

# Creating a winning partnership with Indian poultry farmers

The Indian poultry meat market is an unusual one in that 97% of poultry meat purchases are via the wet market where the consumer selects the bird live and then waits for it to be killed, plucked, eviscerated and portioned before taking it home to cook.

The Soundararajan brothers entered this market in 1984 when they grew their first 200 broilers. This business steadily grew until 1986 when the brothers saw the opportunity to provide fellow farmers with chicks, feed and medicines and to supply the small shops that were the outlet for their endeavours with chickens. In this way, they began to co-ordinate the production in their area.

## Successful formula

This formula was successful and they were rewarded with fast growth throughout the remainder of the 1980s. In 1990 there was a poultry glut and many farmers could not market their birds and, therefore, could not pay the brothers.

These people were happy to work but were short of capital. Out of this came the idea of contract farming.

Now the brothers assumed the responsibility for virtually everything associated with broiler growing except the sheds, labour



**A typical Indian broiler farm.**

and a few inputs like power and litter materials. Again growth was rapid and success followed. During the first decade of this century the concept spread across India, especially in the south and west of the country.

The end result is that the Suguna Group evolved and now has some 17% of the Indian market with just short of 17,000 farmers on contract.

These farmers take some 7.5 million broiler chicks a week and 125,000 tonnes of

feed a month from the Group's hatcheries and feed mills.

Most of these birds go into the traditional market but, in addition, the company places a million or so broilers a month on farms under its control and these now supply the Group's two processing plants.

This latter sector is seen as having real potential as the Indian urban middle class is rapidly growing and consumes much more

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**An open sided broiler house. Note, right, the use of a palm leaf overhang to maximise the shade.**







Young and older broilers. The flock on the right is in the house featured on the previous page.

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than the average per capita consumption of less than 3kg of poultry meat per head.

Affluence brings a desire for meat and, for most Indians, beef and pork consumption is taboo on religious grounds and seafood is too expensive. So, the future for poultry must be good!

## Indian self-sufficiency

This is compounded by the fact that India is self-sufficient in soya beans (7.5 million tonnes produced annually, of which four million tonnes is currently exported) and maize (19-20 million tonnes produced annually, of which some three million tonnes is exported).

This production has the potential to increase as irrigation makes more land available.

Thus, India is able to feed its own poultry now and for the foreseeable future. In addition, the price of these commodities and labour means that its production costs are

on a par with the USA and Brazil. Interestingly, only the USA, Brazil, Argentina and India are self-sufficient in these two feed ingredients.

We went to visit two traditional independent broiler farmers who are on contract to see how the Suguna Group interfaces with the smaller producers.

Both are family run businesses that can support the families out of their financial returns. The younger farm houses just over 3,000 broilers and these were 14 days old and livability had been very good. The birds on the second farm were 34 days old and the farm was of a similar size. Here, cumulative mortality was 3.4% in one shed and 3.8% in the other.

Suguna's technical staff support the growers at every stage of the production cycle starting with advice and guidance on the cleaning and disinfection of the poultry houses prior to receipt of the day olds.

They also examine any unacceptable mortality and supervise all vaccinations and medication.

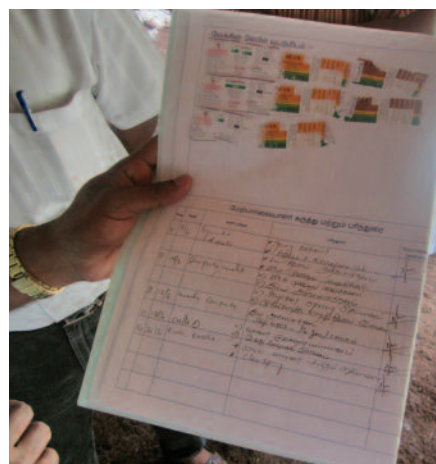
Close checks are kept on litter quality and

on the quality of the drinking water. In the case of the latter this is done in terms of microbiology and pH.

The feed is also under Suguna's control as it is supplied from their feed mills.

Typically, broilers are processed at 38 days when they have reached a weight of 1.8kg at an FCR of 1.76, although currently flocks are doing better than this.

Farmer enthusiasm and tight technical controls from Suguna have created a winning partnership. ■



Left, each house clearly displays its cleaning and sanitisation record. Right, examples of the comprehensive records that are produced for each flock. Note, in the upper picture the use of labels to confirm which vaccines have been used.

