PROFITABILITY ANALYSIS OF LOCAL CHICKEN UND ER INTENSIVE CARE

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CERTIFICATION

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The poultry industry plays a vital role in food security and economic development ac ross the globe. Among the various types of poultry farming, local chicken production has gained significant attention due to its adaptability, resilience, and economic pote ntial. Local chickens, also known as indigenous or native chickens, are often raised i n traditional settings but are increasingly being considered for intensive care system s to enhance productivity and profitability (Adebayo & Oladele, 2020). The shift towa rds intensive management aims to improve growth rates, egg production, and overall performance while maintaining the hardiness and disease resistance of local breed s.

Profitability analysis in poultry farming is crucial for farmers and investors to determ ine the financial viability of production systems. While broilers and exotic layers do minate commercial poultry operations, local chickens offer unique advantages such as lower feed requirements, higher resistance to diseases, and a strong consumer pr eference due to their distinct taste and perceived health benefits (Adedeji et al., 202 1). Understanding the profitability of local chicken under intensive care requires a car eful examination of input costs, revenue streams, and management practices that o ptimize production efficiency.

The concept of intensive care in poultry farming refers to a controlled system where birds are housed in a well-structured environment with regulated feeding, vaccinatio n, and disease control measures (Olawale & Yusuf, 2019). Unlike free-range or semi-i ntensive systems, intensive care ensures that chickens receive a balanced diet, prope r ventilation, and protection from predators, leading to improved productivity. Howev er, the economic sustainability of such a system remains a subject of interest, as inc reased input costs may affect the overall profitability (Ojo et al., 2022).

Several factors influence the profitability of local chicken under intensive manageme nt. These include feed costs, housing expenses, labor, veterinary care, and market de mand for indigenous chicken products. Feed costs typically account for the highest percentage of production expenses, making feed efficiency a critical determinant of success (Adekunle & Ibrahim, 2023). Moreover, the ability to market local chicken at a premium price due to consumer preference can significantly impact profitability.

Local chickens are known for their adaptability to harsh environmental conditions, m aking them a valuable asset for rural farmers. Their ability to scavenge and survive o n minimal resources has made them popular in traditional farming systems (Nwagu et al., 2020). However, in an intensive care system, the challenge lies in balancing the ir natural resilience with the need for rapid growth and high egg production. Thus, un derstanding the cost-benefit implications is necessary for making informed decision s on adopting intensive management practices.

The demand for local chicken meat and eggs is rising due to increasing awareness o f their nutritional and organic qualities (Ajani & Fagbohun, 2021). Many consumers perceive local chicken as healthier than commercial broilers, which are often raised with antibiotics and synthetic feeds. This growing demand presents an opportunity f or farmers to maximize their profits, provided that production costs are efficiently m anaged.

Research has shown that with proper nutrition and disease control, local chickens ca n achieve better growth performance in intensive systems compared to free-range m anagement (Ogunbanwo et al., 2021). However, the capital investment required for h ousing, feeding, and veterinary services can be a limiting factor, especially for small- scale farmers. Thus, evaluating the profitability of intensive care for local chickens i s essential for guiding investment decisions and improving poultry production strate gies.

Additionally, government policies and support programs can influence the profitabilit y of local chicken farming. Subsidies on feed, access to credit facilities, and extensio n services can help farmers optimize production and improve financial returns (Bami ro & Adedeji, 2022). Therefore, a holistic approach that considers both economic and technical factors is necessary for successful local chicken production under intensiv e care.

Moreover, profitability analysis of local chicken under intensive care is an essential a

rea of study that provides insights into the economic feasibility of this production sy stem. While intensive management offers advantages in terms of productivity and di sease control, the financial implications must be carefully assessed. By understandi ng the cost structures, revenue potential, and market dynamics, farmers and investor s can make informed decisions to enhance the sustainability and profitability of loc al chicken farming.

1.2 Statement of the Problem

Local chicken farming has long been a vital source of income and nutrition for many poultry farmers in Nigeria. However, the shift towards intensive farming has brought both opportunities and challenges. While intensive management promises better gro wth performance and higher productivity compared to free-range systems, many far mers struggle with high production costs, particularly the rising price of feed, veterin ary care, and labor. Additionally, disease outbreaks and inefficient management prac tices often reduce profitability, making it difficult for small-scale farmers to sustain t heir businesses. Another major concern is market demand and pricing—many farmer s find it challenging to set competitive prices while covering production costs. Despit e these issues, there is limited research on the profitability of local chicken farming u nder intensive care, leaving many farmers without clear strategies for maximizing ret urns. This study aims to address these gaps by evaluating production costs, assessi ng growth performance, identifying key challenges, and analyzing market demand to

provide practical recommendations for improving profitability.

1.3 Objectives of the Study

The main objective of this study is to analyze the profitability of local chicken farmi ng under intensive management. Specifically, the study aims to:

i. Evaluate the production costs involved in raising local chickens under intensiv e care, including expenses on feed, housing, labor, and veterinary services.
ii. Assess the growth performance and productivity of local chickens in an inten sive system compared to traditional free-range methods.
iii. Identify key challenges that affect the profitability of local chicken farming un der intensive management.
iv. Analyze market demand, pricing strategies, and consumer preferences for loc al chicken meat and eggs.

1.4 Research Questions

Based on the objectives of the study, the following research questions are formulate d:

i. What are the production costs involved in raising local chickens under intensi ve care, including feed, housing, labor, and veterinary expenses?
ii. How does the growth performance and productivity of local chickens in an int ensive system compare to traditional free-range methods?

iii. What are the key challenges that affect the profitability of local chicken farmi ng under intensive management?

iv. How do market demand, pricing strategies, and consumer preferences influen ce the profitability of local chicken meat and eggs?

1.5 Justification

Several studies, such as those by Olomu (2011) and Adebayo & Adeola (2019), have examined local chicken farming in Nigeria, primarily focusing on traditional free-rang e systems and their contributions to rural livelihoods. Research by Udo et al. (2020) h ighlighted challenges such as high feed costs, disease outbreaks, and poor producti vity, but these studies largely overlooked the profitability of local chicken farming un der intensive management. The existing gap lies in the lack of a comprehensive anal ysis of production costs, growth performance, market demand, and pricing strategie s in an intensive system. Without clear economic data, farmers struggle to optimize t heir operations for better profitability. This seminar work seeks to fill this gap by eval uating the financial feasibility of local chicken farming under intensive care, assessi ng key profitability challenges, and analyzing consumer demand trends. The finding s will provide poultry farmers, policymakers, and investors with practical recommend ations to improve efficiency, reduce costs, and enhance market competitiveness in t he poultry industry.

CHAPTER TWO

LITERATURE REVIEW

2.1 Concept of Local Chicken Farming

Local chicken farming refers to the rearing of indigenous chicken breeds that have a dapted to specific environmental conditions over time. These birds are commonly fo und in rural areas and are known for their resilience, ability to scavenge for food, and resistance to certain diseases compared to exotic breeds (Adebayo & Adeola, 2019). Unlike commercial broilers or layers, local chickens grow at a slower rate but are high ly valued for their meat quality, traditional significance, and ability to thrive in low-in put systems (Olomu, 2011). In many African communities, including Nigeria, local ch icken farming plays a vital role in household food security, income generation, and c ultural practices.

One of the key characteristics of local chickens is their adaptability to extensive and semi-intensive management systems. Traditionally, these birds are raised under free-range conditions, where they scavenge for food, relying on household waste, insects, and grains from the environment (Udo et al., 2020). However, with increasing deman d for poultry products, there has been a shift towards more controlled production sys tems, such as intensive farming. Intensive local chicken farming involves providing b alanced nutrition, proper housing, and veterinary care to improve productivity and pr ofitability (Olawuyi & Omotosho, 2021). This shift aims to bridge the gap between th e high demand for local chicken meat and its relatively low supply.

Despite their economic and nutritional benefits, local chickens have lower productivit y compared to exotic breeds due to their slow growth rate and low egg production (M uhammad et al., 2018). Studies have shown that local chickens under free-range sys tems take approximately 20–24 weeks to reach market weight, whereas broilers attai n the same weight in 6–8 weeks (Akinmutimi et al., 2020). This slow growth makes l ocal chicken farming less attractive for large-scale commercial production. However, recent improvements in breeding, feeding, and management techniques under intens ive care have shown promising results in boosting their productivity (Eze et al., 202 2).

The profitability of local chicken farming largely depends on the management syste m used. While free-range systems require minimal investment, they expose birds to h arsh environmental conditions, predators, and disease outbreaks, leading to high mo rtality rates (Ojo et al., 2017). On the other hand, intensive systems, though costlier, e nsure better disease control, higher survival rates, and faster growth (Olawuyi & Omo tosho, 2021). Farmers adopting intensive care methods often invest in improved hou sing, formulated feeds, and regular veterinary services to enhance the performance o f their local chicken stock.

Consumer preference is another critical factor influencing local chicken farming. In Nigeria and many parts of Africa, local chicken meat is highly preferred over commer cial broilers due to its distinctive taste, lower fat content, and perceived health benefi

ts (Adebayo & Adeola, 2019). This high demand has led to increased market prices f or local chicken products, making it a lucrative venture for farmers who can effective ly manage costs and production efficiency (Eze et al., 2022). Understanding consum er preferences and aligning production strategies to meet market demand can signifi cantly improve the profitability of local chicken farming under intensive systems.

Moreover, local chicken farming remains an essential part of Nigeria's agricultural la ndscape, offering economic and nutritional benefits to farmers and consumers. Whil e free-range systems have long been the traditional method of raising these birds, int ensive management practices are increasingly being adopted to enhance productivit y and profitability. However, challenges such as high feed costs, disease control, and slow growth rates must be addressed to maximize the potential of local chicken far ming. By implementing better management practices and leveraging market deman d, farmers can make local chicken farming a more sustainable and profitable enterpr ise (Ojo et al., 2017).

2.2 Intensive Poultry Management System

Intensive poultry management refers to a farming system where chickens are raised under controlled conditions with optimized feeding, housing, and health care to maxi mize productivity. Unlike traditional free-range systems, intensive poultry farming en sures that birds receive balanced nutrition, adequate space, and disease control mea sures to improve growth rates and egg production (Adebayo & Adeola, 2019). This sy

stem is widely used in commercial poultry production due to its efficiency in meeting the growing demand for poultry products. Intensive farming is particularly beneficial for maximizing output while minimizing risks associated with environmental exposu re and predation (Olomu, 2011).

One of the defining features of intensive poultry management is proper housing and stocking density. Birds are kept in well-structured enclosures such as deep litter hous es or battery cages, ensuring protection from harsh weather, predators, and disease-c ausing pathogens (Udo et al., 2020). Proper ventilation, temperature control, and spa cing are critical factors in reducing stress and promoting healthy growth. Studies ha ve shown that maintaining the recommended stocking density—10 to 12 birds per sq uare meter in deep litter systems—enhances weight gain and reduces mortality rates (Eze et al., 2022). This structured environment allows for better monitoring of bird he alth and productivity.

Another essential aspect of intensive poultry management is nutritional optimizatio n. Birds in an intensive system are provided with carefully formulated feeds that mee t their dietary requirements for growth, reproduction, and overall health (Muhammad et al., 2018). Unlike free-range chickens that rely on scavenged food, intensively man aged birds receive high-protein and energy-rich diets, often containing maize, soybea n meal, poultry meal, and essential vitamins and minerals (Akinmutimi et al., 2020). Research indicates that chickens raised under intensive conditions reach market wei

ght 30–40% faster than those in free-range systems due to consistent feed intake an d minimal energy loss (Ojo et al., 2017).

Disease prevention and veterinary care are also crucial components of intensive pou ltry management. Since chickens are kept in close confinement, they are more vulner able to infections such as Newcastle disease, coccidiosis, and fowl cholera (Olawuyi & Omotosho, 2021). To prevent disease outbreaks, farmers implement strict biosecur ity measures, including routine vaccinations, disinfecting poultry houses, and restrict ing farm access to unauthorized individuals. A study by Eze et al. (2022) found that farms with effective vaccination programs had 40% lower mortality rates compared t o those that relied solely on reactive treatments. Proper health management reduces losses and ensures consistent production.

Despite its advantages, intensive poultry management comes with cost and ethical c oncerns. The initial investment in housing, feeding, and veterinary care can be expen sive, making it difficult for small-scale farmers to adopt (Adebayo & Adeola, 2019). A dditionally, some critics argue that keeping birds in confined spaces may lead to stre ss and reduced animal welfare. However, advancements in poultry housing designs, improved feeding strategies, and automation have helped address these concerns w hile maintaining profitability (Ojo et al., 2017). When managed effectively, intensive poultry systems can significantly increase productivity and income for farmers.

By and large, intensive poultry management is a modern approach to poultry farmin

g that enhances growth, productivity, and profitability through controlled feeding, ho using, and health care. While the system demands higher financial investment and c lose monitoring, it offers significant advantages over free-range farming, including f aster growth rates, better disease control, and higher yields (Olomu, 2011). As the de mand for poultry products continues to rise, adopting intensive poultry management practices can help farmers meet market needs efficiently while ensuring sustainable production.

2.3 Production Costs in Local Chicken Farming

The cost of production is a critical factor influencing the profitability of local chicken farming, especially under intensive management. Unlike free-range systems where c hickens scavenge for food with minimal human intervention, intensive farming requi res a structured approach, including proper housing, formulated feed, labor, and veter inary care (Adebayo & Adeola, 2019). These cost components significantly determin e the financial feasibility of local chicken farming. Farmers who understand and effe ctively manage these expenses can improve their profitability while ensuring sustain able poultry production (Olomu, 2011).

One of the major cost components in intensive local chicken farming is feed expens es. Since local chickens raised under intensive care do not scavenge for food, they re ly entirely on commercial or farm-mixed feed for growth and productivity (Muhamma d et al., 2018). Feed typically accounts for 60–70% of total production costs, as it m

ust be formulated to provide adequate protein, energy, vitamins, and minerals. A stud y by Udo et al. (2020) found that feeding costs significantly impact profitability, as f armers who optimize feeding strategies—such as supplementing commercial feed wi th low-cost agricultural by-products—tend to achieve better financial outcomes.

Another key cost factor is housing and infrastructure. Intensive poultry farming requi res well-ventilated housing structures to protect chickens from harsh weather, predat ors, and disease outbreaks (Eze et al., 2022). Housing costs vary depending on the materials used, farm size, and system of management. Farmers investing in durable housing, such as deep litter systems or battery cages, incur higher initial costs but be nefit from reduced long-term expenses on repairs and disease control (Ojo et al., 201 7). Studies suggest that well-maintained housing improves growth performance by **2 0–30%**, leading to better returns on investment (Olawuyi & Omotosho, 2021).

Labor and management expenses also contribute to the overall production cost. Unli ke free-range systems where minimal supervision is needed, intensive farming requir es constant monitoring, feeding, cleaning, and health management (Akinmutimi et a l., 2020). The number of workers needed depends on the scale of production. Small- scale farms may rely on family labor, while larger operations require hired workers, in creasing wage expenses. Research by Adebayo & Adeola (2019) found that labor ac counts for 10–15% of total production costs, and farms with efficient labor manage ment often achieve higher profit margins.

Veterinary costs are another significant expenditure in intensive local chicken farmin g. Disease outbreaks can cause severe financial losses, making preventive healthcar e essential (Olomu, 2011). Expenses related to vaccinations, medications, and biose curity measures contribute to overall production costs. A study by Udo et al. (2020) s howed that farms implementing strict vaccination and hygiene protocols had lower mortality rates (5–10%) compared to 20–30% in poorly managed farms. Although v eterinary costs can be high, they are necessary to maintain flock health and ensure c onsistent productivity (Eze et al., 2022).

In addition to direct costs, farmers must consider miscellaneous expenses, such as water supply, electricity, marketing, and transportation. These hidden costs, though o ften overlooked, can impact overall profitability if not properly managed (Ojo et al., 2 017). For instance, high fuel costs for transporting poultry products to markets may r educe net earnings, necessitating strategic location planning to minimize transportat ion expenses. Proper financial planning and record-keeping can help farmers track a nd control these operational costs effectively (Olawuyi & Omotosho, 2021).

Moreover, production costs in local chicken farming under intensive care are influenc ed by feed, housing, labor, veterinary services, and operational expenses. Effective co st management strategies, such as optimizing feed usage, investing in durable housi ng, improving labor efficiency, and implementing strong disease prevention measure s, are crucial for profitability (Muhammad et al., 2018). Farmers who understand the

se cost dynamics can maximize their returns and sustain their poultry businesses in a competitive market.

2.4 Growth Performance and Productivity of Local Chickens

Growth performance and productivity are key factors determining the profitability of local chicken farming. Local chickens are generally slow-growing compared to exotic breeds, but with improved management under intensive systems, their growth rates a nd productivity can be significantly enhanced (Adebayo & Adeola, 2019). Intensive f arming practices, including proper feeding, housing, and disease control, help local c hickens reach market weight faster and increase their egg production capacity. How ever, despite these improvements, local chickens still lag behind commercial broilers and layers in terms of efficiency, requiring strategic interventions to optimize their pr oductivity (Olomu, 2011).

One of the major determinants of growth performance in local chickens is nutrition. Traditionally, local chickens in free-range systems depend on scavenged food, which often lacks the necessary nutrients for optimal growth (Muhammad et al., 2018). Un der intensive care, however, farmers provide balanced diets rich in proteins, carbohyd rates, vitamins, and minerals, leading to improved weight gain and faster maturity. St udies have shown that local chickens fed commercial feed under controlled conditio ns reach 1.2–1.5 kg within 12–16 weeks, compared to 20–24 weeks in free-range sy stems (Udo et al., 2020). This accelerated growth enhances profitability by reducing t

he time required to reach market weight.

Another critical factor influencing productivity is disease management. Local chicke ns have higher natural resistance to certain diseases compared to exotic breeds, but they are still susceptible to infections such as Newcastle disease, coccidiosis, and fo wl pox (Eze et al., 2022). Intensive management systems reduce disease risks throug h vaccination, biosecurity measures, and prompt veterinary interventions. A study by Ojo et al. (2017) revealed that farms implementing strict vaccination schedules expe rienced mortality rates as low as 5–10%, compared to 20–30% in free-range system s. Lower mortality rates mean more birds survive to market age, improving overall pr oductivity and financial returns.

Egg production is another important measure of productivity in local chickens. Unlik e commercial layers that can lay 250–300 eggs per year, local hens naturally produc e fewer eggs—typically around 80–120 eggs annually (Olawuyi & Omotosho, 2021). However, intensive management, including proper lighting, balanced nutrition, and se lective breeding, has been shown to increase egg production. Research by Adebayo & Adeola (2019) found that local hens under intensive systems with optimized nutriti on and extended daylight exposure could lay 150–180 eggs per year, representing a 50% improvement over traditional systems. This boost in egg production enhances t he profitability of local chicken farming.

Feed conversion efficiency (FCE) is another indicator of growth performance. Comp

ared to commercial broilers, which have an FCE of 1.5–2.0 (meaning 1.5–2.0 kg of f eed produces 1 kg of meat), local chickens have a lower FCE, typically 2.5–3.5 (Akin mutimi et al., 2020). However, intensive management practices, such as formulating energy-dense diets and providing consistent feeding schedules, can improve FCE an d overall weight gain. A study by Udo et al. (2020) found that supplementing local ch icken feed with protein sources like poultrymeal and soybean significantly improved their growth rates, making them more competitive in commercial production.

Despite improvements under intensive systems, local chickens still have longer matu rity periods compared to commercial breeds, which limits their mass production pote ntial (Olomu, 2011). However, their unique meat quality, taste, and market preference make them a valuable alternative to broilers. Many consumers in Nigeria and other A frican countries prefer local chicken meat due to its firmer texture and richer flavor, w hich justifies its higher market price (Eze et al., 2022). By adopting best managemen t practices, farmers can bridge the productivity gap and enhance the competitivenes s of local chickens in the poultry industry.

However, growth performance and productivity in local chickens depend on proper n utrition, disease control, efficient feed conversion, and optimized egg production. Wh ile local chickens naturally grow slower than commercial breeds, intensive managem ent practices can significantly improve their weight gain, reduce mortality rates, and enhance egg-laying capacity (Muhammad et al., 2018). Farmers who invest in these

strategies can maximize the potential of local chickens, ensuring higher profitability and sustainability in the poultry sector.

2.5 Challenges in Local Chicken Farming under Intensive Care

Raising local chickens under intensive care presents several challenges that can affe ct productivity and profitability. While intensive management offers advantages suc h as controlled feeding, improved disease prevention, and better growth rates, farmer s still face significant hurdles that must be addressed for sustainable production (Ad ebayo & Adeola, 2019). These challenges range from high production costs and dise ase outbreaks to market constraints and limited technical knowledge. Understanding these difficulties can help farmers and policymakers develop solutions to improve lo cal chicken farming in Nigeria (Olomu, 2011).

One of the primary challenges in intensive local chicken farming is the high cost of f eed. Feed constitutes the largest expense in poultry farming, accounting for 60–70% of total production costs (Muhammad et al., 2018). Unlike free-range systems where chickens scavenge for food, intensive farming requires a consistent supply of nutriti onally balanced feed to ensure proper growth and productivity. The rising cost of ma ize, soybean, and other feed ingredients further increases production expenses, maki ng it difficult for small-scale farmers to compete with commercial poultry enterprises (Eze et al., 2022).

Another major challenge is disease management and biosecurity. While local chicke

ns are naturally more resistant to some diseases compared to exotic breeds, the high stocking density in intensive systems increases the risk of disease outbreaks such a s Newcastle disease, coccidiosis, and avian influenza (Ojo et al., 2017). Poor hygien e, inadequate vaccination, and exposure to infected birds can lead to significant loss es. A study by Udo et al. (2020) found that farms with poor biosecurity measures rec orded mortality rates as high as 30%, highlighting the need for strict vaccination sch edules, proper sanitation, and controlled farm access.

Housing and environmental management also pose significant challenges. Intensive local chicken farming requires well-ventilated and spacious housing to prevent heat stress, ammonia buildup, and respiratory diseases (Akinmutimi et al., 2020). Howeve r, many small-scale farmers struggle to construct proper housing due to financial co nstraints. Overcrowding and poor ventilation can reduce growth rates and egg produ ction, leading to lower profitability (Olomu, 2011). Research by Olawuyi & Omotosho (2021) indicated that farms with inadequate housing experience 15–20% lower prod uctivity than well-managed farms.

Market access and pricing issues further hinder the success of intensive local chicke n farming. Despite their higher production costs, local chickens often face stiff comp etition from imported frozen chicken and commercial broilers, which grow faster and are cheaper to produce (Eze et al., 2022). Consumers generally prefer local chicken meat for its unique taste and texture, but price-sensitive buyers often opt for cheaper

alternatives. Limited access to profitable markets, coupled with fluctuating demand, makes it difficult for farmers to sell their products at competitive prices (Adebayo & Adeola, 2019).

Another critical issue is limited technical knowledge and access to extension service s. Many farmers lack the expertise needed to efficiently manage intensive local chic ken production, including feed formulation, disease prevention, and optimal breeding strategies (Udo et al., 2020). Without proper training and support, farmers may strug gle with low productivity and high mortality rates. Studies have shown that farmers with access to agricultural extension services achieve 25–30% higher yields compar ed to those without technical assistance (Ojo et al., 2017). Expanding extension prog rams and providing training on modern poultry management can help bridge this kn owledge gap.

Moreover, while intensive local chicken farming offers the potential for higher produc tivity and profitability, various challenges must be addressed to ensure success. Hig h feed costs, disease outbreaks, inadequate housing, market competition, and limite d technical knowledge are major obstacles facing farmers (Muhammad et al., 2018). Implementing cost-effective feeding strategies, improving biosecurity measures, inve sting in better housing, and providing farmer education can help overcome these cha llenges and promote sustainable local chicken farming.

2.6 Market Demand, Pricing Strategies, and Consumer Preferences

The market demand for local chickens in Nigeria remains strong due to cultural prefe rences, perceived health benefits, and superior meat quality compared to exotic bree ds. Many consumers prefer local chicken (often referred to as "native chicken" or "har d chicken") because of its firmer texture, distinct flavor, and lower fat content (Adeba yo & Adeola, 2019). This demand is particularly high during festive periods such as Christmas, Eid celebrations, and weddings, where local chickens are commonly used in traditional dishes. However, despite this high demand, pricing strategies and mark et accessibility remain key challenges for local chicken farmers (Eze et al., 2022).

Pricing strategies in local chicken farming are influenced by several factors, includin g production costs, market competition, and consumer purchasing power. Compared to broilers, which reach market weight within 6–8 weeks, local chickens take 16–24 weeks to mature, leading to higher production costs (Olawuyi & Omotosho, 2021). A s a result, local chickens are typically more expensive than commercial broilers. Rese arch by Udo et al. (2020) found that the price of a fully grown local chicken is 30–5 0% higher than that of a broiler of similar weight, making affordability a concern for l ow-income consumers. Farmers must carefully balance pricing to ensure profitability while remaining competitive in the poultry market.

Consumer preferences for local chickens vary based on factors such as age, weight, and method of rearing. A study by Ojo et al. (2017) showed that 70% of consumers p refer mature local chickens weighing at least 1.5 kg, as they believe older birds have

better taste and firmer meat. Additionally, some consumers specifically seek organic ally raised local chickens that are free from artificial feed additives and antibiotics (Muhammad et al., 2018). These preferences suggest that farmers who adopt natur al rearing methods and effectively communicate their farming practices may attract a premium market segment willing to pay higher prices.

Market accessibility is another crucial factor in the profitability of local chicken farm ing. Unlike large-scale commercial poultry operations that distribute broilers through supermarkets and large retailers, local chicken farmers often rely on direct sales at li ve bird markets or roadside vendors (Eze et al., 2022). This informal marketing struct ure can limit revenue potential, as pricing is influenced by bargaining and seasonal f luctuations. Studies have shown that farmers who establish relationships with resta urants, hotels, and supermarkets tend to achieve 15–25% higher profits than those r elying solely on open markets (Akinmutimi et al., 2020). Developing reliable distributi on channels and branding strategies can help farmers secure stable market demand.

Another important factor influencing market demand is consumer awareness and ed ucation. Many consumers are unaware of the nutritional benefits of local chicken co mpared to commercial broilers (Olomu, 2011). Educational campaigns highlighting t he higher protein content, lower fat levels, and absence of antibiotic residues in local chickens could encourage more health-conscious consumers to choose them over c heaper broilers. Additionally, farmers who differentiate their products through organi

c labeling or certification may be able to target health-focused urban markets where demand for naturally raised poultry is increasing (Olawuyi & Omotosho, 2021). Moreover, the demand for local chickens remains strong, but pricing strategies, consumer preferences, and market access play critical roles in determining profitability. Farmers must balance production costs with competitive pricing, target consumer segments that prioritize quality over cost, and explore new marketing channels to expand their reach (Adebayo & Adeola, 2019). By adopting strategic pricing, improving distribution networks, and educating consumers about the benefits of local chicken, farmers can enhance profitability and sustain long-term success in the poultry industry.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology adopted for this study. It explains th e research design, population, sample size, and sampling techniques used to select r espondents. Additionally, it details the sources of data collection, the research instru ments employed, and how the validity and reliability of these instruments were ensur ed. The chapter also describes the methods used for data collection and analysis.

3.2 Research Design

The study adopted a descriptive research design to provide a detailed account of the problems and prospects of small-scale poultry farmers in Kwara State. This design e nables the collection of both qualitative and quantitative data, facilitating an in-dept h understanding of the challenges and opportunities within the sector.

3.3 Population of the Study

The population of this study consists of small-scale poultry farmers operating within Kwara State, specifically focusing on three prominent farms: TJ Farms located in Ol oje, Ilorin; Rex Farms situated in Egbejila, Ilorin; and K-Plus Farm, also in Egbejila, Ilori n. These farms represent key players in the local small-scale poultry farming sector, providing valuable insights into the challenges and opportunities experienced by far

mers in the region.

3.4 Sources of Data Collection

The study utilized both primary and secondary sources of data. Primary data were collected directly from the small-scale poultry farmers at TJ Farms, Rex Farms, and K-Plus Farm through structured questionnaires and face-to-face interviews. These methods enabled the gathering of firsthand information on farming practices, challenges, and access to resources. Secondary data were obtained from relevant books, journals, government reports, and previous research studies related to poultry farming in Kwara State. Combining these sources provided a comprehensive understanding of the research topic.

3.5 Research Instruments

The primary research instrument used for data collection in this study was a structured questionnaire designed to capture relevant information from the poultry farmers at TJ Farms, Rex Farms, and K-Plus Farm. The questionnaire contained both closed-ended and open-ended questions aimed at assessing the challenges faced, factors affecting productivity, and access to finance, quality feed, and technical training. Additionally, face-to-face interviews were conducted to complement the questionnaire responses and obtain more in-depth insights. The questionnaire was carefully prepared to ensure clarity and relevance to the study objectives.

3.6 Method of Data Analysis

The data collected from the questionnaires and interviews were systematically orga nized, coded, and analyzed using descriptive statistical methods. Measures of centra l tendency such as mean, median, and mode were calculated to summarize the data and identify key trends related to the challenges, productivity factors, and access to r esources in small-scale poultry farming. Frequency distributions and percentages we re also used to present respondents' demographic characteristics and responses. Ad ditionally, rankings based on mean scores were employed to prioritize the identified c hallenges and limiting factors.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.0 Introduction

This chapter presents the analysis and discussion of the data collected for the stud y. The focus is on examining the key findings related to the challenges facing small-scale fish farmers in Kwara State, the factors limiting their productivity and profitabil ity, as well as their level of access to critical resources such as finance, quality feed, and technical training. The results are analyzed using appropriate statistical tools, a nd interpretations are made in line with the study's objectives.

Table 4.1: Revenue and Expenditure from January-April, 2025

Poultry Farm	Total Revenue (₦)	Total Cost

		(₦)
TJ Farms	1,200,000	900,000
Rex Farms	950,000	850,000
K-Plus Farm	1,100,000	1,200,000

Source: Farm record, 2025

Table 4.1 shows that TJ Farms recorded the highest revenue (₦1,200,000) with a moderate cost of ₦900,000, indicating better profitability. Rex Farms earned the lowest revenue (₦950,000) with a cost close to its revenue (₦850,000), suggesting lower profit margins. K-Plus Farm had a high cost (₦1,200,000) exceeding its revenue (₦1,100,000), indicating a loss during the period.

4.2 Result

Profitability Index= $\frac{Total\ Revenue}{Total\ Cost}$

Profitability Index (PI) for Each Farm

Profitability Index $_{TJ\ Farm}$= $\frac{Total\ Revenue}{Total\ Cost} = \frac{1,200,000}{900,000}$ = 1.3333

Profitability Index $_{Rex\ Farm}$= $\frac{Total\ Revenue}{Total\ Cost} = \frac{950,000}{850,000}$ = 1.1176