

Good Practice Brief

Linking Business with Pro-Poor Development: A Backyard Poultry Value Chain Increases Assets, Income and Nutrition¹

Effective functioning of a rural poultry value chain delivering 3 week old chicks to highly vulnerable families in far flung areas of West Bengal contributes to overall household livelihood development.

This Good Practice shows:

The impact of semi scavenging rearing which increased average net income per household (in four districts) by Rs 2,280 - a 290 % rate of return on investment with the poorest having highest net profit margins.

The significance of backyard poultry in enhancing food security and household nutrition. A 10% increase in meat consumption amongst the poorest, rising to 40% within different poultry keeper categories and home consumption of 60% of produced eggs within all income groups was assessed.

Its remarkable impact on women's livelihood with explicit relations found between poultry rearing and women's intra-household expenditure allocation, decision making and entrepreneurial capacities.

The success of poultry breeding efforts initiated by a private company in producing a village hardy bird. This bird has an egg laying cycle of 150 to 200 and an average male body weight of 1 kg in 6-8 weeks making it more productive than *desi* birds.



¹This brief illustrates outcomes of a study conducted by SA PPLPP in four districts of West Bengal. The sample size covered was 250 households and about 100 other poultry agents associated with the innovation. It is based on SA PPLPP (2009) Code: SAGP01, "Linking Business with Pro-Poor Development: A Backyard Poultry Value Chain Increases Assets, Income and Nutrition" Good Practice Note, Delhi, India

What was the problem and where?

Small-holder poultry finds special favour with poor communities especially landless and tribal communities. Its potential has, however, largely been untapped, and, as a result, asset-less poultry keepers find themselves left out because of their inability to meet the demands of commercial poultry. The State of West Bengal which has 32% of its population living below poverty line and 72% people living in rural areas² is a case in point. Here the four districts (refer Figure 1) under study revealed livelihood insecurities that adversely affected income patterns and food security amongst a large number of poor families. People were found relying on a basket of options including agriculture, livestock, horticulture and wage labour for survival. These livelihood uncertainties had only multiplied through the years with intensification of labour migration to urban hubs and new categories of daily wage labourers being rendered jobless annually during monsoon months. As a result, nearly 85% of the poorest and 16% of the better-off did not have sufficient access to food all year round. Further given the depth of family insecurities, a number of poor households had begun to send their male children to apprenticeships in Kolkata and expressed discontent with the job worthiness of formal education.

In such situations a village hardy bird (Kuroiler)³ served as an invaluable asset, easy to monetise and an available source of food that helped families tide over their vulnerabilities. Further, the impact of rearing these birds was apparent not only at household levels but throughout a robust rural value chain that provided mainstay employment for Mother Unit owners, local *pheriwalas*⁴ as well as the poultry rearers.



How did the Good Practice Work?

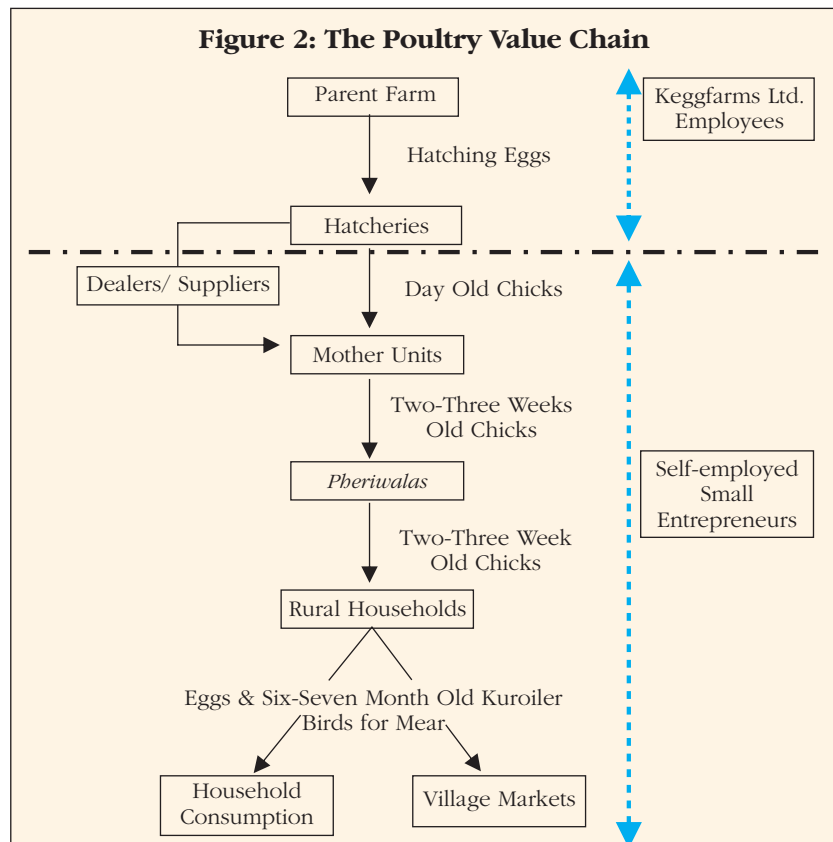
This good practice worked through the transformation of a typical poultry company (Keggfarms), involved in broiler and layer production, shifting focus to become social entrepreneurs and initiating poultry breeding efforts suitable for rural areas. This led to development of the Kuroiler – a dual purpose hardy bird with high productivity and desirable features of indigenous birds. The critical element of this practice was the

² Planning Commission 2000

³ Disclaimer: Please be advised that SA PPLPP does not endorse particular commercial products. The note has been developed with the sole objective of sharing a Good Practice and is for information only.

⁴ Mobile vendors who sell these chicks door-to-door in villages

investment made by the company in developing a rural network that sustained a poultry value chain (Figure 2). Today this is the modus through which birds reach door-steps of rural households in even the most remote areas. The value chain is sustained through market engagements between dealers, Mother Unit owners, *pberiwalas*, and rural households. The company supplies day old chicks to 1,500 mother units across the State which stocks around 300 to 2,000 birds at a time. Here chicks are reared to 3 weeks of age and are sold to *pberiwalas* who then travel to remote villages and sell chicks to rural households. Both mother unit owners and *pberiwalas* make an average profit of Rs. 3/- per bird. The *Pberiwalas* sell approximately 1,000 to 2,000 birds per month with monthly net margins ranging from Rs. 3,000 to Rs. 6,000 across four districts. Household rearers find easy selling opportunities within their village and local markets.



All the actors within the value chain are rural entrepreneurs and have gained meaningful employment through the poultry business. For example, 60% of the *pberiwalas* are landless and were earlier unemployed or daily wage earners. Today, over 75% of them rely solely on chick distribution for income. Further, approximately half the poultry households belong to landless category for whom short interval between poultry investment and earnings made backyard poultry an attractive and low risk option. At the household level, poultry rearers are largely house-bound women with an average flock size of 4-10 birds who have seamlessly integrated this hardy bird into their household routines. Although supply is dependent on Keggfarms, other aspects like poultry extension and management are largely self-driven and sustained by different stakeholders within the value chain.

Key Learnings

Market oriented backyard poultry is increasingly recognised as a stepping stone for the poor to move out of poverty. This practice showcases how the private sector can create a viable business model, build rural market acumen, and doorstep delivery mechanisms by anticipating on the traditional knowhow of women rearing backyard poultry. Another key feature of this practice is in widening the common understanding of poverty. Here, for rearers, poverty reduction was not mere increase in income, but also the availability of an invaluable nutritional source which built household capabilities. The good practice showcased the subjectivity of asset development wherein the poorest found it prestigious to meet social obligations through poultry, with case studies revealing psychological faith in poultry to save families in times of medical emergencies or fees payments; thereby establishing symbiotic links between poultry rearing and enhanced quality of life of poorest. Finally, rearers valued this business because of low rearing costs and the fact that the enterprise fit well within their limited resource base, social hierarchies, anxieties and gender based household dynamics.

What and Where next?

This village hardy bird has already reached out to 700,000 rural households in West Bengal, Uttaranchal, Uttar Pradesh, Assam, Orissa, Jharkhand, Chhattisgarh, Bihar and the North-Eastern states and has increased rearers' incomes by Rs. 300 crore every year, for the last five years (Keggfarms, 2007). This model is worthy of replication because it showcases how the private sector can re-adapt their business and bring in expertise to build rural livelihood enterprises. However, for this practice to be effectively up-scaled a few learning's from West Bengal need to be incorporated. Despite the fact that the state possesses a concentration of 576 birds per sq. km and as high as 85 % of them are indigenous⁵, there is little convergence with government machinery and this value chain for provision of public goods such as disease prevention, MIS, bio-security and extension services. Chick mortality is as high as 20% in some districts and, despite national schemes, there is little provision for linking credit at Mother Unit level. Given that growing market demands are likely to lead to increase in household flock sizes and intensification of management practices, there is need to improve these inter-linkages and reduce rearers' risks.

⁵ Anonymous (2006). Seventeenth All India Livestock Census. Animal Resources Development Department, Government of West Bengal.

SOUTH ASIA Pro Poor Livestock Policy Programme

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