

SUBJECT SESSION - II
CONTRACT FARMING AND FUTURES TRADING OF
AGRICULTURAL PRODUCE IN INDIA
(SUMMARIES)

CONTRACT FARMING SYSTEM IN POULTRY SECTOR :
BANGLADESH EXPERIENCE

S. A. SABUR AND M. S. PALASH

*Dept. of Cooperation & Marketing, Bangladesh Agril. University,
Mymensingh, Bangladesh*

The present study has been undertaken to examine the system and performance of raising broiler under contract and non-contract farming systems in Bangladesh. The main features of broiler supply chain under Aftab Bahumukhi Farm Limited (ABFL) contract system are foreign parent stock farm, contract breeder farm, day old chick production, day old chick sales centre, contract grower farm, feed mill, processing plant, broiler sales centres and insurance scheme. Total annual cost per farm stood at Tk. 8,33,860 and Tk. 6,53,952 under contract and non-contract broiler farming system. The corresponding net return was estimated at Tk. 2,67,926 and 2,30,530. Low quality of day old chicks, shortage of weight, contracts itself, weakness in management, difficulties in getting fair insurance payment were the major problems identified in case of contract farming. However, the results of this study shows that the supply chain model used by ABFL produced excellent results. Contract farming for broiler was proved to be successful in integrating numerous small producers with a chain linked to quality input supplies. It has also been successful to some degree to protect the contract growers from unusual fall in broiler prices by paying the guaranteed prices.