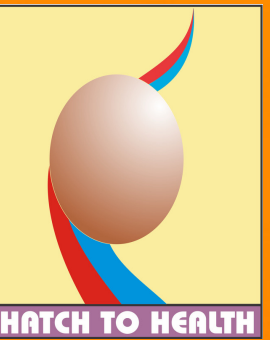
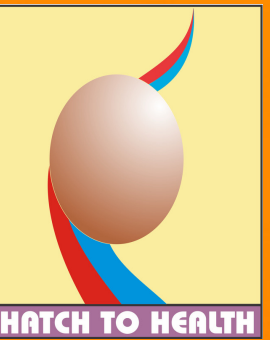


**Symbiotic
Association
between the
Farmer and the
Integrator.
Intervention
Needed?**

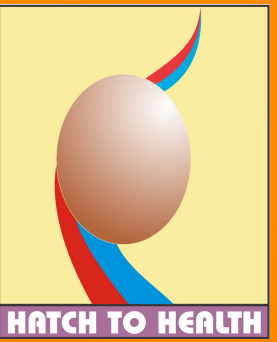


“ No success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people and is achieved by fair and honest means ”

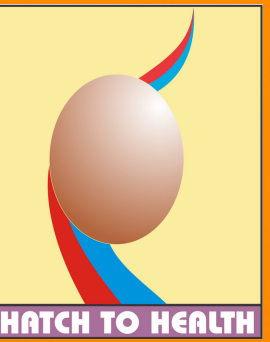
J.R.D TATA



Overview



- Stakes in Symbiotic Association
- Our Story
- Recent Challenges & Consequences
- Way Forward & New Farming Models

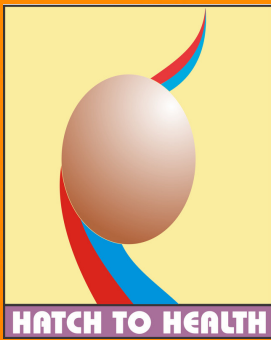


Integration : A Symbiotic Association



- It's a Win-Win situation
- Integrator absorbs the risks
- Farmers use their **non-cultivating land** to rear birds for a **secondary source of income**.

STAKES



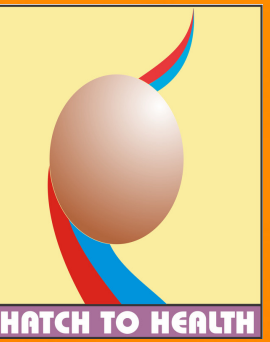
Integrator	Farmer
Feed & Chicks	Land
Technology	Basic bird housing facility
Veterinary Services	Water & Electricity
Infrastructure	Brooding Requirements
Finance & Liabilities	Labour
Risk	

Farmer has a steady income stream whereas an integrator does not have that

Our Experience With Broiler Integration



The Journey

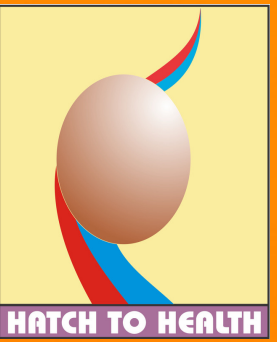




The Journey

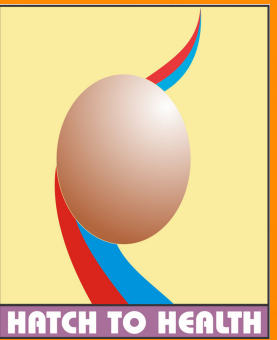
- We started with 5 farms
- Today we have about 750 farms
- More than **60%** of the farmers are associated with us for **more than 10 years**
- This long association is possible only because of the **win-win (symbiotic) association of the integration model**

Cost Of Production 2022-23



Cost Particulars	Price ₹
Chicks	30.00
Feed	145.03
Medicine	0.50
Vaccine	1.85
Disinfectants	0.40
Technical Services + Supervision	1.00
Total	178.78
Average Bird Weight	2.1 Kg
Average Cost/Kg Bird	85.13
Growing Charges for the contract farmer	7.5
Grand Total	92.63
Average market price / Kg live bird	97.50

Cost incurred by the Farmer



Cost Particulars	Price ₹
Husk	2.5
Firewood	1
Electricity	0.60
Charcoal	1.20
Bird Lifting	0.60
Labour Cost	3
Paper	0.075
Ice & Lime	0.40
Maintenance Charge	1
Total	10.4
Average Bird Weight	2.1
Litter (-)	3
Gunny Bags (-)	0.35
Net Cost/Kg live weight	3.34
Rearing Charges	7.5
Profit/Kg live weight	4.16

Naveen

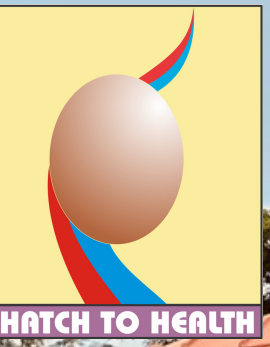
Unit no 14

9000 birds

130 Batches



Unit No.14



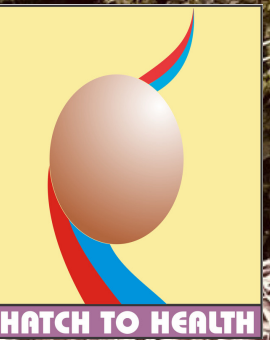
Muneer Ahmed

Unit no 64

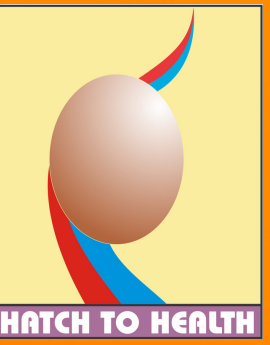
11250 birds

77 Batches





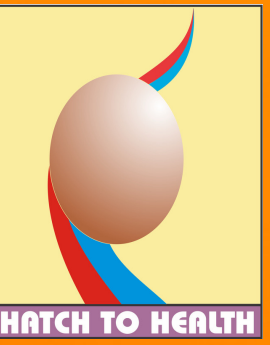
Unit
No.64



"Wont this massive
hike in rearing charges
weaken the
company's financials?"



Gange Gowda

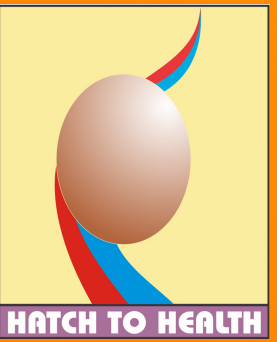
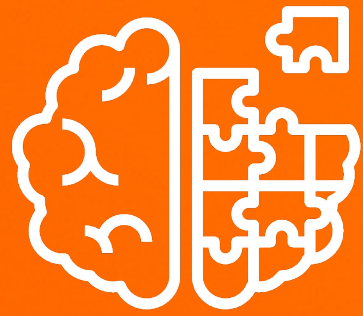


"As long as our
company is healthy,
we will be financially
healthy"



Devrajappa

Current Challenges.

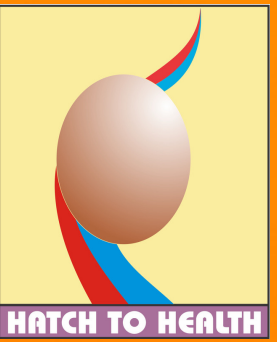


- Farmers trying to do large-scale contract farming with hired daily wagers
- This is up-rooting the foundation of integration model
- Poor performing farmers negotiating for guaranteed income
- Volatile ingredient prices and live bird prices
- Lending for poultry, the last in the priority list for Bankers



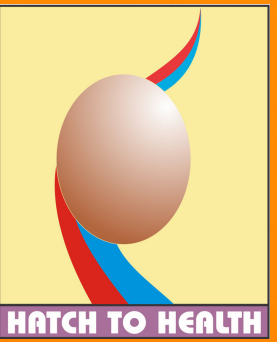
MARCH 8th

2021



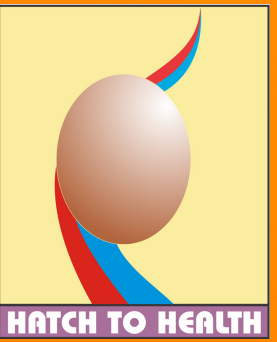
- Agitation
- Disturbing the birds lifting & Movement
- Demoralising other farmers
- Misinformation to the government authorities

Way **»»»»** Forward



- In spite of 2021 disturbance, our normal symbiotic association is continuing
- However if external interventions continue, we will be forced to explore new business models

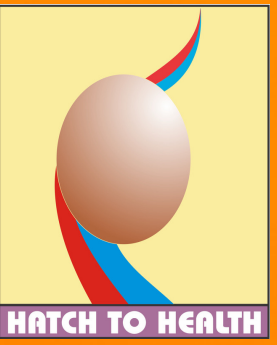
Contract Farming Paving The Way to Own Farming



- We pay ₹18/bird to the contract grower

If we envision to invest that money in own farming :

- We avoid all vagaries
- We can invest in EC Farming
- The cost in our own EC Farm will be ₹6.3/bird
- Be in a better position to invest in technology
- Leveraged for antibiotic free production
- Ensure highest quality chicken for consumers

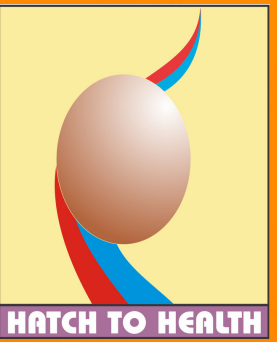


Consequences of External Intervention

Government limitation : No Minimum Selling Price For Live Birds
The Government Guarantee : Maximum rearing charges

▶▶ Blurring the lines of symbiotic association

Conclusion



Under this situation intervention in contract growing by external agencies would **destroy the symbiotic association.**

The very model which helped propel India to be the third largest broiler producer in the world.

Thank you

