

Sustaining a chicken farm in challenging conditions

By Patricia B. Mirasol
Reporter

SUSTAINING a broiler chicken farm in the face of low farmgate prices and increasing expenses necessitates strategic diversification, cost-cutting measures, and a hands-on approach, according to an expert.

"I have to be honest that being a commercial poultry farm, with the fluctuation of [broiler chicken] prices and the rising costs of inputs, it's tough," Raymond Peter G. de Asis, president of JJ Agriventures, Inc., said in an interview.

Raising chickens is a business that Mr. De Asis and his two siblings inherited from their father, Pablito, who started it in the 1970s.

The broiler business in Rizal, east of Manila, has grown from raising 4,000 chickens in rented poultry houses during the early days to running two permanent facilities with a combined capacity of 48,000.

"He (my father) built it little by little, increasing the number of birds he would grow, and mixing his own feed, *para mas matipid at mas efficient ang production* (so that production would be cheaper and more efficient)," Mr. De Asis said.

Running the business was simpler during his father's time, he said. Back then, May and December were the prime months for generating sales due to festivities.

Demand trends are tough to predict nowadays, Mr. De Asis said.

"The price fluctuations happen daily. Any profit you could realize, *matuwa ka na* (Be happy about any profit you could realize)."

The United Broiler Raisers Association has estimated that as of May 12, the average farmgate prices of regular-sized and prime broiler chicken in Luzon fell 10.96% week on

week to P101.50 and 8.51% to P104.07, respectively.

"*Kung sino may volume, siya 'yung nagdi-dictate ng price* (Whoever has the volume dictates the price)," Mr. De Asis said, adding that imports affect poultry prices.

According to the Philippine Rural Reconstruction Movement, the poultry market is struggling with excessive supply due to over-importation.

Poultry ventures require significant investment from farmers, with the cost of each chick reaching up to P40 and a sack of fertilizer amounting to P2,000. It typically takes around 30-40 days for a chicken to fully grow.

Additional expenses encompass maintenance, labor wages, electricity, and water.

Mr. De Asis suggested aiming for a recovery percentage above 90%, which translates to selling 16,200 out of 18,000 chickens. In the case of larger commercial farms, they aim to reach a recovery rate as high as 97%.

The feed conversion rate (FCR), which measures the amount of feed consumed by a chicken to gain one kilo of weight, is also significant. A lower FCR indicates better efficiency in converting feed into weight gain.

According to Mr. De Asis, the minimum number of chickens needed to start a poultry farm is not predetermined since it varies based on the specific market the farmer intends to cater to.

HANDS-ON MANAGEMENT

Achieving success in the broiler farming business requires thorough attention to every aspect of the operation.

Being a mere weekend farmer is not enough, as it is essential to delve into even the minutest details, Mr. De Asis noted. He himself goes to the extent of occasionally visiting his sites during nighttime.

"I visit the farm a minimum of three times a week... You can't just depend on your employees *na palaging sila*

ang titingin (to check on everything all the time)."

The chickens require regular monitoring by the farm's flock men, with a recommended frequency of at least every six hours, Mr. De Asis said.

Ideally, there should be one flock man responsible for every 6,000 chickens. It is the duty of the flock man to ensure an adequate supply of feed and water for the chickens, as well as to watch out for symptoms such as loss of appetite and a runny nose.

Individuals who engage in week-end farming face the risk of losing out because numerous unpredictable events may occur during the five-day gap between weekends, Mr. De Asis said.

WAYS TO CUT COSTS

Reducing costs is best achieved by selling products locally, thereby minimizing overhead expenses, according to Mr. De Asis.

JJ Agriventures, for example, sells its chickens to wholesalers or *viajeros*, who subsequently sell the chickens in the wet markets of Pasig, Antipolo, and Marikina.

The expenses involved in production are closely linked to the quality of the outputs. It is crucial not to compromise on the quality of chicks or the feeds provided to them, Mr. De Asis said.

Farmers who attempt to save money by purchasing low-quality feeds often face the consequence of waiting longer for their chickens to reach the desired weight, which can impact overall productivity and profitability, he noted.

Another significant cost factor to consider is the expense of constructing farm buildings.

For instance, a building with a capacity of 6,000 heads, designed with open sides, bamboo-slat floorings, and steel posts, can amount to approximately P3 million.

The De Asis farm features a combination of both old and modern buildings. At the second farm location, there are traditional wooden buildings supported by cement pillars, capable of accommodating a maximum of 18,000 chickens. The buildings at the first site have been redeveloped with a retrofitted tunnel ventilation system.

Implementing biosecurity measures plays a crucial role in cost efficiency by preventing the spread of pathogens between farms or within a single farm, according to Mr. De Asis.

The Agriculture department has established disease control protocols for bird flu, which involve promptly culling and disposing of affected poultry upon detection.

"We don't have a bird flu vaccine yet, so your main means of protecting your flock is biosecurity," Mr. De Asis said.

DIVERSIFICATION

Diversification is an important strategy for farmers to consider, as it involves nurturing additional income-generating activities on their farms.

Mr. De Asis said he actively encourages his nine farmhands to engage in planting vegetables and fruit-bearing trees.

By cultivating such crops, the farmhands have the opportunity to sell the produce externally, providing an additional income stream.

Mr. De Asis also said that while the income generated from these activities may not be substantial, it is still sufficient to cover supplementary expenses and maintain financial stability.

Furthermore, Mr. De Asis himself actively engages in diversification by growing native tree seedlings, including teak, katmon, and molave on the farm.

These tree seedlings are nurtured with the intention of generating profits in the medium-term.

Passion, grit, and "a lot of luck" are needed to succeed in broiler farming, he noted.

What investors look for in AI-powered startups

By Miguel Hanz L. Antivola

WHILE investors are enthusiastic about capitalizing on opportunities presented by startups leveraging artificial intelligence (AI), they also give high priority to assessing the practical applications and the specific needs being addressed, according to experts.

"We look at the deck: Is it viable? Is it scalable? Does it have economic potential? Does it solve a real problem?" Anna Irmira "Minette" B. Navarrete, co-founder and president of Kickstart Ventures, Inc., said in an interview.

In seeing traction, investors consider factors such as repeat purchases, feedback, and overall commercial output, she said. "We don't have a lot of traction data with AI," Ms. Navarrete noted.

Traction may not weigh as heavy as other criteria for businesses in early stages, but they should find their use-case and appropriate business model to gain such, she added.

Investors, she said, start to look for evidence and substantial data regarding product reach when the company is three to four years old already.

According to Brian Dy, the head of research at Kickstart, ChatGPT, a popular AI chatbot, achieved a remarkable feat by amassing 100 million users within a mere two months after its launch.

A study by global market research firm UBS said that ChatGPT is the fastest-growing consumer application ever recorded. In January, it garnered an average of 13 million unique visitors per day, which is more than twice the number it had in December 2022.

To put this into perspective, Instagram, a widely popular social media platform, took two and a half years to reach the milestone of a hundred million users, while TikTok, another well-known social media app, took nine months.

The global AI market size is expected to reach \$407.0 billion by 2027, with a compound annual growth rate of 36.2% during the forecast period of 2022-2027, according to a report by analytics firm MarketsandMarkets.

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