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FINANCIAL AWARENESS AND OPERATIONAL PROBLEMS OF CONTRACT POULTRY FARMERS A STUDY WITH SPECIAL REFERENCE TO SATARA DISTRICT

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ABSTRACT

Contract poultry farming has emerged as an important institutional arrangement in India's agricultural sector, offering income and employment opportunities to rural households. Despite its rapid expansion, farmers engaged in contract poultry farming continue to face several financial and operational challenges. The present study examines the level of financial awareness and the major problems faced by contract poultry farmers with special reference to Satara district of Maharashtra. The study is based on primary data collected from 30 contract poultry farmers using a structured questionnaire supported by personal interviews. Responses were measured using a five-point Likert scale. Secondary data were collected from books, journals, reports, and official publications. Statistical tools such as percentages, mean, standard deviation, and one-sample t-test were employed for analysis. The findings reveal that farmers face significant problems such as financial burden due to loans, heavy dependence on integrators, poor quality of feed and chicks, disease and mortality risks, lack of transparency in payment systems, and inadequate technical guidance. The hypothesis testing confirms that farmers possess a statistically significant level of financial awareness, although structural and institutional constraints limit the effective application of such knowledge. The study suggests the need for improved financial support, transparent contractual arrangements, and regular technical training to enhance the sustainability and profitability of contract poultry farming.

Keywords: Contract Poultry Farming, Financial Awareness, Farmer Problems, Satara District

1. Introduction:

The poultry industry is one of the fastest-growing segments of the agricultural sector in India and plays a crucial role in ensuring food and nutritional security. Poultry farming contributes significantly to employment generation, income diversification, and rural development. Compared to other agricultural activities, poultry farming requires relatively less land, moderate capital investment, and provides quicker returns. India has emerged as one of the leading producers of eggs and broiler meat in the world, with poultry production growing at an annual rate of 10 to 15 percent.

In recent years, contract poultry farming has gained prominence as an alternative production system. Under this system, poultry integrators provide inputs such as chicks, feed, medicines, and technical support, while farmers supply land, housing, labor, and day-to-day management. Although contract farming reduces market risk for farmers, it also creates dependency on integrators and limits farmers' autonomy in decision-making. Issues related to delayed payments, lack of transparency, low and uncertain income, and financial burden due to loans have become major concerns. The present study focuses on contract poultry farmers in Satara district, where poultry farming has expanded rapidly. Despite its growth, farmers in the district face several financial and operational challenges. Therefore, this study attempts to analyze the problems faced by contract poultry farmers and assess their level of financial awareness.

2. Concept of Contract Poultry Farming:

The contract poultry system is essentially a partnership arrangement between poultry companies and farmers, has generally worked to the benefit of both parties. It is a system that has provided farmers an opportunity to participate in poultry production while allowing integrators the opportunity to invest more capital in the processing and marketing segments of the business. A contract poultry farming is an arrangement in Broiler production, referred to as 'chicks growing agreement' is generally wage contract between an integrator and farmers who supplies intermediate the inputs and procure the output, to the farmers and farmers provides the land, housing equipment's, utilities, labour and day to day farm Management.

"Poultry is any domesticated bird used for food. It can be also defined as domestic fowls, including chickens, trucky, geese and ducks, raised for the production of meat or eggs. They also serve as laboratory animals for scientific research."

3. Review of Literature

Kanchana V. S. (2016) conducted a study "A study on poultry farming with special reference to Broiler contract farms in Coimbatore District". In his study it was found that there is long gap between the batches reared by the contract farmers. There was variation in the quality of chicks and feed provided by the integrator. Also, he was found that most of the farmers have availed bank loan for starting the poultry farm. But the rate of interest charged by the banks was very high. He suggests that the government has to declare poultry farming as an agricultural activity and benefits available to agriculture sector must be extended to the poultry farming also. He concluded that contract poultry farmers face long gaps between batches, inconsistent quality of chicks and feed, and a heavy burden of high-interest bank loans taken to start their farms. Therefore, it is suggested that poultry farming should be recognized as an agricultural activity so that farmers can receive the same benefits and financial support available to the agriculture sector.

Kumar. M (2020), conducted study on "Poultry Farming in Harayana in this study An Enquiry into its Spatial Organization and Socio-economic Attributes" he suggested that layer farming is the best option for small and marginal farmer as compared to hatchery.Also, availability of finance is basic need of poultry farmers, he found that mortality of the birds is a common problem in poultry business as well as non-availability of regular feed affect the poultry industry so he suggested farmers have to develop co-operative feed mills to serve their own farms.

Nirbhavne M. B. (2020), published their research article on "Impact of covid-19 on poultry farming in Maharashtra with special reference to Nashik district". In his research he focused on challenges faced by poultry farmers and he suggested that government should take all possible measures to improve the conditions of poultry farmers and provide financial support to them. The researcher suggested that the government should take strong supportive measures and provide adequate financial assistance to improve the condition of poultry farmers.

Though several studies have explored the area of poultry rearing, very less research work is available that concerns itself with specific problems being encountered by contract poultry farmers. Usually, the problems that could arise in this area, including unequal distribution of profit, delay period between productions, variations in quality due to input variations, and financial dependencies, have not been given due consideration. Hence, an important research work is needed that concerns itself with specific problems being encountered in contract poultry rearing.

4. Objectives of the Study

1. To review the status of contract poultry farming in the study area.
2. To identify and analyze the major problems faced by contract poultry farmers.
3. To assess the level of financial awareness among contract poultry farmers.

5. Hypothesis of the Study

H0: Contract poultry farmers are not significantly aware about financial management practices.
H1: Contract poultry farmers are significantly aware about financial management practices.

6. Research Methodology

The study is based on both primary and secondary data. Primary data were collected from 30 Contract Poultry Farmers from selected talukas of Satara district using a structured questionnaire and personal interviews. Convenience sampling was adopted due to time and accessibility constraints. The questionnaire consisted of statements related to financial awareness and operational problems measured on a five-point Likert scale.
Secondary data were collected from books, journals, research articles, government reports,

and online sources. Statistical tools such as percentage analysis, mean, standard deviation, and one-sample t-test were used for data analysis.

7. Analysis and Interpretation of the Data

The below table shows the responses from the contract poultry farmers on the major problems that prevail in their sector in the study area. The responses were obtained using a five-point Likert scale, where the respondents were asked to react or agree on the statements representing the various problems. Through this analysis, it is easy to establish the gravity of the challenges faced by poultry farmers, particularly when operating on contracts, such as profit, quality, cost, and dependence.

Table: 7.1

Major problems faced by farmers engaged in contract poultry farming

Descriptive Statistics					
Problems	N	Sum	Mean	Std. Dev.	Var.
The integrator has more bargaining power than the farmer.	30	113	3.76	1.22	1.49
The profit earned from contract poultry farming is low and uncertain.	30	107	3.56	1.304	1.70
There are long delays between one production batch and the next batch .	30	102	3.30	1.19	1.421
The quality of chicks supplied by the integrator is not always good.	30	111	3.70	1.087	1.183
The feed supplied by the integrator is sometimes of poor quality.	30	114	3.81	1.095	1.200
Disease and mortality risk in birds is high.	30	112	3.73	1.142	1.306
I am financially burdened due to loans taken for poultry farming.	30	121	4.03	1.033	1.068
Payment systems and weight calculations lack transparency.	30	104	3.46	1.074	1.154
I do not receive adequate technical guidance and training.	30	111	3.70	1.207	1.459
Environmental and labour-related problems affect my poultry farming activities.	30	110	3.60	1.295	1.678
Valid N (listwise)	30				

Source: Compiled by researcher

The table data results show that the financial burden due to loans is the most serious problem faced by contract poultry farmers, with the highest mean score of 4.03 and a relatively low standard deviation of 1.033, indicating most of the farmer's consistent agreement that loans create financial pressure. This followed issues related to feed quality (Mean = 3.81), integrator's bargaining power (Mean = 3.76), and high disease and mortality risks (Mean = 3.73) all suggested that farmers are highly dependent on integrators for inputs and are exposed to production risks. These are followed by other problems, such as poor chick quality and lack of technical guidance, at the mean values of 3.70. The lowest mean was obtained for the problem of long delays between production batches, with a mean of 3.30, still above the neutral value of 3, indicating many farmers continue to experience income gaps between cycles. Lack of transparency in payment and weight calculation also remains a concern, with a mean of 3.46. The standard deviations range from 1.03 to 1.30, showing a moderate variation in responses. It would therefore appear that, while most farmers face these challenges, the problem differs in intensity for each individual.

It is found that financial strain, dependency on integrators, quality of inputs, and disease risk**s** are the major challenges affecting the sustainability and profitability of contract poultry farming in the study area.

7.1. Analysis for Testing of Hypothesis

H0: Contract poultry farmers are not significantly aware about financial management practices.

H1: Contract poultry farmers are significantly aware about financial management practices.

Table: 7.2

One-Sample Statistics				
Variable	N	Mean	Std. Deviation	Std. Error Mean
Poultry farmers are significantly aware of financial management practices	30	3.52	0.92	0.16

Source: Compiled by researcher

The above table data mean score of **3.52** indicates that, on average, poultry farmers show a moderate level of awareness of financial management practices**.** However, the standard deviation of 0.92 indicates some variation among farmers, meaning that while many farmers are aware, a few still lack adequate financial management knowledge.

Table: 7.3

One-Sample Test						
	Test Value = 3					
Variable	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Poultry farmers are significantly aware of financial management practices	3.102	29	**0.004**	**.51613**	0.1764	0.8559

Source: Compiled by researcher

The above table data indicates that one-sample t-test was used to find out if there was a significant difference between the awareness of financial management practices among poultry farmers and the neutral level of 3. Researcher has calculated that the overall mean score was 3.52, t-value was 3.102 with df=29, p-value =0.004, and mean difference =0.516 (95% CI: 0.1764 to 0.8559). Since the p-value was less than the significance level of 0.05, the null hypothesis that poultry farmers were not significant with regard to awareness of financial management practices was denied. It is seen that the awareness level of poultry farmers was significant but above the neutral level. So, it can be concluded that

H_0: Hence, the null hypothesis is rejected, and it is concluded that contract poultry farmers are significantly aware of financial management practices.

8. Findings of the Study

1. The majority of contract poultry farmers reported that high financial burden due to loans is their primary problem, affecting their income stability and overall profitability.
2. Most farmers indicated that dependency on integrators for chicks, feed, and technical guidance creates significant challenges, with issues such as poor-quality inputs and delayed batches commonly affecting their poultry farming operations.
3. It is found that financial strain, dependency on integrators, quality of inputs, and disease risk**s** are the major challenges affecting the sustainability and profitability of contract poultry farming in the study area.
4. The null hypothesis is rejected, and this indicates that poultry farmers in the study location are significantly knowledgeable about financial management practices. This indicates that even though there may be some level of individuality in this aspect, the majority of farmers show a fair level of understanding concerning financial management to successfully runs their poultry enterprises.

9. Suggestions

1. It is suggested that poultry farmers manage their poultry effectively; the government and lending institutions should offer them financial guidance and loan services with low interest.
2. Ensure high-quality inputs and expertise by integrators: To ensure that farmers enhance their productivity, disease resistance, as well as overall profits, it is important that integrators provide high-quality chicks as well as feed. Additionally, training should be offered by the integrators to farmers.

10. Conclusions

A study on contract poultry farming in the Satara district has reported that farmers face a range of serious issues, such as financial hardship caused by high-interest loans, dependence on integrators, poor and inconsistent feed and chick quality, delays in batches of production, and lack of adequate technical support. It is found that, in spite of all these challenges, farmers are aware to a moderate to great extent of techniques related to financial management, which would help them manage their resources in a better way and plan their operations more effectively. The analysis has revealed that financial support, ensuring high-quality inputs, and technical training on a regular basis is the three important aspects that can be focused on to enhance the sustainability and profitability of contract poultry farming in the study area. Most of the farmers face inconsistent levels of inputs and production gaps, which directly influence their productivity and earnings. Furthermore, most of the farmers received knowledge from integrators in terms of technology, indicating a need for greater independence in training.

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