

COST BENEFIT ANALYSIS OF VILLAGE CHICKEN PRODUCTION IN PUTTLAM DISTRICT OF SRI LANKA: A CASE STUDY

**A.M.P.S.S. Wijayasena^{1*}, D.J. De Alwis², G.L.L.P. Silva³ and
M.N.D.F. Abeykoon¹**

¹ *FAnGR Asia Project, Faculty of Agriculture, University of Peradeniya, Sri Lanka*

² *Department of Economics and Business Management, Faculty of Agriculture,
University of Peradeniya, Sri Lanka*

³ *Department of Animal Science, Faculty of Agriculture, University of Peradeniya,
Sri Lanka*

**suranga04@gmail.com*

Rearing poultry in backyard was practiced in rural and semi urban households in Sri Lanka before 1950's. Poultry industry was transformed rapidly from backyard system to commercial farming during the past five decades in Sri Lanka. With the introduction of high producing layer and broiler strains to the poultry industry, the indigenous livestock population is gradually decreasing. Yet, indigenous chicken plays a vital role in terms of food security and providing an additional income source to the rural poor. Therefore, investigating the contribution of indigenous chicken to improve the livelihood of rural livestock farmers will be helpful in formulating policies for conservation and sustainable utilization of indigenous chicken. Data were gathered from the ongoing project titled GEF-UNEP-ILRI-FAnGR Asia, implemented by the University of Peradeniya, with the intention of securing and improving livelihoods of rural indigenous livestock keepers through utilization and conservation of indigenous farm animal genetic resources. Daily record keeping on poultry management activities was done for 10 weeks with the participation of 11 village chicken farmers selected using stratified random sampling. Research site was Karuwalagaswewa Veterinary Divisions in Puttlam district. Cost and benefit were calculated using farm budgeting model. A cash flow analysis was done and Net present Value (NPV) and Benefit-Cost (B/C) ratio were calculated. Accordingly, most of the farmers were middle aged and experienced farmers with high literacy rate and considerable land resources. All management activities were done by women. Feed, labour and veterinary care cost shares were 32.1%, 61.5% and 6.4% of the total recurrent cost, respectively. Cost for chicks was zero since the farmers produce chicks using natural brooding within the flock. Income from eggs accounted for 41% of the total benefits. B/C ratio was 1.27 and payback period was 9.48 months. Accordingly, NPV of the investment was Rs. 68,548. Around 43% of eggs produced were consumed by the households themselves. Therefore, nutrient requirements are fulfilled by village poultry farming. Other non monetary benefits include, manure production, weed and pest control, waste and agricultural byproducts recycling and conservation of valuable genetic resources. Initial investment for village chicken farming was low. Therefore, poultry farming could be a suitable tool for reducing the cost of nutrient food in households and securing households' protein intake which can reduce the village malnutrition. B/C ratio and payback period depict that village poultry farming is a profitable venture. Since NPV was a high positive value village poultry keeping secures the investments.

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