
ENTREPRENEURIAL APPROACH TO BROILER PRODUCTION IN AWKA SOUTH LOCAL GOVERNMENT AREA OF ANAMBRA STATE, NIGERIA

Uche Okeke

Department of Agricultural Economics and Extension
Anambra State University, Igbariam Campus, Anambra State, Nigeria.
E-mail: victorokeke67@yahoo.com

ABSTRACT

The study examined entrepreneurial approach to broiler production in Awka South Local Government Area of Anambra state, Nigeria. Data for the study were collected using structured questionnaire administered to 50 respondents who were related through multi-stage and random sampling methods. The study revealed intensive method of production; accounting and management approaches to broiler production were common. Broiler production was profitable with gross margin of ₦9, 082,000; net farm income of ₦6, 794,000, net return on investment of 0.95 and profitability of 0.49. Problem encountered by the farmers were lack of capital, high cost of feeds, marketing problems, drugs and vitamin failure. The study recommended subsidization of inputs, provision of soft loans and placing of high import duties on foreign chicken would increase productivity, preference of local broiler producers and creating of market for their products.

Keywords: Broiler Production, Entrepreneurship, Poultry Birds.

INTRODUCTION

Entrepreneurship is the process of identifying an opportunity related to needs and satisfaction and converting it to value yielding (Soyibo, 2006). It can also be conceptualized to mean the process and activities undertaken by entrepreneurs directed at capturing value associated with business opportunities. Apart from these, it can be seen as a process driven by the desire to innovate; that is producing new things (goods and services, processes or approaches) or improving an existing one or profiting from it (Fanshow and Campton, 1981).

Entrepreneurship is not just about establishing a business or doing business; it is not just making money, buying and selling but it is about having the ability and fullness to take risk and to combine factors of production in order to produce goods and services that can satisfy human wants (Akinola, 2001). Entrepreneurship is the ability some people have to accept risks and combine factors of production in order to produce goods and services (Aruwa, 2004).

For someone to be a successful entrepreneur, some important skill and characteristic will be exhibited. These skills are entrepreneurship knowledge, attitudes and practice skill. Nelson and Leach (1981) called them occupational survival skills, which relate to problem solving, human relation skills, high achievement drive and creativity. Fanshow and Campton (1981) also expressed the ability to set goals. Accept the success or failure of one's work and do things in new ways (be innovative) are part of entrepreneurial skills. Osualas (1993) maintained that entrepreneur must have a vision for the business, be willing to take risk, be able to plan, organize and implement their plans.

Poultry has the highest contribution to animal protein intake of rural dweller, (Agala, Nwagu, Sekoni and Adeschinwa, 2007). Poultry originated from the genus *Gallus* of the family

Uche Okeke

phasiandae. The domesticated chickens are called *Gallus domesticus*, having as ancestor and of the four wild species, the red jungle fowl (*Gallus gallus*), the Ceylonese jungle (*Gallus lafayellii*), the grey jungle bird fowl (*Gallus sonnerati*), the black green jungle, fowl (*Gallus varins*) (Eduvi, 2002). Poultry birds are characterized based on the purpose of keeping. Examples are the egg type chicken breed specifically for egg production and prepared chickens are breed to produce both egg and meat at economic level. (Badyo, 1983). Enterprises can be classified as either domestic or commercial.

Poultry production is an important component of Nigerian's livestock sub sector. It created opportunity for employment and income, thus an important source of livelihood to poultry farmers and keepers. Poultry farmers who are spread all over the different ecological zones of the country engage in the production of chicken, eggs, meat, feather and poultry manure for use and for the market (Eduvi, 2002).

Broiler production involves mainly the keeping of chickens of heavy meat breeds for the purpose of getting good quality meat products usually sold live or processed at ten to twelve weeks of age (Amos, 2006). The high demand for poultry products, the success of exotic breeds and the ease of mastering the technique of poultry production among other factors has made it developed to the status of agribusiness in Nigeria as distinct from subsistence production (Nwajiuba and Nwoke, 2000).

POULTRY MANAGEMENT SYSTEM

There are three poultry management systems: intensive, semi intensive and extensive which is differentiated on the basis of flock size and input-output relationships (Sonays, 1990; Kitalyi, 1998).

PROBLEMS OF BROILER PRODUCTION

Problems of Broiler production are manifold. These are marketing of broiler products, drug and vaccine failure, high feed cost and irregular feed cost, inadequate capital and extension services. According to Akeeb (1997), limited finance, high cost of input and labour, coupled with unfriendly government policy adversely affected the overall performance of poultry farmers.

APPROACHES TO BROILER PRODUCTION

Different approaches are involved in broiler production. They are management approach, marketing approach, communication approach and accounting approach.

Management Approach Expected of Entrepreneurs

Osuala (2000) stated that it is a process undertaken by one or more individuals in order to coordinate the activities of others so as to achieve result not achievable by one individual acting alone. Management can be defined as a social or interaction and economic process underlining a sequence of coordinated events-planning organizing, coordinating, controlling and leading in order to use available resources to achieve a desired outcome in the fastest and most efficient way (Akinola, 2001).

Marketing Approach Expected of Entrepreneurs

According to Kotler (1999), marketing can be defined as all activities design to generate and facilitate exchange of anything intended to satisfy human needs or wants. Marketing is a total system of business activities designed to plan, price, promote and place (distribute) want satisfying ideas, goods and services to potential customer.

Communication Approach Expected of Entrepreneurs

Communication is the transfer of ideas from the sender to the receiver. Barkin and Aronoff (2001) saw communication as the exchange of message between people for the purpose of achieving common meanings. Communication is an indispensable management tool. Anuku (2004) also states that communication can be broadly divided into three: verbal, non verbal and written communication. In all the forms, there is always the communicator and receiver. Munter (1996) further explains that verbal communication involves the transmission of words

Accounting Approach Expected of Entrepreneurs

Eluro (2006) defines book keeping as the recording of business transaction in such a way that the financial profiting of the business can be readily ascertained. Inanga (2002) also defines accounting as a process by which data relating to the economic activities of an organization are measured, recorded and communicated to interested parties for the analysis and interpretation. This accounting is therefore often regarded as a language of communication in an organization. According to Davidson (2000), accounting provides information for four purposes or uses. They are managerial decision making, managerial planning, control and internal performance, evaluation and financial reporting and external performance evaluation.

OBJECTIVES OF THE STUDY

The broad objective of the study is to examine entrepreneurial approach to broiler production in Awka South local government area of Anambra State, Nigeria. The specific objectives are to

- i. Describe the socio-economic characteristics of the broiler producers in the study area;
- ii. Identify the production methods and management approaches uses by broiler producer in the study area;
- iii. Determine costs and return of broiler production in the area;
- iv. Identify problems of broiler production in the study area;
- v. Make recommendations based on the finding.

STUDY METHODOLOGY

The Study Area

The study was conducted in Awka South local government Area of Anambra State, Nigeria. The local government area has a population of 199,144 people made up of about 106, 575 male and 92, 572 female according to 2006 National Census (National Population Commission N.P.C, 2006). Its geographical coordinates are 6° 10' North and 7° 40' East.

Population and Sampling Procedure

The study population was the broiler poultry farmers in the eight communities of the local government area. Fifty (50) respondents were selected for the study by means of multistage and random sampling methods.

Uche Okeke

Measurement of Variables

A reasonable number of variable were employed in this study like socio-economic variables, management approaches used by the broiler producers and constraints to broiler production.

Methods of Data Collection

Data for this study were collected from both primary and secondary sources. Primary sources were collected using structured questionnaire. Secondary data were collected from textbooks, journals, magazines and research documents.

Methods of Data Analysis

Descriptive statistics such as percentages, means and frequency counts were used to achieve objectives 1, 2 and 4. The farm budgeting model was used to realize objective 3 (profitability of broiler production).

The budgetary technique emphasized the costs and return of broiler farming enterprise. Enterprise profitability was estimated using Gross Margin, Net Farm Income, Net Return on Investment and Profitability Index (PI). Net Farm Income shows the difference between total return in naira for the farm and total cost of production in naira.

The equation is given as:

$$GM = TR - TVC$$

$$NFI = GM - TFC$$

Where;

GM	=	Gross margin in Naira
NFI	=	Net farm income in Naira
TR	=	Total revenue in Naira
TVC	=	Total variable cost in Naira
TFC	=	Total fixed cost in Naira

Profitability index is the net farm income per unit of gross revenue (Ajala, Nwagu, Otchere, 2007). The formular is given as: $PI = NFI/GR$.

Where;

PI	=	Profitability index
NFI	=	Net farm income in Naira
TR	=	Total revenue in Naira

RESULTS AND DISCUSSIONS

The results of analysis of data collected will be presented and discussed under socio-economic characteristics of respondents, broiler production methods and management approaches in the area, cost and return of broiler production as well as problems the broiler producers are facing.

SOCIO-ECONOMIC CHARACTERISTIC OF THE RESPONDENTS

The socio-economic characteristic of the respondents described under this sub-section includes gender, age, marital status, educational level, household size, occupation and years of experience.

Gender

Gender distribution of the respondents is shown in diagram 1. The result reveal that majority (68%) of the respondents were males while (32%) were females. This implies that men dominate broiler production in the area.

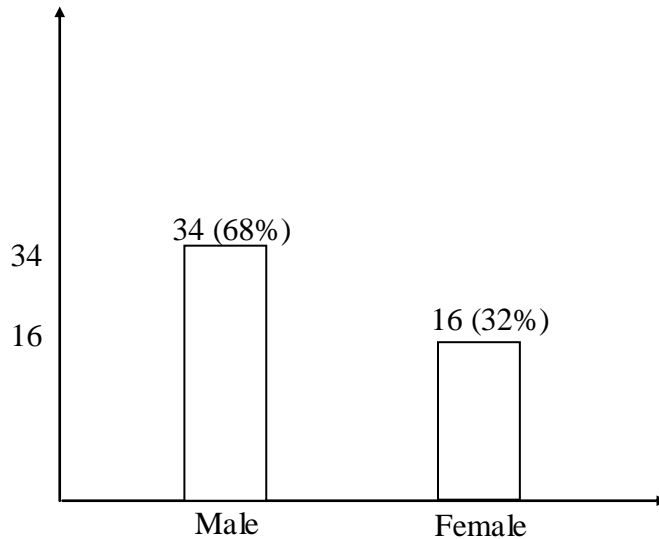


Diagram 1: Distribution of Respondents According to Gender

Source: Computed from Survey Data, 2012

Age Distribution of the Respondents

Age distribution of the respondents is shown in diagram 2.

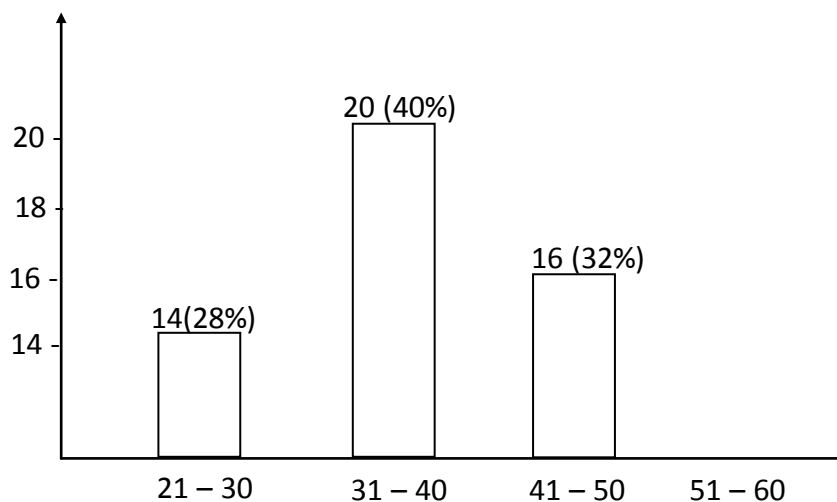


Diagram 2: Age Distribution of the Respondents

Uche Okeke

The result revealed that many 40% of the respondents were within the age range of 31-40 years, 32% were between 41-50 years, 28%, were between 21-30 years. This shows that majority of the broiler production are in their active years.

Marital Status of the Respondents

The marital status is shown in table 1. The percentage of the single respondents are 28% whereas married are 54%.

Table 1: Distribution of Respondents According to Marital Status

Marital Status	Frequency	Percentage
Single	14	28
Married	27	54
Reported	-	-
Divorce	-	-
Widowed	9	18
Total	50	100

Sources: Computed from Survey Data, 2012.

Educational Level of the Respondents

Educational level distribution of the respondents is in table 2. It shows that 70% attended tertiary institution, 26% secondary institution and 4% primary education. The use of new technology and accurate farm records keeping is achieved through enhance education.

Table 2: Distribution of Respondents According to Educational Level

Educational Level	Frequency	Percentage
No education	-	-
Primary education	2	4
Secondary education	13	26
Tertiary education	35	70
Total	50	100

Sources: Computed from Survey Data, 2012.

Years of Experience of the Respondents

Years of experience distribution of the respondents indicated that 31% of the respondents has between 6-10 years experience, 16% had 1-5 years experience, 14% had 11-15 years, 6% had 16-20 years and 2% had 21years and above. It shows that many of the farmers are new in broiler production in the study area.

Table 3: Years of Experience of Respondent, Variable

Years of Experience	Frequency	Percentage
1-5	8	16
6-10	31	30
11-15	7	14
16-20	3	6
21 and above	1	2
Total	50	100

Sources: Computed from Survey Data, 2012.

Household Size of the Respondents

Household size of the respondents is shown in table 4 with majority of the respondents 72% had 5-8 persons, 20% had 1-4 persons and 6% had household size of 9-12 persons. 2% of the respondents had household size of 13 persons and above. The result indicates that the respondents have enough family labour to engage in the execution of the broiler production activities and would depend less on hired labour for their production.

Table 4: Distribution of the Respondents According to Household Size

Variable	Frequency	Percentage
Household size		
1-4	10	20
5-8	36	72
9-12	3	6
13 above	1	2
Total	50	100

Sources: Computed from Survey Data, 2012.

Occupation of the respondents

The occupation of the respondents is shown in table 5. It revealed that 48% were civil servants, 38% were full time farmers, 14% were petty traders and 8% were student and artisan farmers. This implied that majority of the respondents took broiler production as their extra income earning activity.

Table 5: Distribution of the Respondents According to Primary Occupation

Primary Occupation	Frequency	Percentage
Farming	15	30
Petty trading	7	14
Civil service	24	48
Other specify	4	5
Total	50	100

Sources: Computed from Survey Data, 2012.

Management Approaches Used by the Broiler Producers

The management approaches used by the entrepreneur are distributed as shown in table 6. About 30% of the respondents were using accounting approach, 20% of them were using marketing approach, 6% were using communication approach while 14% of the respondents were using all approaches.

Table 6: Management Approaches

Management Approach	Frequency	Percentage
Accounting approach	15	30
Marketing approach	10	20
Communication approach	3	6
All approaches	7	14
Total	50	100

Sources: Computed from Survey Data, 2012.

Uche Okeke

Cost and Return of Broiler Production in the Area

Estimated profitability of broiler production in the area showing total revenue (TR), total variable cost (TVC), gross margin (GM), total fixed cost (TFC), total cost (TC), net farm income (NFI), net return on investment (NRI) and profitability index (PI) is represented in table 7. The respondents realized a gross margin of ₦9, 082, 000, net farm income of ₦6, 794,000, net return on investment of 0.95 and profitability index of 0.49. The positive value of gross margin, net farm income, net return on investment and profitability index are indications that the respondents are earning profit from the business.

Table 7: Estimated Cost and Return in Broiler Production

Items	Amount (₦)
Total Revenue	13,917,500
Variable cost:	
Labour	267,000
Day old chicks	17,522.50
Drugs	633,000
Disinfectant	32,950
Heat	201,600
Feeds	1,735,000
Water	76,000
Miscellaneous	87,000
Transport and market dues	50,250
TVC	4,835,500
GM (TR-TVC)	9,082,000
Fix cost:	
Lamp	111,200
Stoves	63,500
Feeder	338,000
Shovel	70,000
Bucket	42,000
Wheel barrow	247,500
Housing	1,720,000
TFC	2,288,000
TC (TVC and TFC)	7123500
NFI (GM – TFC)	6,794,000
NROI (NFI/TC)	0.95
PI (NFI/TR)	0.49

Sources: Computed from Survey Data, 2012.

Problems of Broiler Production in the Study Area

Broiler producers encounter various problems in the course of their production. Table 8 shows that the respondents' most serious problems were lack of capital and high cost of feeds with scores of 70% and 60% respectively. They were followed by marketing problems 44% and drug and vaccine failure 30%. The problem of high cost of feeds could be due to irregular feed supply, while that of drug and vaccine failure mostly occur is the dry season due to the effects of hash polluted and dusty weather condition.

Table 8: Distribution of Respondents According to Problems

Problems	Frequency	Percentage
Marketing problem	35	70
Lack of capital	30	60
High cost of feed	22	44
Drug and vaccine failure	15	30

Sources: Computed from Survey Data, 2012.

CONCLUSION AND RECOMMENDATIONS

The study investigated entrepreneurial approach to broiler production in Awka South local government area of Anambra state, Nigeria. Findings on socio-economic characteristics of the respondents showed that majority of the broiler producers were male (68%), majority (40%) of them fell within the age range of 31-40 years; 54% of the respondents were married; 70% were literate; 31% had 6-10 years of experience in the business. Majority 72% of the respondents had household size of 5-8 persons; about 30% were full time broiler producers; all the respondents 100% used intensive method of broiler production; and 30% of respondents in each case used either accounting or management approached.

On the profitability of production, the findings indicated gross margin of ₦9,082,000, net farm income of ₦6,794,000; net return on investment of 0.95 and profitability index of 0.49.

RECOMMENDATIONS

The following recommendations were made based on the findings.

1. Intending and existing broiler farmers are advised to acquire the necessary skills for starting broiler production business.
2. Government should subsidize the cost of broiler feed to make them affordable and available to the farmers.
3. Credit institutions should be encouraged to provide credit facilities to broiler producers at cheaper rates to enable them expand their scope of production.
4. Government should impose high import duties on imported frozen chicken to protect local broiler producers.

REFERENCES

- Ajala, M.K, Nwagu B.I, Sekoni A.A and Adesehunwa, A.O.K (2007) Profitability of Turkey Production in Zaria, Kaduna State. Nigeria. *Journal of Information Technology*, 6 (1), 27-33.
- Akeeb, S. (1997) Problems of Poultry Production in Nigeria. Paper Presented at a Workshop Organized by the Nigerian Society for Animal Production (NSAP), Ogun State, Nigeria (1997).
- Akinola C.I (2001). Teaching Entrepreneurial Skills Through Business Education: The Challenges and Strategies of Business Educators. *Business Education Journal* 3 (4), 198-207).

Uche Okeke

- Amos T.T (2006). Analysis of Backyard Poultry Production in Ondo State, Nigeria. *Int. Journal of Poultry Science*. 5 (3), 247-250.
- Anuku C.E.O (2004). Foundation in Business Administration, Boji Boji Main Town Owa: Anuku Clan Communication.
- Aruwa, S.A.S (2004). The Business of Entrepreneur: A Guide to Entrepreneurial Development.
- Badefo, W.A (1983). Poultry Production: Problems and Solutions. *West African Farm System*, 7 (3) 20-35.
- Baskin, O.W. and Aronoff, C.E (2001). Inter Personal Communication in Organization: Strategy and Skill. M.J Prentice Hall, Englewood Cliffs.
- Davidson, S. (2000). Intermediate Accounting: Concept Method and Uses (3rd ed.) Hinsolal Illinois: the Dryden Press.
- Eduvi, L.O (2002). Poultry Production as an Important Component of Nigeria's Livestock Subsector. A Training Manual on National Workshop on Poultry Production in Nigeria in NAPRI, ABU, Shika, Zaria, Nigeria.
- Eluro, D.C (2006). Introduction to Book Keeping and Accounts. Onitsha Adron Educational Publisher.
- Fanshow, N.C. and Campton J.E. (1981) Entrepreneurship and Economic Development. New York: CBS College Publishing.
- Inanga, C.A. (2002). Principle of Accounting for African Students. Ibadan: Hageman Education Book (Nig) Ltd.
- Kitalyi A.J. (1998). Village Chicken Production System in Rural Africa: Household Food Security and Gender Focuses. *FAO Animal Health and Production Series*.
- Kotler .P. (1999). Principle of Marketing London. Prentice Hall International.
- Munter, M. (1996). Basic Communication: Strategy and Skill. N.J. Prentice Hall, Englewood Cliffs
- Nwajiuba C. and Nwoke E. (2000). Inflation and Poultry Industry in Nigeria: Implication for Profitability in U.I Orji and O.O Mgbere (eds), Proceeding of the 5th Annual Conference of the Animal Science Society of Nigeria, Port Harcourt, Nigeria. (pp. 206-208).
- Osuala E.C (1993). Principle and Practice of Small Business Management in Nigeria. Faladu Publishing Company, Nsukka.
- Sabo, G.S. (2004). Fundamental of Book Keeping and Account Onitsha: Adson Educational Publishers.

Sonaiya E.B (1990), The Context and Prospects for Development of Small Holder Rural Poultry Production in Africa. In CTA, Proceeding of Small Holder Rural Poultry Production Seminar Vol. 1. Thessoloniki, Greece (pp 35-52)

Soyibo, Adedoyin (2006). The Concept of Entrepreneurship.

Reference to this paper should be made follows: Uche Okeke (2014), Entrepreneurial Approach to Broiler Production in Awka South Local Government Area of Anambra State, Nigeria. *J. of Sciences and Multidisciplinary Research*, Vol. 6, No. 1, Pp. 46 - 56.
