Broiler Value Chain: Socioeconomic Plan for Commercial Broiler Farm in Jordan

Zainab Alhammd1*

1Department of Animal Production, Agricultural Zarqa Governorate, Jordan's Ministry of Agriculture, Jordan.

Author's contribution

The sole author designed, analysed, interpreted and prepared the manuscript.

Article Information

DOI: 10.9734/AJARR/2020/v10i230240

Editor(s):
(1) Dr. Muge K. Davran, University of Cukurova, Turkey.

Reviewers:
(1) Olutosin A. Otekunrin, Federal University of Agriculture, Nigeria.
(2) Idowu Peter Ayodeji, Tshwane University of Technology, South Africa.
(3) Alagbe, Olujimi John, India.

Complete Peer review History: http://www.sdiarticle4.com/review-history/53098

ABSTRACT

The broiler farm will be established in Bereen which is located in Zarqa Governorate and it is far away about 17 km from the capital Amman. Nearness of the farm to the city make easy access to market for the purchase of day old chicks, farm inputs (feed, etc.) and selling of broilers.

The farm is distant from the community, has good infrastructure such as roads, electricity and water.

With a vision to be a unique model for poultry production. The Mission of this study is to satisfy customers with consistent quality poultry products and services. Profitability and growth will be achieved through efficient production, human animal treatment and employee development in a safe and supportive work environment. Through making a substantial contribution to the economic and social development of the region through employment, supply quality and safety broiler meat in the region, making profitable enterprise to earn a good income.

The controlled poultry farm is a project of livestock sector, the purpose of the controlled poultry farm is to provide all the facilities ranging from automatic operations of temperature control, feeding and nipple drinking system for the broiler birds, monitored by the concerned & technical staff.

*Corresponding author: Email: zainab.alhammad.za@gmail.com;
Broiler farming in a controlled environment is a profitable venture due to continuously increasing demand of the white meat in the market. Poultry is an important sub-sector of agriculture that has contributed enormously to food production by playing a vital role in the domestic economy. The initial cost of the project is including of initial working capital of 417,797 JD, revenue and NR with a mortality rate not more than 5% is 29038 JD, the innovation in this project is a biogas unit to reach sustainability goals.

Keywords: Broiler value; socioeconomic plan; livestock; agriculture; Jordan.

1. INTRODUCTION

Poultry sector took the lead in meat production [1,2], in both investment and productivity, the investments is estimated to be 396 million dollars which is formed more than 51% of livestock product [3], although providing more than 25000 permanent job opportunity, in 2015, this sector provided the local market with (86%) of broiler meat demands and (100%) of table eggs. the average consumption of broiler meat was 29.5kg per capita annually [4].

1.1 Mission and Vision Statement of the Broiler Farm

Mission: To satisfies customers with consistent quality poultry products and services. Profitability and growth will be achieved through efficient production, human animal treatment and employee development in a safe and supportive work environment.

Vision: To be a role model for poultry production.

1.2 Objectives

• Make a substantial contribution to the economic and social development of the region through employment.
• Supply quality and safety broiler meat in the region.
• Making a profitable enterprise to earn good income.

2. MATERIALS AND METHODS

2.1 Farm Description

2.1.1 Location of the farm

• The broiler farm will be established in between which is located in Zarqa Governorate and it is far away about 17 km from the capital Amman.
• Nearness of the farm to the city make easy access to market for the purchase of day old chicks, farm inputs (feed, etc.), and selling of broilers.
• The farm is distant from the community, have good infrastructure such as roads, electricity and water.

2.1.2 Farm description

• Farm Size: 5 dunnums (5000 m$^2$)
  - 3 dunnums (3000 m$^2$) for 1 broiler house, feed storage, equipment storage, office area, labor housing, and biogas unit.
  - 2 dunnums (2000 m$^2$) used for planting olive tree.
• Buildings:
  • The housing system is environmentally controlled houses with double layer insulated metal sheet roof, with artificial ventilation and cooling system, and all heating, lighting, feeding and water supply are automated.
  • Farm consists of 1 broiler houses, the area of the broiler house is (100*12=1200m$^2$).
  • Flock/Herd size: The house has a capacity to accommodate 24,000 birds per cycle.
  • Breed: we will choose the Hubbard breed in our business plan because it is available with good price and has a good performance and FCR, but we can choose one of the other breeds (Cobb, Ross, and Lohmann) in case of unavailability of Hubbard [5].
• Product + unique selling Point: broiler chickens 5 weeks old,

The proposed model of the Socioeconomic Plan for commercial broiler farm in Jordan was as follows.
2.2 Farming System Diagram

**BIO-PHYSICAL FACTORS:**
- Climate: hot in summer, moderate in winter
- Infrastructure: roads, electricity, water
- Location: Beren, Zarqa governorate

**PRODUCTION FACTORS:**
- **LAND:** 5000 m²
- **WATER:** The water source is from the municipality through pastures with high quality
- **CAPITAL:** 1 broiler house, 1000 birds of 5% (Pigs); a labour house of 350 birds; a store room of 54 m², equipment store, and a shed with a generator
- **LABOUR:** Head of the family, farm manager, permanent labor, 3 workers, 1 electrician, and 1 veterinarian
- **ENERGY:** Electricity and water company
- **INPUTS:** Day old chick feeds, vaccine

**SYSTEM COMPONENTS:**
- **VEGETAL:** Olive orchard (2000 m²)
- **ANIMAL:** 24,000 broiler chickens
- **FOREST:** Cypress trees around the farm

**PRODUCTS:**
- **VEGETAL:** Home consumption
- **ANIMAL:** Sales of chickens
- **FORESTAL:** Firewood

**Household (Farm owner):** Master degree in animal science. Commercial broiler farm (closed system)

2.3 Chain Map and Stakeholders

**Chain Map and stakeholders**

Production Plan Flock Size: 24,000 birds
Units: 1 environmentally controlled house, with area 1200 m².
### 2.4 Marketing Plan

There are two choices for selling broiler chickens

- For the transportation of the live chicken, the middlemen and the big slaughterhouses have big trucks for carrying the birds from farms to slaughterhouses or to Natafat (direct fresh or live selling market) [7].

**Product:** The main products of this farm, are healthy and good quality broiler chicken with live weight of 1.75 Kg/bird [5].

**Price:** The price of 1 kg live weight of bird will be 1.30 JD at the farm gate to the middleman, the middleman selling price to Natafat will be 1.34 JD, the Natafat selling price to consumer will be 1.45 JD.

**People (consumer segment):** the target customers will be both class (low and high-income consumers) through the informal and formal market.

**Place (channel):** The live birds will be distributed to Zarqa markets through middlemen and Natafat; some will reach supermarkets through slaughterhouses where the processing of birds used to take place.

**Promotion:** advertisement of our product because the high-quality broiler meat will be the key of our success through supplying formal and informal market with high-quality meat.

### 2.5 Housing

2.5.1 Buildings/unit

- The broiler houses are concrete structure closed system (100*12=1200 m²) with a
double layer insulated metal sheets roofs which have a reflective surface on the outside to help in reducing the conductance of solar heat and should be insulated.

- The floor should be made of cement, to prevent damage by rodents and to permit easy and efficient cleaning and disinfecting.
- The floor-level of broiler houses should be raised 30 cm above the outer ground level to prevent seepage of water into the house [5].

2.6 Sustainability Profile

- **People**
  Development of rural areas.
  Increasing job vacancies for citizens.

- **Planet**
  From the environmental perspective, the treatment of poultry manure represents the ultimate solution to the pollution and odor problems that threaten the population and the ecosystem at both local and global levels. Biogas plant will provide a clean and renewable form of energy. The use of biomass energy has many unique qualities that provide environmental benefits. Improving the soil, by using the fertilizer from the output of digestion.

- **Profit**
  Environmentally controlled broiler farms give a good profit because of the presence of high demand for broiler meat and suitability of local circumstances for the production of broiler chickens.
  Producing renewable fuel like biogas to provide basic energy needs, to generate electricity, burning for heating or cooking in animal farms will result in reducing the cost of electricity and energy which lead to a very good profit.

2.7 Innovation: Biogas Unit

- Number of birds per flock=24000 bird will produce 36 ton manure per cycle
- 5 kg of litter will produce 1 m³ biogas
- 36000 kg will produce 7200 m³ biogas
- 1 m³ of biogas will produce 2.1 kWh of electricity
- 7200 m³ of biogas will produce15120 kWh / cycle
- 15,120 kWh / cycle*8 cycles= 120,960 kWh/year
- The farm needs 18,750 kWh / cycle for lighting and heating
- The farm needs 150,000 kWh/year
- We will buy electricity in the first 2 cycles, and the remaining need of the farm in the next 6 cycles will be cover by our production from biogas unit.
- The next year we will try to buy a second biogas unit to cover all of our needs for electricity and we can sell also.
3. RESULTS AND DISCUSSION

The proposed project should generate revenues from sale of chicken after they have been raised for 6-7 weeks in the environmentally controlled poultry shed. Assumptions used for the product mix are as follows:

The Total cost for one year = FC + VC
= 39784 + 378013
= 417,797 JD

Revenue and NR:
The mortality = 5%
The total sale birds equal 22800 birds per batch
Revenue

Net result (Profit) = Revenue - TC
= 446,880 - 417,797
= 29038 JD

| Item                  | Amount | Price | total   |
|-----------------------|--------|-------|---------|
| Birds Sale            | 22800  | 1.75  | 39900   |
|                       | 39900  | 1.40  | 55860   |
| Total live weight kg  |        |       |         |
| Price                 |        |       |         |
| Total price JD        |        |       |         |
| 22800                 | 1.40JD/kg live weight | 55860 |
| Total per cycle       |        |       |         |
| Total per year        |        |       |         |
| Item                  | Amount | Price | total   |
| Feed                  | 72     | 350   | 25200   |
| DOC                   | 24000  | 0.3   | 7200    |
| Vaccine & drugs       |        |       |         |
| Water                 |        |       |         |
| Electricity (for the first and second cycle) |        | 700   |
| Heating (for the first and second cycle) |        | 1000  |
| Litter                |        |       | 600     |
| Miscellaneous         |        |       | 6256    |
| Total variable cost for one cycle (for the first and second cycle) | 42956 |
| Total variable cost for one cycle (for the rest 6 cycles) | 41256 |
| Subtotal variable cost per year (8 cycles) | 333448 |
| interest on variable cost 2% |        | 6668.96 |
| Total variable cost per year (8 cycles) | 340117 |

* 1 Jordan dinar JD equals 1.41 US $)

4. CONCLUSION

The controlled poultry farm is a project of livestock sector, The purpose of the controlled poultry provide all the facilities ranging from automatic operations of temperature control, feeding and nipple drinking system for the broiler birds, monitored by the concerned & technical staff. Broiler farming in a controlled environment is a profitable venture due to continuously increasing demand of the white meat in the market. Poultry is an important sub-sector of agriculture and has contributed enormously to food production by playing a vital role in the domestic economy. The initial cost of the project is including of initial working capital of 417,797 JD, Revenue and NR with a mortality rate 5% is 29038 JD, the innovation in this project is a biogas unit to reach sustainability goals.

ACKNOWLEDGEMENT

Major thanks to funding parties (Van haul University of applied sciences, Netherlands) and their professors for their support. Jordanian ministry of agriculture is highly recognized.

COMPETING INTERESTS

Author has declared that no competing interests exist.

REFERENCES

1. Wahyono ND, Utami MMD. A review of the poultry meat production industry for food safety in Indonesia. In Journal of Physics: Conference Series. 2018;953(1):012125.
2. Gerber P, Opio C, Steinfeld H. Poultry production and the environment — A review. Animal production and health division, Food and Agriculture Organization of the United Nations, Viale delle Terme di Caracalla. 2007;153.

3. Mehta R, Nambar R. The poultry industry in India. In Paper delivered at the FAO Conference on ‘Poultry in the 21st century. 2007;5-7.

4. MoA. Annual Report. Jordan's Ministry of Agriculture; 2014.

5. Cummings Research Park. Broiler management manual; 2009. (Retrieved on, 2011)

6. ROSS. Aviagen Broiler Breeders; 2011. Available:http://en.aviagen.com/assets/Tech_Center/Ross_Broiler/Ross_Broiler_Manual_09.pdf

7. Al-Sharafat BAD. Risk level in broiler production in Jordan Industry. Sciences, Research Journal of Biologica. 2009;5(4):550-557.

© 2020 Alhammd; This is an Open Access article distributed under the terms of the Creative Commons Attribution License (http://creativecommons.org/licenses/by/4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Peer-review history:
The peer review history for this paper can be accessed here:
http://www.sdiarticle4.com/review-history/53098