that a significant proportion of the unemployed are young people. Bowden (1986) identified the evil consequences of unemployment in any society. According to him, it frustrates and degrades people. It leads to poverty, lack of self-respect, crime, social and political stress. He also opined that if unemployment gets bad enough it spells collapse for the economic system. Consequent upon these social ills and other

vices, various regions in Nigeria designed and executed several self-employment programmes to enhance the economic empowerment of youths. Such programmes as the Agricultural Programme of the National Directorate of Employment (NDE), the Village Adoption Scheme (VAS) and Farm Settlement scheme encouraged a number of unemployed school leavers to seek gainful means of livelihood through agricultural production. In the current situation, however, it may be unrealistic to talk of self-employment for an unemployed person who lacks enough capital to embark on any meaningful project. Under such a situation the question of which profitable, but less capital-intensive business enterprise to embark on comes to focus.

Poultry production was identified as a means of ensuring sustainable family income. Poultry can be established with minimum cost, and as a side project. Moreover, they can fend for themselves on free range without much care (Sani *et al.*, 2000). Persons who have collateral securities were able to raise loan to start large-scale poultry business, while those with little capital embarked on backyard poultry business to sustain life. According to Fadeye (1975) poultry keeping was embarked upon compared with other livestock practices because it has advantages of requiring comparably small capital, return is faster, fastest source to provide animal protein for human consumption and requires less space per unit number.

In recent times the poultry industry has diversified beyond mere meat and egg production in Nigeria. According to Oluyemi and Roberts (1979) the poultry industry has become a diverse industry with a variety of business interests such as egg production, meat production, hatchery and poultry equipment business. However, the conviction to go into poultry business depends on the farmer's awareness that poultry production is one of the most promising sources of additional income, protein intake and quick returns from investment (Kekocha, 1994). However, Obioha (1992) reported some constraints of

poultry/livestock keeping to include economic, climatic, pathological and technical factors.

The research was therefore carried out to understudy the prospects and constraints of poultry keeping in the study area in order to determine the profitability of the venture to the unemployed young school leavers, given the lean resources at their disposal.

Objectives of the study

The main objective of the study was to investigate the profitability of poultry production among school leavers in Anaocha Local Government Area of Anambra State. The specific objectives were to:

- i. ascertain sources of fund available to young poultry keepers in the study area;
- ii. ascertain the reasons why young people embark on poultry production;
- iii. assess the profitability of poultry production among young keepers; and
- iv. determine the constraints to poultry enterprise.

Methodology

The study area

The study covered the ten autonomous communities that make-up Anaocha Local Government Area. The major occupations of the people are farming, trading, bakery and wine-tapping. Primary data for the study were generated through the use of structured questionnaire distributed to 100 young poultry keepers in the study area. This sample was randomly drawn from the ten communities that comprised the area of study. Ten respondents were randomly drawn from each of the communities. The sampling frame comprised the list of young farmers in the Extension Component of the Anambra State Agricultural Development Programme, Awka. 'Young keepers' is used to describe the age of the farmers.

Data analysis

Descriptive statistics (Percentages and frequency tables) were used to analyse data on

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objective (i), objective (iii) was analysed with budget analysis technique while objectives (ii) and (iv) were analysed with 5-point Likert scale. Any item in the meanscore (\bar{X} s) of 3.0 or above is accepted as a positive factor while items with meanscores below 3.0 are rejected. Ninety-two (92) questionnaires were accurately filled and returned while 8 of them were either wrongly filled or not returned. Analysis was therefore based on the 92 copies of the questionnaire.

Results and discussion

Sources of fund to young poultry keepers

Result of analysis showed that the major source of fund to young poultry farmers was personal saving and grants from relatives (71.2%). It was indicated that none of the respondents obtained any form of fund from government agencies. However, 15.4% of the respondents funded their poultry business through cooperative societies while 13.4% obtained loans from Commercial and Community Banks for their poultry projects.

It is evident from the above result that cooperative societies ranked next to personal savings and grants from relatives in capital generation to the young poultry entrepreneurs because of its less stringent loan delivery condition as against other institutional sources.

Reasons for embarking on poultry production

There could be varying reasons why individuals embark on poultry business. It was revealed that the highest motivating factor to poultry production by young school leavers is the profitability of the business (\bar{X} s = 4.2). The result also indicated that other significant reasons why people embark on poultry farming include that the business required minimal initial capital (\bar{X} s = 3.75) and that it can be practiced on a small scale (\bar{X} s = 3.5). This finding validates claims by Fadeye (1975) and Sani *et al.*, (2000) that poultry requires minimal initial capital when compared with other livestock practices.

Profitability of poultry enterprise

Result from data analysis indicated that an average young poultry farmer in the study area invested about forty-eight thousand six hundred and seventy naira (₦48,670) in the enterprise in 1998. These include cost on procurement of such items as chicks, feed, labour, veterinary services and other necessities.

The result also showed that a total revenue of eighty-eight thousand and seven hundred naira (₦88,700) was earned from the enterprise during the period. These figures imply that an average young poultry farmer in the study area earned a net income of forty thousand and thirty naira (₦40,030) from the enterprise. Put in another way, one naira invested in poultry production earned ₦1.82. This is an impressive profit margin and indicates that poultry enterprise is a very profitable business in the study area.

Constraints to poultry production

Thirteen possible constraints to poultry keeping were itemized for rating by the respondents. They include technical know-how, availability of labour, availability of space/housing, clean water supply, cost of feed, availability of feed, loan procurement, disease incidence, cost of equipment, stock procurement, drug and veterinary service, output glut and complicated system of record keeping.

Table 1 Sources of fund to young poultry keepers

Sources	%
1. Personal savings and Grants from Relatives	71.2
2. Loans from Government Agencies	0
3. Loans from Commercial/Community Banks	13.4
4. Co-operative Societies	15.4

Source: Field Survey, 1998

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Table 2 *Distribution of respondents according to the factors that motivated and sustained their interest in poultry production*

Factors	\bar{X}_S (meanscore)
1. Profitability of the business	4.2
2. Required minimal initial capital	3.75
3. Easy management	2.4
4. Meat for the family	2.25
5. Required minimal land area	1.8
6. Can be practiced on a small scale	3.5

Source: Field Survey, 1998.

It was only 5 items that were rated above the decision score of 3.0 indicating that they are the significant constraints to poultry business among young school leavers. These constraints include high cost of feed ($\bar{X}_s = 4.10$), difficulty in securing loan for possible expansion ($\bar{X}_s = 4.08$), availability of housing space for birds ($\bar{X}_s = 3.22$), high cost of equipment ($X_s = 3.21$) and clean water supply ($\bar{X}_s = 3.10$). It is remarkable that such sensitive factors as technical know-how, stock procurement, incidence of diseases, accessibility to drug and veterinary services, as well as output glut do not constitute significant problem to poultry keeping among youths in the study area. It could be noted that constraints to poultry production among keepers are more of input mobilization than management factors.

Table 3 *Enterprise budget for average young poultry farmer using the intensive system in 1998*

Item	Amount (₦)
(a) <i>Revenue</i>	
Income from egg production	42,500
Income from meat production	36,200
Miscellaneous income from the enterprise	10,000
Total Revenue (TR)	88,700
(b) <i>Expenditure</i>	
<i>Variable Cost (VC)</i>	
Chicks	12,000
Feed	30,000
Labour	4,000
Veterinary Service	1,500
Miscellaneous	800
<i>Fixed Cost</i>	
Depreciation on housing	300
Depreciation on equipment	70
Total Production Cost (TPC)	48,670
Net Income	40,030

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Table 4 Constraints to poultry enterprise

	Constraints	\bar{X} s (meanscore)
1.	Technical know-how	1.98
2.	Labour availability	1.96
3.	Availability of space/housing	3.22
4.	Clean water supply	3.10
5.	Cost of feed	4.10
6.	Availability of feed	1.94
7.	Loan procurement	4.08
8.	Disease incidence	2.48
9.	Cost of equipment	3.21
10.	Stock procurement	1.97
11.	Access to drug and veterinary services	1.97
12.	Output glut	2.15
13.	Complicated system of record keeping	1.70

Source: Field Survey, 1998.

Conclusion and recommendation

This study revealed that most youths in the study area financed their poultry business through personal savings and grants from relatives. This implies that poultry enterprise could be started without initial resort to credit facilities from financial institutions. It was also revealed that most keepers embarked on the project because of its profitability. Other motivating factors indicated include minimal initial capital requirement and the fact that the enterprise can be practiced on small scale.

The major poultry production constraints identified by the study include cost of feed, difficulty in securing loan for expansion, housing facilities, high cost of equipment and clean water supply. However, in spite of these limitations poultry has proved to be a profitable enterprise for young school leavers. This practice, if encouraged, is a step forward in enhancing economic empowerment of this category of Nigerians on one hand, as well as a strategy for improving the level of protein products available to ordinary Nigerian, on the other hand. Such encouragement could be achieved through special credit arrangement for poultry production in some of the on-going poverty alleviation schemes in the country.

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