**ANALYSIS OF POULTRY INDUSTRY OF BANGLADESH AND**

**INTERNSHIP EXPERIENCE FROM**

 **KAZI FARMS LIMITED**

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**25th December 2018**

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**Executive Summary**

In Bangladesh poultry industry is flourished sector. Day by day this sector is emerging their market. In purpose of my internship I have to done a report of poultry industry where I have discussed about the current poultry market in Bangladesh as well as the analysis of its financial aspects, supply chain, product marketing, and competitors. Finally I have to analysis the market of the “Kazi farms limited” mainly focus on poultry hatchery. Here I tried my best to give a clear overview about poultry Industry and analysis of Kazi farms limited. New entrepreneurs and poultry producers whoever interested to know about poultry industry, I think this report will give a short preview about lots of information before entering the market. Marketing system and production process of overall poultry Industry are being highlighted through the marketing process and also discuss about the financial condition which will helps them of a poultry farm. According to some analysis it is notified that the grassroots level farmers of Bangladesh poultry suffering from high risk and lack of profit. Moreover, the distributors are not enjoying riskless profit because without risk profit is not possible. Right now there is insecurity and instability has founded in the market. Although most of the poultry based company are facing loss by operating business, I hope this report will help them finding their problem and gaining profit because here I have discussed about a prominent and successful poultry business farm in Bangladesh which is Kazi farms Limited. In this sector deadly thread of bird- flu make the investor fear to invest farther. In spite of the fear of bird-flu farms are investing more and more in this industry to take the advantage of the opportunity of less competition. Financial aspects of this industry are very attractive for investors because there is lots of tax advantage up to the level. The price of the raw materials was uncertain due to the high demand in the international market. This uncertain price creates problem both for the company and farmer. Bangladesh governments providing lots of facilities and the farmers are getting more expert day by day with the help of government and others private company. Because of the nature of the function, financial analysis faced some difficulties to finalize the report. As there is huge opportunity to invest and this is the most growing sector in Bangladesh, so it is highly possible to earn profit by take lower risk. Finally, it can say that Bangladesh poultry industry is ready to fulfill the country’s demand and in future Bangladesh poultry industry will be capable to export poultry product available in the world.

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**CHAPTER- 1**

**1. Introduction**

**1.1 Background**

Poultry sector is a cultivate sector in Bangladesh. Here I have discussed about the poultry Industry of Bangladesh and it’s analysis of financial aspects and competitors then finally analysis the “Kazi farms limited” that mainly focus on poultry hatchery. Here I have tried my level best to find out the current position of poultry industry and overall position of kazi farms limited. I have also empathized on the financial analysis of Kazi farms limited. Production process and marketing system of overall poultry Industry are highlighted by the marketing process and also discuss about the financial condition which will helps them of a poultry farm. In our country grassroots level farmers are in risk rather than profit. Even the distributors are not enjoying riskless profit because without risk profit is not possible. Rural people in Bangladesh consume less eggs and meat than people who live in urban area. As remote people can consume more, this sector should expand those are also. But some poultry based company are facing loss by operating business, for them this report will help them finding their problem and gaining profit because here I have discussed about a prominent and successful poultry business farm in Bangladesh which is Kazi farms Limited. Bird- flu makes the investor fear to invest farther but ignoring this thread farms are investing more and more in this industry to take the advantage of the opportunity of less competition. The price of the raw materials was uncertain due to the high demand in the international market. This uncertain price creates problem both for the company and farmer. Bangladesh governments providing lots of facilities and the farmers are getting more expert day by day with the help of government and others private company.

**1.2 Objectives**

My study objective can be divided into two segments. One is primary objectives and another one is secondary objectives

**1.2.1 Primary Objective:** primary objective of this report is to meet the requirements of the BBA program. Since I have completed the requirement course of my BBA program and now I am doing internship, so now I have to submit it to my supervisor for complete of my academic program. Also know more about poultry industry of Bangladesh.

**1.2.2 Secondary objectives:** This report helps me knowing the poultry industry of Bangladesh. This industry is progressing towards day by day as a safe production and they started producing antibiotic growth promoter free poultry food. Most importantly government of Bangladesh is allowing local poultry companies to produce poultry vaccines. Antibiotics are being prohibited in poultry feed by government but water soluble antibiotics are accepted.

This also helps me knowing the practices of poultry industry of Bangladesh. Selecting a suitable place or land is an important part who wants to start poultry business. Buying a land is a expensive part but it would be better if someone own the land because it will minimize the cost of initial investment.

As well as this report helps me Knowing future prospects of poultry industry and Investment opportunities. Unemployment problem is a major problem in a developing country like Bangladesh. So this sector is a great sector reducing unemployment problem in our country. Central Council of Poultry Industries president Moshiur Rahman said that we can't but to increase production feeding our people but we could concentrate to quality rather quantity and safe poultry production is one of our major goals.

**1.3 Significance**

Bangladesh is a developing country that recognized by United Nations in the month of independence and on the day of Bangabandhu's birthday 2018. In this Developing Country agricultural business has a great contribution as versatile season of Bangladesh most friendly for Agricultural business. So this report has a great significance both for the corporate policy maker and also me. Reading this report a policy maker can easily have a clear idea about our current poultry industry, where they should invest their money or not, how much profitable this sector will be, how much and what kind of risk and barriers they have to face. Since the beginning of the 21st century Bangladesh poultry industry has become an unparallel sector for gaining profit so this sector is growing rapidly and contributing our country economy in a huge amount. We could know from the statistic that almost 30% of GDP are contributing by this industry. So this report is a kind evidence for the current poultry industry that will help anyone to make any kind of decision about poultry industry. Even this report helps me a lot for having clear idea about how much profitable and growing sector this is. Working with this report I can understand that Bangladesh is a country where people are little bit poor for which they work against small amount of wages. As a result, any kind of industry, corporation, and company get their labor available with low labor cost. 66% of total labor forces of Bangladesh are working under in agricultural sector. The performance of this sector is growing day by day. Now days this sector is standing in a good position. Peoples are more interested than the before to Invest in this sector because they are getting more Attractive profit. Because of versatile season, weather of Bangladesh is good for Agricultural Business and it is also true that it is much better for the poultry industry. This poultry Industry is helping to removing the unemployment problem by making emplace opportunities for the people of Bangladesh and contributing to their living standard. So in future if I want to be the entrepreneur of poultry industry, this report will help me a lot for taking any kind of primary step. As I have knowledge about the future prospectus of poultry industry in Bangladesh.

**CHAPTER-2**

**2. Analysis of the industry**

**2.1 Specification of the industry**

There are three main operations or main concern and those are poultry feeds, poultry hatchery and poultry farms in the poultry industry. Poultry industry is all about this three operation. In this industry poultry feeds are preparing for the bird’s food and the farms are using this feeds for their own birds & sale it to the others as well. On the other hand, poultry hatchery and poultry farms are mainly preparing the chicken for the chicks and eggs. When the farms are well maintained this time chickens are giving eggs and also they are ready to sale it in the market for using as a meat. Poultry industry declared as an emergency sector: Poultry industry is mainly directly related with the people’s life. Because of we are eating eggs and chickens in our everyday life. But this is a problem as well if people are not aware about the different types of dieses of chickens. Now a day’s chickens are attacked by different types of dieses which are very dangerous for the human body if they don’t boil it properly. Government is also concern about this issues and which they are increasing caring over the poultry industry. Besides that, human also should more concern about these types of issues so that that can’t be carrying any big damage in the human body. Thousands of farmers are working in this sector so they have to be more care about this. So in an emergency bases this sector should be handle under the safety issues. If this sector doesn’t control by the proper monitor so the total population will be in under threat. This poultry industry is contributing in the total GDP also this industry has that capability to take the country forwards as like garments industry and shrimp industry as well. All of we know that garment industry is leading in the growth part of the total GDP. Now a day’s poultry industry is growing that much which is also an indicator that this sector also will do dominate in the market as a leading contribution in the GDP. People are more attractive to invest in this industry for those given reason. Commercially the poultry industry is growing rapidly in Bangladesh. There are almost 116.5 million of chickens and 13.47 million of ducks in Bangladesh and it is growing at a rate of 6.6% in a year. According to a 2006 census completed by the Department of Livestock Services and the Poultry Sector Development Project, there are approximately 38000 commercial poultry farms housing 124, 10,000 layers and 107,84,5000 broilers in Bangladesh.

**2.2 Size, Trend, and Maturity of the industry**

In Bangladesh, more than half of the people are based on agricultural and livestock farming. In 2017 almost 300 billion taka is invested in this sector. By this funding estimated that almost 150000 poultry farms are operating in the country. This poultry Industry contributes to total GDP by around 132.58 billion taka. Product of this industry is very essential for our daily livings. In Bangladesh Production systems of poultry are entering a new era catering the needs of consumers, society, and government by producing healthier and more diversified, further-processed foods in the coming years. This sector might be the driving forces to support the foreseen transformations for better economy in the country, a more health-conscious population, and the availability of new and affordable innovations. Rural poultry sector of Bangladesh has an important role developing economy for generating income and employment of small and landless farmers and for improving nutritional status of the population. Poor rural farmers have kept poultry birds over the years, because of small individual requirement for feed, housing, water, and other production inputs.

 The poultry sector is an most integral part of farming systems that has created both direct and indirect employment opportunity, improved food security and enhanced supply of quality protein to people’s meals, contributing country’s economic growth and reducing poverty level in rural and urban areas of Bangladesh. Present meat and egg production can meet only 68 and 64% of the national demand. But the demand for meat, egg and meat and egg products have been expanding dramatically with income growth, population growth, urbanization and dietary changes. Considering this factor both government and the private sector are working together solving the problem in poultry industry through various development activities. Government is trying to encourage private sectors and NGOs to undertake steps for the development of poultry by liberalizing its present policy poultry industry of Bangladesh.For increasing poultry meat production in the face of rapid population growth, government policies related to poultry sector development changed over the years. To analyze the trends in poultry population and production over the 35 year period (1971-2005), the period is broken down into three sub-phases in order to determine the trends during these phases which signify start of the commercial poultry sector and policy development in sequence. From 1971 to 1980 the status of poultry population & production before commercial poultry farming system started in Bangladesh. From 1981 to 1990 the status of poultry population & production after commercial poultry farming system started in Bangladesh. From 1991 to 2005 the status of poultry population & production after poultry development policies imposed by the government in order to expand commercial poultry farming system as well as poultry meat production.

Contribution of Livestock and Poultry in the National Economy in Bangladesh is huge. Single factor is contributing in the total economy of the country. Almost 44% of the total intake of a human body is comes from the livestock’s products. This industry also is playing the role in the socio economy. This industry is all about the daily demand and also the supply of the products. Because of its demand and supply is suffering every day. This industry has made more than 6 million people employments. In the 90s there was around BDT 15 thousand every million of investment and it was more than double in the next two decade. This is really surprising to make the investment in that level. This was happened just for its growth. Poultry industry of Bangladesh is continuously contributing in the national economy. I have a figure which will give clear picture that how and in which amount this industry is contributing in the total macro economy of the country. The figure is given below –

Benefaction of poultry industry in the Bangladesh economy:

**

Figure 2.2.1: Contribution of poultry industry economy of Banglades

Source: Online

Over the last 20 years number of commercial poultry farms in Bangladesh:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Year | 1995 | 2000 | 2005 | 2007 | 2010 | 2015 |
| Number of farms | 60 | 102 | 120 | 147 | 55 | 65 |

Chart 2.2.1:Commercial poultry farms in Bangladesh last 20 years

Source: Online

From the chart we can say in 1995 there were 60 commercial poultry farms in Bangladesh. From 1995 to 2000 it increases 60 to 102. By Increasing 2000 to 2005 it became 120. From 2005 to 2007 its number was in highest position like 147. From 2007 to 2010 number of poultry farms had decreased to 147 to 55. 2010 to 2015 it again increased 55 to 65.

**2.3 Seasonality**

By the study found that the price and demand of broiler and native chicken was fluctuated in different seasons. The reasons for fluctuation given below-



Figure 2.3.1: seasonal price index

Source: online

* In the month of mid-November to January the price of broiler is lower. As a result the supply of broiler on those months increase and consumers demand decrease.
* The broiler price was almost same in nature during the month of February to October and the price fluctuation is very little. The supply of and demand for broiler is static over the month.
* In case of native chicken, price was lower in the month of December to January. The reason might be diseases (ND) out broken on those months was high and demand for native chicken would reduce.
* The price of native chicken was higher and more or less static in nature during those time periods In between mid-May to mid-September. It might be fresh and healthy chicken were available in the market and demand was also increased due to various occasions such as marriage ceremony, picnic party, Eid, Puja, and so on.

**2.4 External economic factors**

For extended knowledge about poultry industry of Bangladesh and how the companies are act against its competitors and external factors I have to do the industry analysis. I have tried my level best to analyze the whole poultries industry in Bangladesh. For doing this, leading economic characteristics of the industry that followed by the 5 forces analyses have been identified.

Dominant Economic Characteristics of the Industry:

The dominating economic characteristics are the factors that influence the overall operations of the players in it. The following table is the summary of the factors and this table will help to understand the external factors that can have affect on poultry industry.

|  |  |  |
| --- | --- | --- |
| Factors |  | Description |
| 1. Market Size
 |  | 35% in day old chicks and 20% in feed. |
| 1. scope of competitive rivalry
 |  | National in some rare cases it is regional. |
| 1. market growth rate
 |  | 10% annually an on average. |
| 1. life cycle stage
 |  | Mature, related with the population. |
| 1. target and end consumer
 |  | The agent is the target consumer. However the end consumers are the general people. |
| 1. type of distribution channel used
 |  | Sales-office, distributes, farmer, consumer |
| 1. product characteristics
 |  | Standardize and no scope of customization. |
| 1. scale economic usage
 |  | Moderate too high, largely depends on projected annual demand. |
| 1. industry profitability
 |  | It is affected by the state of national economy |
| 1. Capacity utilization
 |  | 100%utilization. |

Table 2.4.1:dominant economics characteristics factors with its description

Source: Online

**2.5 technical factors**

Technology refers systematic treatment. Without use of modern technology a poultry farm can’t think of their existence. Better technology is important for hatching eggs, chicks in a large scale. Sometimes lots kind of virus can effect in the farms but better technology can prevent this entire problem. For producing feed meal for chicks and feeding the chicks also depend on better technology

 Now a day’s most of the company all over the world use BAUER technique. From around the world company BAUER technique uses the latest scientific knowledge and farmer’s experience. Modern poultry farm breeding is a complex of top technologies. For functioning as a balanced unit, it is important to have not only the appropriate technology, but especially the experience and a team of top-class specialist’s architects, builders, livestock specialists, feed specialists, feeding and genetic specialists, electrical engineers and others. Chances of success have only the complex designed farms, without compromising on technology, construction of buildings and technological processes. Without high end electronics, there is no chance to ensure standard high results. The company BAUER technique offers for all categories of poultry complex supply of structures and technological units. We prepared the high-end systems of feeding, watering, ventilation and heating, microclimate management, control systems, lighting, egg collection etc.

3D printing prosthetics is the life saving for the poultry industry. The on-site printing of plastic or metal parts when the ones on the farm require replacing poultry operations would benefit from. The head of mechanical and chemical engineering University of Western Australia Tim Sercombe has developed a printer that would use [a metal powder](http://www.abc.net.au/news/rural/2016-08-17/3d-printing-in-agriculture/7750954) that represents about 20 percent of the total cost of the part. Smaller part sizes might take a day to complete, but when compared to ordering and waiting for delivery of a part, the potential to save downtime on a farm could be considerable.

In the outside country poultry farms use Robot. Robots can assist with multitudinous number of repetitive tasks. Poultry houses require robot cleaning and sanitizing, collecting eggs and checking birds. This is not time-consuming, monotonous work, and it would not bother a robot. Robots are more precise but honest about the work they do compared to their human counterparts. So in Bangladesh it is important to adopt on lots of sophisticated technology and technological factors. Otherwise a company can’t be capable to survive in the market.

**2.6 Political, legal, and regularity factors**

As we know poultry industry is a growing sector in Bangladesh but when a new company wants to entre in the market they have to face some political, legal and regularity factors. Even all the existing company in the market has to concern about these political, legal, and regularity factors.

**Factors are:**

* When political condition of a country is unstable this situation can reduce the demand for poultry product and also supply of poultry product can be affected by unstable political situation
* Political situation may affect to collect raw material of poultry feed from abroad country.
* the tax exemption on poultry will also come to an end by June 2011
* Poultry raw materials prices have hiked up sharply in the international market and for this the production costs have also hiked up.
* The banks interest rate in poultry sector is very high even lot of hidden charges and costs are associated. NGOs and also Grameen bank should play more active role to lower the interest rate for poultry sector under their social business program so that rural people can be motivated.
* In the recent year NBR is trying to impose new taxes on maize import as a result this has created problem as maize is the key ingredient to prepare poultry feed.
* Legal liability concerns Food safety regulations for Consumer demand for quality
* Federal budget constraints related to Discretionary spending and budget shortage for Desire for locally produced foods Management style
* Government can give restriction if the any farm is a reason for pollution of environment
* Consumer demand for low prices Landowner perspectives of threats to property rights federally funded agricultural research.

**2.7 barriers to entry**

In Bangladesh poultry industry there are lots of barriers to entry although poultry industry is the most growing industry. In Bangladesh input and output markets is inadequate even unorganized and not industrialized. As well as input sectors specifically the drugs and equipments are partly manufactured locally which is partly imported. Other major barriers for the potential investors in poultry industry are scarcity of raw materials as well as inadequate and irregular power supply has been mentioned. For entry in the market farms need a huge financial support but the interest rate of bank loan is very high. So lack of enough capital most of potential farms can’t not entry in the market. Even marketing is another weakest link in the poultry livestock development program and it is largely exploited by the middle men thereby reduce profit margin with unstable weather and price fluctuation. Outbreak of diseases in poultry industry are the another factors that is a barrier for entry of a farm because they are in risk for profit. For sustainable development of the poultry sector Government should encourage private investment in livestock sector but quality assurance of day old chicks, drugs, vaccines, feeds, breeding materials through legal and regulatory framework is necessary. Even Government should widen its approach to planning for the poultry sector by increasing budget allocation for the development of this sector along with policy intervention focusing on technical and productivity issues.

**2.8 supplier power**

Suppliers of poultry industry are normally farmers and supply chain management from remote to urban areas. In this industry for doing a successful business a company should develop its supply chain management. As many companies for the same products are available in the market a strong supply chain management should be built. Faster supply management can bring a great profit for a farm. Here bargaining power of supplier in poultry industry is moderate to high. Farmer makes the major input to the production of poultry products is feed. It usually constitutes of large amount ongoing production cost. Suppliers should have supply this product to the company on time. Some equipment used in the industry is very sophisticated. Electronic climate controls, special feeders, drinkers, foggers for cooling chickens with a fine spray into the air, and also increasing the shed humidity, egg incubators, space heaters litter mixing machines etc are all supplied by specialist companies. Antibiotic and vaccine are the important elements for the poultry industry for preventing the outbreak of virus affection or bird’s flues. So in this industry suppliers are selected or chosen based on current competition basis.

**2.9 Buyer power**

Buyers of poultry industry are like Individuals, hotels, Restaurants, and fast food shops etc. the power of buyers describes the effect that one’s customers have on the profitability on business. Transaction in between buyer and seller creates value for both parties. Bargaining power of buyer in poultry industry in Bangladesh is low as the substitute product is not in wide verity in poultry sectors according the demand of buyer. So when buyer are in large number but suppliers are low so it’s reduce the power of buyer but creates power for seller. But the price, quality, brand loyalty is important for attract more customer for buying a specific brand. Company should focus on their marketing system because when they go to shop buy poultry product as their name come first to their mind. It is noticed that most of the buyer think about their comfort and nearby market.

**2.10 Threats of substitutes**

Substitutes are like meat from alternative sources and eggs of other birds or change of food habit. As substitutes products are available in the market and consumer switching from specific brand so it can be threats for the poultry farms. By my analysis of five forces model it can be said that threats of substitute’s product in poultry industry is low because poultry products are related in our daily consuming chart. Two tables that are given below have a clear thought of market share of broiler feed and marker share of day old chicken. Two tables will help to analyses the challenges and opportunity for a newer company.

**Market share of top 5 companies (sector of broiler feed):**

|  |
| --- |
| **Market share of top 5 companies (sector of broiler feed)** |
| Companies | Market share | Ranking in 2017 |
| Nourish | 30% | 1 |
| Paragon Poultry Limited(PPL) | 26% | 2 |
| Afttab Bahumukhi Farms Limited(ABFL) | 22% | 3 |
| Kazi Farms Limited | 20% | 4 |
| Aman Feed Limited | 16% | 5 |

Table 2.10.1: Market share of top 5 companies (sector of broiler feed)

Source:sales and marketing department of KFL

**Market share of top 5 companies (Day Old Chicks Sector):**

|  |
| --- |
| **Market share of top 5 companies (Day Old Chicks Sector)** |
| Companies | Market share | Ranking in 2017 |
| Kazi Farms Limited | 45% | 1 |
| Aftab | 20% | 2 |
| Paragon | 10% | 3 |
| Nourish | 7% | 4 |
| ACI | 5% | 5 |

Table 2.10.2: Market shares of top 5 companies (DOC sector) in BD

Source: Sales & Marketing Department of KFL

**2.11 industry rivalry**

As there are lots of established competitors in the market, I think they can be barriers to entry for launching a new business besides others factors like governments influences and financial factors. So we should have a clear idea about the competitors. We should know their opportunity, weakness, strength. A short summery about others competitors profile are given below-

**Paragon Poultry Limited:** Paragon Poultry Limited started its journey in 1993 with its commercial layer operation at Gazipur. It is one of the largest integrated poultry farms engaged in the production of day old commercial chicks, table eggs, and poultry feed in the country. It is also a private limited company. Over the past 9 years, it has expanded its operation into production of day old chicks and poultry feed. PPL has been the pioneer in introducing state of the art technology and advanced know how in poultry farming and hatching industry in Bangladesh. PPL has also been one of the leading poultry feed manufacturers in Bangladesh. As Paragon understands and believes the endless effort should be continued to keep the highest standard and the leading position in the market. It has been successful in establishing its brand name in the market by maintaining a rapid market growth and gaining buyer confidence

 **Nourish:** Nourish mainly wants to produce and supply the quality products to the customers and also maintain the quality by using the updated technologies. It is one of the biggest farms which are operating its business in Bangladesh. They want to maintain a good relationship with the society and also delivering the quality product to be in a competitive position in the industry. They always try to offer a competitive price in the market with good quality product in comparison with the market leaders. Day Old Chicks broiler, Day Old Chicks layer, feed mill for self-consumption and sales. DOC Broiler, DOC Layer, Feed mill for self- consumption and sales. Nourish started its business with a hatchery and soon they establish the feed mill. Nourish is one of the fasted growing company in the poultry sector. But its growth is now stalled in position due new investment and less effort in the marketing. Due to their good will for chick’s quality, they capture a good share of feed market very fast

 **New Hope Feed Mill Bangladesh Limited:** New Hope began production at its newly-built feed mill in Gazipur earlier this year and has the capacity to become the biggest in Bangladesh. It is one of China’s biggest animal feed producers already producing finished feed in Bangladesh. The “New Hope Feed Mill” is now producing and selling poultry feeds under its New Hope brand. New Hope has entered the Bangladesh market at a difficult time, facing double trouble from the 16-month long outbreak of H5N1 avian influenza and high input costs that are stopping some producers from re-starting business. New Hope has already invested $5.0m in Bangladesh and is sole owner of the new 30 ton ne/hour (t/hr) capacity plant. New Hope Feed Mill is a new feed mill in Bangladesh which is operating its business activities under New Hope Group

**Aftab Bahumukhi Farms Limited:** In 1991 Aftab Bahumukhi Farms was founded and it was established at Bhagalpur, Bajitpur in the district of Kishoregonj, which is about 110 km northeast of Dhaka City. The main objectives of Aftab Bahumukhi Farms Limited were to provide and make available good and hygienic sources of poultry protein, dairy product, fish, vegetables, cereals etc. It has the following operational division under the field of activities

* **Aftab Poultry** maintain parent (Breeding) stock in own farm & through contract growers. They Produce 2 million day old chicks per month in a modern Hatchery. Produce broiler chicken through contract growers, processing chicken by modern poultry processing plant. Marketing & distributing Day Old Chicks, Live, dressed & portioned chicken throughout the country by its own distribution system.
* **Poultry Feed Mill** was first established primarily to provide balanced feed for the ABFL own poultry. It was later expanded to meet the demand of poultry feed for the larger section of the growing market. At present ABFL has 3 feed mills with capacity of 10000, MT/Month& distributing balanced feed to the farmer throughout the country by its own distribution system.
* **ABFL** also has taken a venture to establish another fully automatic feed mill with capacity of10000 MT / Month at Rupsi, Rupgonj, Narayangonj.
* **Aftab Fisheries** is very much in rudimentary stages of development. It has at present 25acres of water area and plans to develop a water area of 200 acres in near future. It productsare marketed in Dhaka through its own sales center.
* **Aftab Agriculture** involves some highly prospective land areas in Bajitpur, Kuliarchar. ABFL working with Chinese company for introducing hybrid rice seeds in Bangladesh.

**ACI Godrej Agro vet Private Limited:** Godrej is a leading private limited company which is operating in India. Godrej is a pioneer in the packaging of the meat business in India. This farm is an also market leader in the Indian poultry industry. Recently this company comes to Bangladesh and merges with ACI Company of Bangladesh. Those two companies by merging made a new company which is named by ACI Godrej Agro vet Private Limited Company which is operating in Bangladesh. Now a day this new farms are also taking a good position in the market. They had set up a big automated fishes and poultry feed mill in sirajganj.

**Aman Feed Limited:** Aman Feed Limited Company had started their commercial operation or production from the year of 2006. It is a feed company which is operating their business in the poultry industry in Bangladesh. This farm was established on 7th February, 2005 as a private company under company act 1994.The Registered office of Aman Feed Limited is located at 9, Rajuk Avenue, Motijheel C/A,Dhaka-1000 and their main factory is located at Ratan Kawak, Ullahpara, Sirajgonj on a total land area of 284.00 decimals of its own. The factory has established with modern machineries imported from Germany. The Corporate Office of this Company is located at 2, Ishakha Avenue, Sector#6, Uttara, Dhaka-1230.

**2.12 Summary of challenges and opportunity**

Poultry industry is a growing and established sector in Bangladesh. As this sector already established so lots of substitute product is available in this sector but scale of substitute according to peoples demand is very low. Those substitute products is a threat for a new company who wanted to start their business. Even bird flu in the poultry farms a great threat for the company because it causes a farm has to face a huge loss of profitability. Lack of capital, scarcity of raw material, equipment and technology are the challenge for poultry farms in Bangladesh. For understanding the competitiveness of a business environment, for identifying strategy's potential profitability and opportunity; threats Five Forces is a simple but powerful tool. The five force analysis is done on the basis of the most important 5 driving forces of the industry. While doing the analysis, information gathered in the previous table is used. Outcomes from the analysis are.

**2.12.1 Five Force Model**

A. Due to population growth High market growth.

B. Exit barriers of this industry are very high due to high investment scope.

C. Specialization knowledge for the technology and research is must for a player.

D. Access to distribution channels are time consuming and very hard.

E. Substitute products are available.

F. The players are so big and powerful more than enough to influence the input of costs.

G. In this industry suppliers are selected or chosen based on current competition basis.

H. Many companies for the same products are available in the market.

I. End consumers are not absolute aware of the quality of the consumed products.

|  |
| --- |
| **At a Glance Five Force Model**  |
| Thread of potential entry | Threat of substitute products | Bargaining power of the buyers | Bargaining power of the suppliers | Rivalry among the competitors |
| * Very high
 | * Very Low
 | •Very Low | * Moderate to high
 | * Moderate to high
 |

**CHAPTER- 3**

**3. Analysis of the Organization**

**3.1 Overview and history of kazi Farms limited**

**Kazi Farms Limited**

Kazi Farms Limited is private limited company and a leading company in the poultry business. It is an agro business farm and currently the largest poultry hatching and day old chick production facility in the country. They produce Day Old Chick (DOC) and feed and import “Grand Parent” (parent of parent stock &grandparent of day old chicks).Kazi Farms Limited was formed in 1996. Through their product quality and effective employees now this day expanded rapidly. KFL supplies product into all over the country and has approximately 6000 employees in Bangladesh and 300 employees in the head office. KFL has 12 hatcheries and 2 feed mill in the country and it is largest feed mill in south Asia. They have 1200 agents in Bangladesh. In 1996 Kazi Farms Limited was started as a new company to produce the eggs in the hatchery. In the following year KFL started own parent company in the year of 2004. In the year of 2006 KFL established country largest advance breeders feed mill which was started by using the technologies from the USA. Kazi Farms started their operation in proper way and they made it successful in a short time period and they also started to export the eggs by filling up the domestic demand. KFL start different sales store in all over the country. And also they started export it in the Middle East and Nepal and also in the country of Oman

**Mission:** Producing best quality Day Old Chicks and broiler feed of the country, compatible with International standards is the mission of the Kazi Farms. The future of the poultry industry inBangladesh is promising and dynamic. Competition is becoming harder. Only the fittest will survive. Procedures must focus on quality and productivity. Kazi Farms has prepared for the future by building world class facilities and mastering new technologies. Foreign companies are setting up and expanding operation here.

**Vision:** Kazi Farms Limited wants to become one of the most leading companies in poultry sector of Bangladesh.

 **Grand Parents (GP):** Kazi Farms Limited is the Grand Parent (GP) franchisee for the Cobb and Arbor Acress Plus breeds in all over the Bangladesh. GP farms of our company are located in the most versatile areas in the country and are well protected from any disease chances. All GP sheds are closed so that no wild birds can enter, and have tunnel ventilation to regulate temperature. Farm‟s workers are working in live on the farm and a strict no-visitor’s policy is enforced by the company. The Grand-Parent flocks are fed almost 100% vegetarian feed made without any kind of meat, bone or fish meal to prevent possibility of bacterial contamination. Thakurgaon is a place which is uses single stage incubators for the best policy hatchery in hygiene and in this place the eggs are hatched at our GP hatchery in Thakurgaon. The parent stock chicks are producing which are guaranteed free from salmonella. Technicians from Cobb-Ventures had rated the productivity of our Grand Parent flocks are being among the best in Asia. The breeding farms in all over the Bangladesh of the Kazi Farms Limited use Cobb 500 and Arbor Acress Plus parent chicks produced by Kazi Grand Parents. As we are our own largest customer, we are extremely serious about product quality. We guarantee our customers that they will get chicks which are equal in quality Cobb 500 and Arbor Acress Plus parent stock imported from any country in the world.

**Parent Stock (PS):** Broilers are a type of chicken which is raised specifically for meat production. Now a day’s in modern commercial level broilers, typically known as Cornish crosses or Cornish-Rocks. This are specially bred for large scale, efficient meat production and grow much faster than egg or traditional dual purpose breeds. They are noted for having very fast growth rates, a high feed conversion ratio, and low levels of activity. They have white feathers and yellowish skin. This cross is also favorable for meat production because it lacks the typical "hair" which many breeds have that necessitates singeing after plucking. Both male and female broilers are slaughtered for their meat.

**3.2 Trend and Growth**

Kazi Farms is one of the best companies for producing day old chicks (DOC) in Bangladesh. Every day they need huge DOC to full fill market demand. They have almost 4, 00,000 per day DOC provider across the country. Here showing how they maintain there their supply chain and distribution process. KFL supply chain and Distribution are mainly segmented in two parts:

Production and Distribution: Part one consist of six points such as GP > PS > DOC > Hatchery > Sales Centre > Distributors/ Agents. It is a chain work. We know that, DOC comes from Parent Stock and Parent Stock comes from Grand Parents. After producing of DOC at first KFL send all DOCS at their own sales center through their own transportation. Every sales center distributes DOC to the agents as per quota. Surplus DOC moves out to another nearest sales center where there are no hatcheries. This task is called weekly schedule and done by corporate office of KFL.

Post production and distribution: Part two consist of four points such as Farmer > Whole sellers > Retailers > Consumers (End-user). Farmer purchase DOC from KFL Agents/ Distributors. It's recommended that Day Old Chicks must be placed in the shed within very short time. That why KFL send it to the sales center very swiftly and agents take it and sell it to the farmer and farmer brings the Day Old Chicks into the shed. Otherwise Day Old Chicks can be died. In the case of live broiler operation, they send day-old chicks in their own shed and after 28-30 days when chick’s weight become 1 kg to 1.5 kg then it sends to the wholesale center. Whole seller sells to retailer at the rate of Tk. 110-115/Kg. Retailers sell it to end users or final customer at rate of tk. 130-140/Kg.



Figure 3.2.1: Supply Chain and Distribution model of KFL

Source: Marketing department of Kazi farms

Market profile of Kazi Farms Limited is given below with table:

|  |  |
| --- | --- |
| Total Investment | Tk 15,000 million. |
| Fixed Asset | Tk 5,000 million. |
| Market Growth Rate | 10%. |
| Market share | 45% (2016) in Day Old Chicks sector and 25%(2016) in broiler feed sector. |
| Ranking | 1 (2016). |
| Market Demand | 20,00,000 pcs Day Old Chicks par day & 50,000 tonBroiler feed in a week. |

Table 3.2.1: Market profile of Kazi Farms Limited

Source: Marketing department of Kazi farms

**3.3 Customer Mix**

Customer satisfaction, customer loyalty, continuous innovation is the main customer’s mix of kazi farms limited. They have been capable to reach in customers mind and keep the customers trust and loyalty for kazi food and poultry industry. Maintaining quality is the most important task for any company because quality is the heart of everything we do from the discovery of the module, through product development, manufacturing, supply and sale and is vital to all the service that supports us business performance.

Commitment:

* To produce high quality product.
* Delivering competitive business advantage.

 Responsibility:

* Compliance with laws and KFL standards.
* The health and safety of employees, contractors, visitors.
* The protection of the environment and our communities.

**3.4 Product or service Mix**

According to product or service mix main product of kazi poultry farms are **Broiler parent chicks and broiler chicks, Layer chicks and table eggs, Feed etc. their products are available in every division of Bangladesh. It has 12 hatchery and 2 feed mill all over Bangladesh. So products are available in all over Bangladesh.** Price of the kazi poultry products are reasonable compare to the other companies. They charge their product in a way that customer in all classes can afford their product. They make their product promote by different kinds promotional advertisement. So all the product mix of kazi farms are:

**3.4.1: Day Old Chicks (DOC) of kazi farms**

Kazi Farms Limited is the big Bangladesh franchisee of Cobb-Vantress USA for the Cobb 500-600 broilers; acknowledgment is to be the best broiler in the world. The Cobs of 500 parent and broiler chicks‟ of Kazi Farms Limited are considering the best performing chicks in the local market and are sold at a premium over other broiler breeds. To giving their customers a budgets options, they also producing Arbor Acress Plus broilers from KFL own GP hatcheries. Day Old Chicks (DOC) comes from Parents Stock (PS) and PS comes from Grand Parents (GP).

Products Overview of Day-Old Chicks:They have a chain in the production of product line. Day-old chick comes step by step. They have different types of breed. The chain is following:

Day-Old Chicks

****

Figure 3.4.1.1: product overview

Source: sales and marketing department

There are two types of Day Old Chicks in Broiler section:

Cobb-500: From Parents Kazi Farms produce egg of Cobb-500 and they produce Day Old Chicks of Cobb-500 from those eggs. And sell it to the agents and agent sells it to the farmer. Farmers bring it to the shed after nourishing 28-30 days they sell it to the wholesalers. Cobb- 500 produces only for meat. Cobb-500 is superior breed than Arbor Acress.

Arbor Acress Plus: From parents Kazi Farms produce egg of Arbor Acress Plus. And they produce Day Old Chicks Arbor from those eggs. And sell it to the agents and agent sells it to the farmer. Farmers bring it to the shed after nourishing 32-35 days they sell it to the wholesalers. Arbor Acress produces only for meat.

There are two types of Day Old Chicks in layer section:

Hy-line Brown: From Parents KF produces egg of Hy-line brown. And they produce Day Old Chicks of Hy-line brown from those eggs. And sell it to the agents and agent sells it to the farmer. Farmers bring it to the shed after nourishing 19-20 weeks’ by-line brown can give egg. And farmers sell the egg to the retailers or wholesalers. Hy-line brown produces only for egg. Hy-line brown is superior breed than Hy-line white. Hy-line White: From parents KF produce egg of Hy-line white. And they produce day-old chicks of Hy-line white from those eggs. And sell it to the agents and agent sells it to the farmer. Farmers bring it to the shed after nourishing 40-45 days. After 19-20 weeks’ by-line white can give egg. And farmers sell the egg to the retailers or wholesalers. Hy-line white produces only for egg.

**3.4.2 Kazi food industry:** Kazi Food Industries Limited sells lots of frozen foods. They sell ice-cream branded of Bellisimo and Za’n Zee, as well as Kazi Farms brand of different kinds of chicken products and other food products all over in Bangladeshr with reasonable price thinking about their consumers.

**3.4.3 Kazi poultry feed:** Poultry feed of Kazi Farms Group has expanded its operation in 2006. It has become recognized as a market leader in both quality and volume within a very short period. The Gajaria feed mill uses state-of-the-art sanitizing pellet mills from Buhler of Switzerland, manufacturer of the world's best feed equipment. The Buhler sanitizing pellet mills ensure that poultry farmers experience fewer disease outbreaks and see better results by eliminating any possible bacterial contamination from the feed.

**3.5 Operations**

Kazi Farms Ltd. operates principally in four segments:

a. Chicks: GP, DOC (Broiler and Layer)

b. Feed: Broiler, Layer & Fish Feed.

c. Live Broiler (Ready bird).

d. Commercial Eggs.

Kazi Farms Ltd. has divided the whole Bangladesh into 11 regions. There are so many sales offices into the specified region.

|  |  |
| --- | --- |
| No. of Parent Farms | 15 |
| No of Grand Parent Farms 2 | 2 |
| No. of Hatcheries 12 | 12 |
| Production Capacity | Around 30,00,000 Chickens Per Week |
| No. of Feed Mills 2 | 2 |
| Production Capacity in Commercial Feed Mill | Around 30,000 mt. /month & 40 mt/ hour. |

**3.5.1 Production Process of Day Old Chicks (DOC)**

From the egg of Parents, they produce two types of Day Old Chicks. One is Broiler and another one is Layer. Broiler is produced only for meat. Layer is produced for egg. After producing egg, they sell it to the agents Production process are as below-

**3.5.2 Hatching Egg Management**:

Highest level of hatchability and chick quality can be achieved when the egg is held under highest conditions between laying and setting in the incubators. We have to be remembering that a fertile egg contains many living positions. Once upon a time the egg is laying and its hatching potential can at best be maintained, but not improved. If mismanaged, hatching potential will quickly deteriorate.

* Using of the floor eggs is depressing hatchability. They should be collect and packet separately from nest eggs, and clearly identified the eggs. If they are to be incubated, they should be treated separately.
* Prevent hair line cracks by handling eggs carefully at all times.
* Place hatching eggs carefully into the spy tray or transport the large dish, small (pointed) that end downward.
* Take care with egg grading. In the mid time of the early production period check the weight of border lined sized of eggs to select hatching eggs.
* Stocks the eggs in a separate room in which the temperature and humidity are controlled.

**3.6 SWOT analysis**

SWOT analysis is a kind of analysis that helps to analyze the internal and external condition of a company. The SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of kazi farms is done for knowing its internal and external condition in the market. The strengths and weaknesses are the result of the internal analysis, while the opportunities and threats are related to external environment.

**3.6.1 Strengths**

For running a business it’s very much important having a handsome financial support for their investment. Kazi farms have a considerable financial condition which helps to grow their varieties business function. Even kazi farms is a well known poultry farms in Bangladesh which is a great strength for attract their clients and consumers. They have lots of loyal customers because they produce a quality product in the market place rather than their competitors. For existing in the competitive market every company have to be innovative and they should innovate their product as consumer demands changes and kazi farms have good innovation skills. They follow GMP (Goods Manufacturing Practices). They have the ability to take advantages of economic of scale as they produce in a large amount. Beside this kazi farms has proprietary technology and important patents. Another important strength is kazi farms recruit most efficient, capable, and honest workforces which helps kazi farms to gain their profit.

**3.6.2 Weaknesses**

Beside the strength every company have some internal weaknesses. For gaining profit it’s important to reduce overall unit cost of a company. But overall unit costs of kazi farms are higher than its competitors. Having a strong dealer and distribution network is a great strength but their dealer and distribution network is not as strong as their key rival. So it is also a weakness of kazi farms. Practicing bad management company can’t run well. Sometimes it seems like their management is not as strong as their rivals. Even another weekness of kazi farms is high turnover of employees and Unpredictable working hour for the employee.

**3.6.3 Opportunities**

Today people are more concern about their health for which they are consuming different types of vitamin product. Chicken and eggs are one of them which carry lots of iodine and vitamin for a human body. For these reasons poultry industry is growing day by day. If we see carefully so can observe that investments of this sector is twice than the last decade. Since its investment is increasing that means it is producing more money than the before. And it is also an indicator that the stakeholders of this sector are getting good return from the farms. As kazi farm is already an established and well known company in Bangladesh so they have huge opportunity to expand their business. They can expand geographic coverage and product segments all over Bangladesh. Because all over in Bangladesh people have a loyalty issue to Kazi farms products. They can expand the company’s product line to meet a broader range of customer needs. They are Transferring company skills or technological know-how to new products. They have competitive advantage both for the kazi food and poultry industry. They can marketing their product as customer can be capable to know and be more attract to their products. Kazi farms has lots of own hatchery all over the country and they are also owning more hatchery and this is a great opportunity for kazi farms serve more to customers than their competitive. Even Alliances- contract is manufacturing that expands the firm’s market coverage and competitive capability. As well as they open corporate sales department that will help to sale their products more.

**3.6.4 Threats**

Running any kind of business every Company has to face some threats. Understanding customer demand and serving them properly than competitors is a great challenge for a company. Bargaining power of suppliers is growing day by day. Growing bargain power of the suppliers is a threat for Kazi farms as it will increase their cost to producing product. Even more local company is coming in this sector so increasing threats from local competitors is also threats for kazi farms.

 **SWOT analysis:**

|  |
| --- |
| **Strengths*** Considerable financial conditions to grow the business functions.
* An extensively recognized company with an attractive client base.
* Ability to take advantages of economic of scale.
* Better product quality relative to rivals.
* Follows GMP- Good Manufacturing Practices.
* Product innovation skills.
* Proprietary technology and important patents.
* Efficient, capable and honest workforces.
* Goodwill of the Company.
 |
| **Weaknesses*** Higher overall unit cost relative to key competitors.
* Weaker dealer or distribution network than the key rivals.
* Bad management practice.
* High turnover of employees.
* Unpredictable working hour.
 |
| **Opportunities*** Expanding geographic coverage and product segments.
* Expanding the company’s product line to meet a broader range of customer needs.
* Transferring company skills or technological know-how to new products.
* Alliances- contract manufacturing that expands the firm’s market coverage and competitive capability.
* To open corporate sales department.
* Establish more own hatchery.
 |
| **Threats*** Growing bargaining power of the suppliers.
* Increasing threats from local competitors.
 |

**Table 3.6:** SWOT analysis of Kazi farms limited

**Source:** Kazi farms limited

**3.7 Steps / Strategies to meet the challenges and opportunities**

**3.7.1 Promotional Strategies of KFL**

Promotion is the planning and controlling of the communications of an organization with its customer and other target audiences. KFL does not go for direct promotion. They think that chicken’s meat is one type of product; its demand won't be ended. Its demand wills be increased with increase of population. In the market, it has huge demand. So they think huge promotional activity is the way of wasting money. They do not go for TV ad, billboard or ad in the newspaper.

**As Distributors/agents are the main concerns KFL follows the following strategies in**

* **Marketing Representatives**: Marketing representatives are sending to different agents the marketing representatives explain the advantages by selling KFL's product. Agents can more profit because it has high market demand and product availability.
* **Compensation**: When any agent or farmer is affected by natural disaster or bird-flue the company gives them compensation.
* **Poultry Journal**: They publish a poultry journal monthly which name is `Poultry Bangla'. It sends to the all agents as a free from where agents and farmers can know about the situation of Kazi Farms Ltd and as well as poultry industry.
* **Gifts**: KFL presents gifts such as, TV, Motor cycle, paperweight, diary telephone index, clocks etc. to the decision makers of their commercializing commodities as well as employees and agents and farmers.
* **Discounts**: The Company offers a discount to the agents. This discount is deducted from the firm’s profit. They provide quantity discount, reduction to retailers who buy in large volumes.
* **Rebate**: Rebate is also present in selling their product to their agent.

**3.7.2 Corporate Strategies of KFL**

* Quality and Customer acceptance: By providing the quality product they are achieving their vision and customers’ acceptance of the product in the market. For which they are more concern about their quality full day-old chicks.
* Good manufacturing practice: They are mainly and strictly maintained Good Manufacturing practice.
* Compliance: kazi farm is regular trying to compliance to meet the regulatory requirements, corporate quality requirements and other applicable Standards.

**CHAPTER- 4**

**4. Internship experience**

**4.1 position, duties, and responsibilities**

From 11th January 2018 I have started my internship program in Kazi farms limited (corporate office) for practical session of my BBA. I got 5-month practical knowledge and experiences from this office. My office hour was from 10.30am to 6.30pm. My practical working area was sales Accounts department as an intern.

My main duty was completed payment draft document of Pubali and Dutch Bangla bank limited. Beside that I had to do feed sales report, reconcile production and sales, and make sales commission feed, post GRN (goods return notes), post damage and compensation in ERP party ledger. I think I had done my duties and responsibilities so politely within this short period of time.

**4.2 Training**

Work environment of kazi farms limited was totally new for me. This company is totally software base company as well as they are the owner of their software’s those are created by their IT sector Sysnova. It was a challenge for me to adopt with their corporate culture and their work environment. For the very first time it was hard for me to understand their software based working system. My supervisor as well as all the sales accounts executive officers helps me to learn their working system. 10 to 15 days were my training session where I could take the help of others. After that I could capable to understand all of their work. The entire employee was so supportive because without their help and support it was not possible to done my 5 month internship training a well known company like kazi farms limited.

**4.3 Contribution to departmental functions**

As an intern I tried my level best to do my job properly. I went to office 10 am and back to home 6.5 pm. I worked in kazi farms only 5 months but within this short period of time I work in sales accounts department as alternative sales executive officer who was in leave for her pregnancy. Within this time 6 days in a week I had to do my duties very carefully as company not to face any losses. Every day I did payment the drafted amount in time. Every sales executive officer even my supervisor was so happy to me for my contribution and devotion. When total Number of organizations drafted their payment draft, Sales Account Department collected organizations bank statement. I could check partner’s bank account number, payment amount number and bank deposit slip number. After checking those all I completed payment draft document. I think my little effort and contribution helps the company to gain their profit.

**4.4 Evaluation**

Kazi farms give continuous feedback to their employees’ performance as they can evaluate themselves. According to performance evaluation they give rewards and promotion. Employees who are not ethical or loyal to their duty kazi farms exclude them for job. As an intern of kazi farms they also evaluate my performance for the period of five month. They judged my performance on daily basis. They were very sensitive the time when I went to office and when did back. Going to the office I had to sign on and out to their attendant sheet mentioning the time. Daily they gave me some works and I had to complete those in time. They were very satisfied with my job performance, adaptability, and manner. Within a short time I adopt their corporate culture and their working process because my corporate supervisor was so supportive to me. My internship period was for 3 month actually but as they liked me so they wanted me to extend my internship period. Even I was selected for their job recruitment but due to posting place it was not possible to join with them.

**4.5 Skills Applied**

Practical knowledge in job sector is very much important doing job perfectly. People with good academic knowledge even sometimes can’t apply their skill if they don’t have more practical knowledge and skill. Kazi Farms Limited is a leading company in the poultry business and Kazi farms have their own ERP software management and I did my work according to their software system. Along with this as an intern of kazi farms limited I could have to apply my skill of Microsoft office word, Microsoft office power-point, and Excel. I had to apply my intellectual talent doing my work properly moreover I had to be more focused on time management. Within short time handling large number of drafted payment was a great challenge for me.

**4.6 New skills developed**

I have worked with experienced workers of Kazi farms limited during my internship period. So here I have learned many practical things and gather as practical knowledge. Those are given below

* I have learned about the corporate culture
* I have learned about the corporate cultural behavior
* I have learned about how to receive the draft form
* I have learned about when number of total organization drafted their payment draft than we collect their bank statement and after collecting bank statement than we check partners bank account number, payment amount number, bank deposit slip number, then finally after checking those all we completed payment draft document
* I have learned about how to prepare monthly summary sales office wise and feed mill wise feed sales report as per daily basis.
* I have learned about how reconcile production and sales as per hatchery and 19 sales office depending on hatchery sent manual production report and sales department sent manual inventory closing report.
* I learn about how to make sales commission feed when 19 sales office sent manual feed commission than we reconcile party wise feed quantity, invoice price on basis of ERP than we calculate party wise feed commission as per feed commission rate and after calculation we prepared sales office wise and feed mill wise feed commission report
* I have learned about how to generate sales advance payment commission report in ERP
* I have learned about how to post GRN (goods return notes) in ERP party ledger
* I have learned about how to provide discounts on chick’s sales, quantity purchase scheme of ice-cream reward.
* I have learned about how to post damage and compensation in ERP party ledger when sales department and ice-cream depot submitted damage.

**4.7 Application of academic knowledge**

Presentation skill, Rules, regulation that I have gained from my Academic sector those helps me to perform my duty perfectly. Even my academic knowledge helps me done the ratio analysis of the Kazi FarmsLimited. Here I took the data from the finance department of KFL of previous two years 2016 and 2017. At first I collected the data and then analyze the ratios. I got some finding after doing the analysis of the ratios those are given in below with the graph and interpretation -

 **Liquidity analysis**

**Net Working Capital –** Net working capital is an analysis tools through which we can do the analysis of the operating condition of a company. So it is mainly used for measuring the short term liquidity of a business, and can also be used to obtain a general impression of the ability of company management to utilize assets in an efficient manner. **It is calculated by**

**[Current Assets – Current Liabilities].**Here are finding of net working capital o

|  |  |
| --- | --- |
| Year | Net Working Capital |
| 2016 | 3358534205 |
| 2017 | 3324571372 |

**Findings -** From the above graph we can see that the net working capital of KFL is decreasing from the last year. That means now KFL has the lower current assets than its current liabilities than the previous year. A company can fulfill the current liabilities by them current assets. Here net working capital is around 336 core taka in 2016 and 332 core taka in 2017 which is lower than the previous dear.

**Working capital requirement –** The portion of working capital of a company determines, and it be must maintain the order to continue to meet its costs and expense. It is depending upon many factors such as how frequently the company receives earnings how high their expenses are. **It is calculated by [(Inventories + Accounts Receivable) – Accounts Payable].**

Result of working capital requirement is given below –

|  |  |
| --- | --- |
| year |  Working Capital requirement |
| 2016 | 3015692142 |
| 2017 | 2652847839 |
|  |  |

Findings – Net working capital of KFL is also decreasing. Here the result shows that less amount left after fulfill the accounts payables holder by mostly current assets like inventories and accounts receivables. Where in 2016 working capital requirement was around 302 cores taka and in 2017 it is 265 cores

**Current ratios -** The current ratio is another liquidity ratio by which we can measures the company's ability to pay the short-term loan or obligation. To some equipment this ability, the current ratio envisages the current total assets of a company (both liquid and non-liquid) correlated to that company's current total liabilities. **Current ratio is calculated by [Current liabilities / Current assets]**. Explanation of the findings of current ratio is –

|  |  |
| --- | --- |
| Year | Current ratio |
| 2016 | 4199359 |
| 2017 | 3025042 |

Findings – Current ratio of KFL is decreasing from the last year. We can easily observe from the above table and graph that current ratio was 41.99 in 2016and in 2017 it is 30.25. It means that now company is less capable than the previous to meet its current liabilities by its current assets.

**Quick Ratio** - The quick ratio is another measurement by which we can know that how well a company can meet its short-term financial liabilities. We also known this ratio as the acid-test ratio, **it can be calculated as follows: [(Cash + Marketable Securities + Accounts**

|  |  |
| --- | --- |
| year | quick ratio |
| 2016 | 192824 |
| 2017 | 223238 |

**Findings** – Quick ratio is more useful in terms of the forecasting that how much the company is capable to meet its short term liabilities. Here from the above table and graph we can see that quick ratio of KFL is increasing from 2016 to 2017 by 19.28 to 22.32, which means KFL now has more short term assets against its short term liabilities.

**Inventory Turnover Ratio –** The inventory turnover ratio is an effective ratio which is showing that how effectively inventory is operating by comparing cost of goods sold with average inventory for a particular period. This measures how many times it takes average inventory is "turned" or sold during that period. **Inventory turnover ratio is calculated by [Cost of goods sold / inventories].** Result of inventory turnover ratio of KFL is given below

|  |  |
| --- | --- |
| Year | Inventory turnover ratio |
| 2016 | 1.799 |
| 2017 | 8.233 |

**Findings –** From the above table we can see that in 2016 inventory turnover ratio is 1.79which means KFL convert its inventories 1.79 times in a year. However, it is increases in 2017 by a huge number which is 8.23, now they are more productive that is why they can produce the goods in a short time than the previous.

**Income Statement Analysis of Kazi Farms Limited**

We know that this industry is an attractive sector to invest for its tax exemptions. This industry is getting big advantages on the earnings of the total income. Here I have analyzed the income of KFL in 2017. There is the income earned showing in different way based on the sector on which kazi farms are operating -

|  |
| --- |
| Poultry farms Unit |
|  |  | **Total Amount** | **Total Tax** | **% of Tax** |
| Profit Tax | First | 2000000 | 0 | 0% |
|  | Next | 1000000 | 5000 | 5% |
|  | Rest Amount | 585544526 | 58554453 | 10% |
|  | Operating Profit | 588544526 | 58604453 |  |
|  | Other Income | 56831035 | 19890862 | 35% |
|  |  | **645375560** | **78495315** |  |

Table 4.7.1: Income break-down

Source: Office Documents

|  |
| --- |
| Poultry farms Unit |
|  |  | **Total Amount** | **Total Tax** | **% of Tax** |
| Profit Tax | First | 1000000 | 0 | 0% |
|  | Next | 1000000 | 50000 | 5% |
|  | Rest Amount | 118701263 | 11870126 | 10% |
|  | Operating Profit | 20544526 | 11920126 |  |
|  | Other Income | 0 | 0 | 0% |
|  |  | **120701263** | **11920126** |  |

Table 4.7.2: Income break-down

Source: Office Documents

|  |
| --- |
| Poultry Feed Unit |
|  |  | **Total Amount** | **Total Tax** | **% of Tax** |
| Profit Tax | First | 1000000 | 30000 | 3% |
|  | Next | 2000000 | 50000 | 10% |
|  | Rest Amount | 17768508 | 2665276 | 15% |
|  | Operating Profit | 20768508 | 2895276 |  |
|  | Other Income | 0 | 0 | 0% |
|  |  | **20768508** | **2895276** |  |

Table4.7.3: Income break-down

Source: Office Documents

From the above table we have a clear idea about the income of the kazi farms limited and also the getting tax exemption on their income. There are basically three scale of tax deduction. In the first place tax is 0% and also 3% it is differing for the sector. If we see carefully so we can observe that kazi farms limited are making the profit in every unit of their business operation units. Like, hatchery, poultry and feed these three units are the main source of income of kazi farms limited. There is no tax in case of income up to 2 lacs in poultry unit and also up to 1 lac in hatchery unit. On the bases of the tax rules there are around 93 lac tax amounts which will be paid by KFL from where they paid around 55 lacs taka to the government. This means that now KFL is still liable to pay the income tax to the government by 38 lacs.

**CHAPTER-5**

**5. Recommendations**

**5.1 Recommendations for improving departmental operations**

It is very difficult for me to recommend about KFL. I have the practical experience in KFL at Corporate branch for only three months with my little experience in shortcoming regarding operational activities of KFL. On this basis of observation, though KFL tries to maintain best poultry activities and employees support, I would recommend the following suggestions. This may be for their organizational policy but still I am attaching those problem issues

Where I think they need to focus on and improve.

* First finding of that organization is, KFL is going to be a total software based organization where now they are doing most of the task are doing manually.
* All of we know that KFL is the leading farm in the poultry sector in Bangladesh and it had possible just for its good operational activities. So they have to be continuing it to hold the top position for the long term period.
* KFL are giving the good working environment and best facilities in the industry as well.
* KFL are growing day by day so there are creating more employment opportunities for the Bangladeshi people and foreigner as well.
* Liquidity position of KFL is in good position and that means they are capable to fulfill the stakeholders claim.
* KFL debt position is lower than its optimum level. So KFL is still allow to take the loan against its business function for doing smooth their business activities.
* Return against its all factors like assets, liabilities and this entire thing is higher.
* So we can say that KFL are operating its business in an efficient way for which they are getting the good return against its assets and liabilities.

**5.2 Recommendations for improving self-performance**

I would recommend the following suggestions for improving self performance in a job sectors and those are

* My first recommendation for self performance improvement is improvement of communication power. Without good communication power neither the manager nor the employee can understand where they are, and what they should do for problem solving.
* Individual should have previous knowledge about MS words, PowerPoint, excel, Photoshop. Even it can be done a course of Microsoft.
* Individual should have ethical and honest to their job otherwise it will affect the company’s profitability.
* Not to pass or waste too much time doing fun or gossip to others in the time of work.
* Before starting job they should have take a proper training. A proper training will help a new employee to understand the new corporate culture.

**Chapter 6**

**6. Conclusion**

On the basis of overall organization part, we can clearly see that Kazi Farms Ltd is one of the leading companies in the poultry sector in the Bangladesh. This company is also doing business for the long time. This is one of the financially sound companies as I know still it has not much debt and the company is almost equity based company. KFL produce best quality DOC that’s why KFL is the market leader in poultry industry. There is no doubt about KFL management, Distributors' support system, strong business network in all over Bangladesh.

I have passed there five months. From my experience I have reached a conclusion on KFL should consider not only increase the sales volume but also increase good communication with the vendors by paying them on time. All the things together can create a legendary position for Kazi Farms Ltd in Poultry Industry.

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