

## Divisional Secretariat Division of the Batticaloa District

Mr. T. Paranthaaman<sup>1</sup>, Mr. R. Uthayakumar<sup>2</sup>

<sup>1,2</sup> *Department of Commerce, Faculty of Commerce and Management, Eastern University,  
Sri Lanka*

This study intends to analyze the relationship among costs, volume, and profitability of poultry farming for identifying its financial feasibility and vulnerability in comparative basis among broiler and layer poultry farming in the Manmunai North Divisional Secretariat Division of the Batticaloa District. Further, this study considered the actual cost incurred and real risks associated with poultry farming. This study would be a useful guide for the poultry farmers to undertake feasible and sustainable poultry farming, which could contribute to regional socioeconomic development and thereby to the national development.

The data were collected by interviewing 25 micro scale poultry farmers randomly selected from the farming community in study area. Further, information was gathered by discussion with consumers and middle men in the study area. The data were analyzed using methods of Marginal Costing Techniques, Ratio Analysis, Capital Budgeting Techniques on a standard scale of operation of 100 chickens on each type of poultry farming. Further this study incorporates qualitative information to disclose the extent of risk and feasibility associated with poultry farming.

The findings of this study show that both broiler and layer poultry farming are profitable, but, when comparing between the two, broiler poultry farming is more profitable than latter. Further, broiler farming returns back its initial investment in shorter period, 09 months, while it takes longer period, 30 months, for layer farming. Regarding risk analysis, it is found that the micro scale poultry farming is a risky business in general due to the dynamic market conditions, changes in input consumption rates and maintenance quality of chicken. The profitability is also found to be more sensitive to the market price, feed cost, output quantity and the normal loss. Thus, farmers shall concentrate continuously both on minimizing cost of inputs, chicks and feed, and maximizing output quantity with reduction of normal loss so that they could achieve sustainable profitability in poultry farming.