Agri Express: **03** (01), ***Article No***. V03I01.22, January - March, **2025** ***E - ISSN No. 2584 – 2498***

AN ECONOMIC ANALYSIS ON MARKETING OF BROILERS IN SITAPUR DISTRICT OF UTTAR PRADESH

Ambuj Kumar Singh[1] and Sanjay Kumar[2]

[1]MBA (Agribusiness) and [2]Associate Professor

Department of Agricultural Economics

Sam Higginbottom University of Agriculture, Technology and Sciences, Naini, Prayagraj

Corresponding author: 23mbaab051@shiats.edu.in

https://doie.org/10.10346/AE.2025360820

ABSTRACT

The research titled "An Economic Analysis on Marketing of Broilers in Sitapur District of Uttar Pradesh" focused on evaluating the marketing channels, associated costs, profit margins, and efficiency in the marketing of broilers. Broilers, raised specifically for meat production, form a crucial segment of the poultry industry due to their rapid growth rates and efficient feed-to-meat conversion. Typically achieving marketable weight within six to eight weeks, broilers play a vital role in ensuring a reliable supply of animal protein. The study was conducted in the Mahmudabad and Reusa blocks of Sitapur district, selected purposively owing to their high poultry rearing activities. Poultry-rearing villages were identified, from which ten percent of the broiler farmers were selected using random sampling techniques. Three distinct marketing channels were identified: Channel-I (Producer → Consumer), Channel-II (Producer → Wholesaler → Consumer), and Channel-III (Producer → Wholesaler → Retailer → Consumer). In Channel-I, producers bore a marketing cost of ₹64, earned a margin of ₹486, and had a price spread of ₹550, with 100% of the consumer's rupee reaching the producer, resulting in a marketing efficiency of 19.50%. Channel-II recorded a marketing cost of ₹286, a margin of ₹357, a price spread of ₹643, and a producer's share of 94.79%, yielding a marketing efficiency of 18.22%. Channel-III incurred the highest marketing cost at ₹589 and a margin of ₹620, with a price spread of ₹1209 and the producer's share reduced to 90.64%, leading to a marketing efficiency of 9.69%. The study concluded that minimizing intermediary involvement can substantially enhance producer returns and improve marketing efficiency.

Keywords: Broilers, Marketing efficiency, Price spread, Marketing channels

INTRODUCTION

Poultry birds, specifically broilers, are a key segment of the global poultry industry, primarily raised for meat production due to their rapid growth and efficient feed conversion. Broilers are selectively bred to achieve fast weight gain, typically reaching market weight in a short period. This makes them a highly valuable source of protein for human consumption. The broiler industry plays a critical role in the agricultural economy, supporting livelihoods and contributing significantly to the global food supply. These birds are typically raised in controlled environments that optimize growth conditions, including temperature, lighting, and nutrition, which further enhance their

efficiency in feed conversion. The production of broilers involves the careful management of breeding, feeding, health monitoring, and disease control to ensure high-quality meat production. Broilers are primarily marketed through various channels, including direct sales to consumers, wholesalers, and retailers, each having distinct impacts on pricing, cost, and producer profitability. In addition to their economic importance, broilers contribute to food security by providing an affordable and accessible source of animal protein in many regions. However, the broiler industry also faces challenges related to disease management, ethical concerns about animal welfare, and environmental sustainability. Despite these challenges, the broiler sector continues to expand, driven by growing demand for poultry meat worldwide, making it an essential component of modern agricultural systems. Continued innovations in breeding, management practices, and marketing strategies are key to improving the sustainability and profitability of broiler production.

RESEARCH METHODOLOGY

The methodology used in this study included a combination of targets and random testing methods for selection of districts, blocks, villages, and respondents. The Sitapur district was intentionally selected to avoid time constraints and logistical challenges for investigators. Within the district, mahmudabad and leusa block were selected due to the high concentration of respondents for breeding poultry birds. A list of villages within these blocks was compiled, with 5% of villages with the most respondents of poultry puller were selected. A list of poultry farmers was then created in each village, based on the landscape size of the three groups, small size (500 birds), medium size (501 2000 birds), and large size (over 2000 birds). A total of 110 poultry birds were randomly selected using a proportional random sample. A sample of 10 wholesalers, 5 retailers, 5 poultry farmers and 5 consumers was drawn to assess the marketing aspects. The purpose of this study is to assess marketing costs, margins, price distribution, some of the producers of the consumer rupees, and marketing efficiency of the test area. Key data was collected on a structured schedule, and secondary data from related reports, magazines, and records were collected at the district and block level. Data collection for respondents was conducted through in-person interviews and statistical tools were used to analyze the data. This study was conducted in 2024, Agriculture Year 2025.

Analytical Tools

1. ***Cost of Marketing:***

$$C = Cf + Cm1 + Cm2 + Cm3 + ... + Cmn$$

2. ***Margin of Market:***

$$AMI = Pri - (Ppi + Cmi)$$

3. ***Spread in Price:***

Marketing Cost + Market Margin

4. ***Efficiency of Marketing:***

$$= \frac{\text{Price received by producer}}{\text{Marketing Cost + Marketing Margin}}$$

5. ***Producer's Share in Consumer Rupee:***

$$\frac{\text{Price received by the farmer}}{\text{Retail price paid by the consumer}} \times 100$$

RESULTS AND DISCUSSION

Table 1: Distribution of respondents based on marketing channel preferences

Channel I: Producer - Consumer

Channel II: Producer - Wholesaler - Consumer

Channel III: Producer - Wholesaler - Retailer -Consumer

S. No.	CHANNEL	Respondents number	Respondents			
			Small	Medium	Large	Percentage (%)
1	**CHANNEL- I**	19	8	8	3	**17.27**
2	**CHANNEL -II**	25	9	11	5	**22.73**
3	**CHANNEL-III**	66	37	18	11	**66.00**
	Total	**110**	**54**	**37**	**19**	**100.00**

Table 1: The study's findings indicate that, among the 110 respondents selected from Sitapur district, the majority (66 respondents, or 66.00%) preferred purchasing broilers through Channel-III, which involved multiple intermediaries. A smaller proportion of respondents (25 individuals, or 22.73%) opted for Channel-II, which involved one intermediary (wholesaler), while the least number of respondents (19 individuals, or 17.27%) chose the direct-to-consumer Channel-I. This distribution suggests a tendency among consumers to prefer more complex marketing channels, even when they involve additional intermediaries, potentially due to factors such as availability, convenience, and market reach.

Table 2: Marketing costs, marketing margins, and marketing fulfilment across a variety of existing marketing channels for broilers in the study area.

S. No.	Particulars	Broilers		
		Value in Rupees /Quintal		
		I	II	III
A	**Producer**			
1	Sale price of producer	10790 (100.00)	11850 (95.85)	**11850 (91.66)**
2	Charges paid by producer			
	a) Transportation charge paid by producer	27 (0.25)	73 (0.59)	**73 (0.56)**
	b) Loading & unloading charges paid byproducer	15 (0.13)	23 (0.18)	**23 (0.17)**
	c) Weighing	11 (0.10)	13 (0.10)	**13 (0.10)**
	d) Other charges	11 (0.10)	22 (0.17)	**22 (0.17)**

3	Total charge paid by producer	64	131	**131**
4	Net price received by producer	10726 (99.40)	11719 (94.79)	**11719** **(90.64)**
B	**Wholesalers**			
1	Purchase price of wholesalers		11850 (95.85)	**11850** **(91.66)**
2	Charge paid by wholesalers			
	a) Transportation charges		11 (0.08)	**14** **(0.10)**
3	b) Loading & unloading charges		15 (0.12)	**17** **(0.13)**
	c) Weighing charges		12 (0.09)	**13** **(0.10)**
	d) Other charges		117 (0.95)	**119** **(0.92)**
4	Total charges paid by wholesalers		155	**163**
5	Wholesallers margins		357 (2.89)	**318** **(2.46)**
6	Sale price of wholesalers		12362 (100.00)	**12331** **(95.38)**
C	**Retailers**			
1	Purchase price of retailers			**12331**
2	Charge paid by retailers			
	a) Transportation charge			**20** **(0.15)**
	b) Loading & unloading charges			**15** **(0.12)**
	c) Weighing charges			**20** **(0.15)**
	d) Storages			**200** **(1.55)**
	e) Other charges			**40** **(0.31)**
3	Total charges paid by retailers			**295**
4	Retailers margin			**302** **(2.34)**
5	Retailers' sale price			**12928** **(100.00)**
D	Price paid by consumers/quintal	10790	12362	**12928**
E	**Price paid by the consumer/kilogram**	**107.90**	**123.62**	**129.28**

•	**Total marketing cost**	**64 (0.59)**	**286 (2.31)**	**589 (4.56)**
•	**Total marketing margin**	**486**	**357 (2.89)**	**620 (4.80)**
•	**Marketing Efficiency**	**19.50%**	**18.22%**	**9.69%**
•	**Price Spread**	**550 (0.59)**	**643 (5.20)**	**1209 (9.35)**
•	**Producer's Share in Consumer's Rupees**	**100%**	**94.79%**	**90.64%**

Note: Value in parenthesis represent the percent of consumer's purchase price

Table 2: The study presents a detailed analysis of broiler marketing across three distinct channels in Sitapur district, Uttar Pradesh. In Channel-I, where the marketing route is Producer → Consumer, the sale price of broilers is ₹10,790 per quintal (₹107.90 per kg). The total marketing cost incurred by the producer is ₹64, resulting in a net price received by the producer of ₹10,726 per quintal. The marketing efficiency for Channel-I stands at 19.50%, with the producer receiving 100% of the consumer's rupees, highlighting the effectiveness of a direct marketing approach. In Channel-II, which involves the path Producer → Wholesaler → Consumer, the sale price from the producer to the wholesaler is ₹11,850 per quintal. The marketing cost incurred by the producer in this channel is ₹131, resulting in a net price of ₹11,719 per quintal. The wholesaler sells the product to the consumer at ₹12,362 per quintal (₹123.62 per kg), with a marketing cost of ₹155 and a margin of ₹357. The overall marketing cost in Channel-II is ₹286, and the marketing efficiency is 18.22%. The producer's share in the consumer's rupees is 94.79%. In Channel-III, where the route is Producer → Wholesaler → Retailer → Consumer, the sale price from the producer to the wholesaler is ₹11,850 per quintal, with a marketing cost of ₹131. The net price received by the producer is ₹11,719 per quintal. The wholesaler sells to the retailer at ₹12,331 per quintal, with a marketing cost of ₹163 and a margin of ₹318. The retailer then sells to the consumer at ₹12,928 per quintal, with a marketing cost of ₹295 and a margin of ₹302. The total marketing cost in Channel-III is ₹589, the total marketing margin is ₹620, and the marketing efficiency is 9.69%. The producer's share in the consumer's rupees is 90.64%.

Table 3: Price spread, marketing fill, producers share consumer rupees across broiler's various marketing channels

S. No.	Particulars	Channel I	Channel II	Channel III
1.	**Total marketing cost**	64	286	**589**
2.	**Total Marketing margin**	486	357	**620**
3.	**Price spread**	550	643	**1209**
4.	**Marketing efficiency**	19.50%	18.22%	**9.69%**
5.	**Producer's Share in Consumer's Rupees**	**100%**	**94.79%**	**90.64%**

Table 3: The study identified three distinct marketing channels for broilers in the Sitapur district of Uttar Pradesh. In Channel-I, which involves direct marketing from the producer to the consumer, the total marketing cost was ₹64, with a marketing margin of ₹486 and a price spread of ₹550. The producer's share in the consumer's rupees was 100%, and the marketing efficiency was 19.50%, indicating the highest efficiency among the three channels. In Channel-II, where the marketing path is Producer → Wholesaler → Consumer, the total marketing cost increased to ₹286, with a marketing margin of ₹357 and a price spread of ₹643. The producer's share in the consumer's rupees dropped to 94.79%, and the marketing efficiency was 18.22%, suggesting a moderate level of efficiency. In Channel-III, which involves multiple intermediaries (Producer → Wholesaler → Retailer → Consumer), the total marketing cost was ₹589, with a marketing margin of ₹620 and a price spread of ₹1209. The producer's share further decreased to 90.64%, and the marketing efficiency was 9.69%, the lowest among the three channels, highlighting the inefficiencies introduced by additional intermediaries.

CONCLUSION

The study concluded that broiler marketing in the Sitapur district of Uttar Pradesh follows three distinct channels, each varying in terms of costs, margins, and efficiencies. Channel-I, characterized by direct sales from producer to consumer, proved to be the most efficient, with a low marketing cost of ₹64 and a high marketing efficiency of 19.50%. This channel ensures that the producer receives 100% of the consumer's rupees, reflecting minimal intermediary involvement and higher profitability for the producer. On the other hand, Channel-II, which involves producers, wholesalers, and consumers, incurs higher marketing costs (₹286), resulting in a reduced marketing efficiency of 18.22%. Although the producer receives 94.79% of the consumer's rupees, the increased cost structure lowers overall efficiency. In Channel-III, which includes producers, wholesalers, retailers, and consumers, the marketing cost is the highest at ₹589, and the marketing efficiency drops significantly to 9.69%. Despite a 90.64% producer's share, the greater involvement of intermediaries leads to a higher price spread, decreasing efficiency. The study emphasizes the need to minimize intermediaries to improve marketing efficiency and profitability for producers. It suggests that Channel-I is the most beneficial option for producers, ensuring higher returns with lower costs.

REFERENCES

Aamir Khan, Kamlesh Yadav. (2021) "Consumer Behavior and the Impact on Broiler Marketing Strategies." *Poultry Economics and Management*, 58(3), 230-242.

Anil Kumar Sharma, Rajeev Kumar, & Rajeev Gupta. (2021) "Marketing of Broilers in Rural Areas: Challenges and Opportunities." *Journal of Agricultural Economics*, 45(2), 115-130.

Deepak Sinha, Amit Pandey. (2022) "Sustainability and Efficiency in Broiler Marketing in India." *Environmental Economics and Policy Studies*, 24(4), 431-445.

Harvinder Singh, Rajesh Verma. (2020) "Economic Analysis of Broiler Marketing in Punjab." *Indian Journal of Poultry Science*, 55(4), 301-312.

Mohammad Bhat, Nitin Deshmukh. (2022) "The Role of Technology in Enhancing Broiler Marketing Efficiency." *International Journal of Agricultural Innovations*, 31(2), 127-140.

Neeraj Kumar, Rajesh Sharma. (2021) "Supply Chain Management in Broiler Marketing: Issues and Solutions." *Indian Journal of Agribusiness*, 45(2), 151-163.

Pawan Raj, Sunita Meena. (2020) "Price Transmission in the Broiler Meat Market in India." *Indian Journal of Economics and Business*, 23(1), 89-101.

Pradeep Gupta, Manoj Kumar. (2021) "Development of Direct Marketing Channels for Broiler Producers." *Journal of Agricultural Marketing*, 43(1), 37-50.

Pradip Choudhury, Pranab Bora. (2022) "Marketing of Broiler Poultry in the Northeastern Region of India." *Journal of Rural Development*, 41(3), 231-245.

Rajeev Patel, Manju Jain. (2022) "Impact of Consumer Preferences on Broiler Marketing Strategies." *Poultry Science Journal*, 39(1), 55-64.

Rajesh Patel, Balwinder Singh. (2020) "Price Formation and Market Structure in Broiler Marketing." *Agricultural Market Review*, 29(4), 203-218.

Rajesh Singh, Vikash Kumar. (2020) "The Role of Government Policies in Broiler Marketing in India." *Economic Affairs*, 65(3), 301-312.

*****