



CHAPTER III

WORKING OF THE MAYUR KUKKUT

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3.1 INTRODUCTION:

The Mayur Kukkut's working requires to be studied in two time periods, i.e., one, upto 1977-78 and second, from 1978-79 onwards. Upto 1977-78, during its 14 years of initial working, the Mayur Kukkut did the business of poultry farming on its own. From 1978-79 onwards it had one more dimension to its working and that was in the form of poultry farms established and run by its members. The Mayur Kukkut was to help the members in establishment of the poultry farms and also in running them on efficient lines. For running the poultry farms on efficient lines the members need help in respect of production (e.g., supply of birds and feed, giving medical help etc.) as well as marketing (e.g., sale of eggs).

3.2 OWN POULTRY FARMING:

The Mayur Kukkut was registered as a co-operative society in 1964. It started its business after about a year. In the initial stage, the business of the Mayur Kukkut consisted of running its own poultry farms of layers. In 1964, the Mayur Kukkut constructed 3 sheds and by the end of 1965-66 it had 22,000 layers in those sheds. The number of sheds and also the layer birds increased as the years passed by. As at the end of 1987-88, there were 15 sheds located at Rethare BK. with a

capacity of 15,000 layer birds each. In these sheds, the actual layer birds were, however, 30,000 by the end of 1987-88.

The Mayur Kukkut purchases one day-old chicks and takes care of them till they become layers, i.e., 21 weeks. The laying period for these layers is of 52 weeks starting from 21st week and ending with 72nd week. During the laying period of 52 weeks, the layers give on an average 240 to 260 eggs. Egges in the own farms of the Mayur Kukkut are collected daily and stored in a shed constructed for this purpose. The eggs so collected are sold through the Eggs Selling Centres opened by the Mayur Kukkut at Rethare BK., Islampur, Bombay and Kolhapur (upto 1885). The Kolhapur Centre was sold in 1985. If there remains any stock of egges after providing the egges to these centres, the Mayur Kukkut sends these egges to the Bombay Market in its own truck.

OPERATING RESULTS:

Summary results of the year-wise operation of own poultry farm of the Mayur Kukkut are given in the following table.

TABLE 3.1 STATEMENT SHOWING YEAR-WISE DETAILS OF THE OWN POULTRY FARM OF THE MAYUR KUKKUT.

YEAR	No. of BIRDS (In '000)	EGGS SOLD No. (In 000)	AMOUNT OF SALES (In Rs. '000)	PROFIT (LOSS) (In Rs. '000)
1964-65	-	-	-	(4)
1965-66	22	-	-	(7)
1966-67	26	1770	361	(0.3)
1967-68	45	2904	363	42
1968-69	48	5086	1232	3
1969-70	46	5566	1408	60
1970-71	53	6795	1553	35
1971-72	61	5771	1366	61
1972-73	55	7011	1868	(267)
1973-74	70	7071	2333	(62)
1974-75	65	7136	2235	311
1975-76	46	8629	2287	6
1976-77	59	7294	2230	16
1977-78	74	9164	3018	204

Source:- Compiled from the Annual Reports and Other Records of the Mayur Kukkut.

The above table reveals the following noteworthy features:

1. In Year 1977-78, the Mayur Kukkut had the highest number of birds and it sold the highest number of eggs. Consequently the sales turnover stood at its highest at the end of 1977-78.

2. Profit and Loss Account showed very wide fluctuations. Against the background narrated in (1) above, the profit earned by the Mayur Kukkut was Rs.2,04,000 by the end of 1977-78. Profit was at its highest during 1974-75 at Rs.3,11,000 while loss was at its highest during 1972-73. It stood at Rs.2,67,000 by the end of 1972-73.

✓ In 1972, the Mayur Kukkut started with another activity in the form of a feedmill. This was started with a view to have quality feed at lower than the market price. The capacity of the feedmill was 120 tonnes per day and the capital cost incurred for the feedmill was Rs.13.4 lakhs. The Mayur Kukkut ran the feedmill for about two years and found that running the feedmill was not beneficial to it. This was so because the requirements of feed of the Mayur Kukkut for its own farm were limited and selling the feed outside in the market was not an easy thing for it in the context of the competition prevailing that time. The consequences were obvious: the feedmill was run much below its installed capacity. It was ultimately sold to a private party in 1974. The feedmill was purchased by the Karkhana for Rs.24 lakhs in 1979. The Mayur Kukkut purchased the feedmill from the Karkhana in 1987. ✓

3.3 OWN FARMING AND MEMBERS' FARMING:

The Mayur Kukkut started helping its members to have their own poultry farms. The help came in respect of the two major functions the poultry farmers are required to perform, i.e.,

(i) Production and ,(ii) Marketing. The Mayur Kukkut helped the members in getting loans from the banks for the purpose of starting poultry farms. The Mayur Kukkut gave guarantee for the loans raised by the farmers.

A typical poultry farm of 1,000 layers required a capital expenditure of Rs.96,700/- (including Rs.66,575 for shed and cages) in 1989 and an additional expenditure during lay, interest on loan taken and depreciation charges amounted to Rs.1,03,100, Rs.13,598 and Rs.3,279/- respectively. The economics is worked out, on the basis of the above, in the following manner:

Gross Income:	Rs.1,88,400
Less Expenditure:	Rs.	
Upto point of lay	30,125	
During lay	1,03,100	
Interest	13,598	
Depreciation	<u>3,279</u>	<u>1,50,102</u>
Net Income (For 72 weeks)	<u>38,298</u>
Net Income for a year	✓	<u><u>27,660</u></u>

The Mayur Kukkut wanted the small and marginal farmers and agricultural labourers to take advantage of the scheme and supplement their income with the help of poultry farming. Not only the guarantee for loans that the Mayur Kukkut gave for the members, but it gave them the additional help in the following manner:

- i) Supply of layer birds at reasonable price;
- ii) Supply of quality feed at reasonable price;
- iii) Give necessary medical help for the layers in the poultry farms; and
- iv) Collect the eggs from the members' poultry farms, sell them and pay the poultry farmer-members the price of the eggs collected from them.

Obviously, giving guarantee for loan and the first three ways of help mentioned above relate and the production function of the members' poultry farm. The fourth item listed above is in respect of the marketing function.

In the first year of the operation of the scheme (1978-79), there were 27 farms of the members. By the end of 1987-88, this number has increased to 198.

Table showing the year-wise summery of business operations from the year 1978-79 to 1987-88 is given below:

**Table: 3.2 Statement Showing the Summary of Business Operations
OF THE MAYUR KUKKUT.**

Year	No. of Members' Farms	No of Birds (In '000)		Total Eggs Sold (No's In '000)		Sales (Rs. '000)	Profit (Loss) (Rs. '000)
		Own Farms	Members Farm Total	From Own Farm	From Membars Farm Total		
1978 - 79	27	90	102	9,916	1,018	4,027	1133
1979 - 80	41	135	156	13,375	4,787	6,000	544
1980 - 81	50	117	158	18,151	9,100	9,213	(362)
1981 - 82	53	130	161	17,476	7,719	9,789	(30)
1982 - 83	54	145	206	19,970	9,366	11,875	232
1983 - 84	96	105	196	19,907	15,523	16,392	177
1984 - 85	121	142	187	15,387	22,038	16,774	176
1985 - 86	144	134	188	19,199	27,905	21,340	(2218)
1986 - 87	210	84	152	16,598	43,645	28,342	(1219)
1987 - 88	198	30	121	6,791	39,503	25,786	3464

The above table shows the business in two parts and in total. These two parts are: own farms and members' farms. The interesting points to note are:

1) The sales turnover shows an increasing trend during the 10 years of the study, except that in the last year sales have decreased. That means, sales turnover was the highest at Rs.2,83,42,000 at the end of the year 1986-87.

2) Profit and Loss Account shows wide variations in the operating results. In 1985-86 there was a loss of Rs.22,18,000 and in 1986-87 the loss amounted to Rs.12,19,000.

3) Own farm business shows ups and downs with an ultimate downward trend. For example, birds in the own farms numbered 90 thousand in 1978-79, 145 thousand in 1982-83, 105 thousand in 1983-84, and 30 thousand in 1987-88. In case of the members' farms, however, there is a steady growth throughout the period of 10 years. In 1978-79, there were 12,000 birds and in 1987-88 this number increased to 91,000 birds for the members' farms.

3.4 OPERATING RESULTS AND FINANCIAL POSITION:

Operating results for the years 1983-84 to 1987-88 (both inclusive) and the financial position as at the end of each of the above five years are given below in Summary Income Statement and Summary Balance Sheet.

Table 3.3: Summary Income Statements of the Mayur Kukkut.
(Year starting with 1st July and ending on 30th June)

(Figures in Rupees)

Particulars	1983 - 84	1984 - 85	1985 - 86	1986 - 87	1987 - 88
A) Sales:					
i) eggs	3,18,57,595	1,67,74,395	2,13,40,085	2,83,41,794	2,57,85,750
ii) Feed	35,02,994	49,95,018	72,97,040	1,77,99,285	2,40,28,587
iii) Internal feed Consumption	-	-	-	37,38,728	46,95,744
iv) Other	35,17,921	28,74,295	32,42,021	44,62,059	43,67,114
Total	3,88,78,510	2,46,43,708	3,18,79,146	5,43,41,866	5,38,77,195
B) Cost of Sale:					
+ Opening Stock	20,24,646	13,52,913	27,02,127	23,32,488	20,48,990
+ Purchases	2,40,786	4,20,910	2,60,114	5,51,387	2,91,058
+ Manufacturing Expenses	3,65,56,047	2,45,63,741	3,13,77,765	5,25,22,009	5,26,89,859
+ Other	-	-	45,332	4,113	-
	3,88,21,479	2,63,37,564	3,43,85,338	5,54,09,977	5,20,29,907
Less: Closing Stock	15,80,514	30,99,532	25,41,851	24,84,915	21,35,293
Total	3,72,40,965	2,32,38,032	3,18,43,487	5,29,25,062	5,28,94,614
C) Gross Profit (A-B)	16,37,545	14,05,676	35,659	14,16,804	59,82,581
D) Add: Other Revenue Items:					
Warehouse rent	1,79,010	2,36,397	2,79,505	4,36,466	3,95,026
Other Miscellaneous Revenues	65,053	5,94,250	23,762	90,013	8,88,786
E) Total Gross Revenue	18,81,608	22,36,323	3,38,926	19,43,283	72,66,393
F) Less: Revenue Expenses as per Schedule F attached	17,04,496	20,60,477	25,57,903	31,62,637	38,02,064
G) Net Profit (Loss)	1,77,112	1,75,846	(22,18,977)	(12,19,354)	34,64,329

Source:- Compiled from Annual Accounts.

Schedule (F) (A part of Summary Income Statements)

(Figures in Rupees)

S.No.	Particulars	1983 - 84	1984 - 85	1985 - 86	1986 - 87	1987 - 88
1.	Salary & Contribution	3,28,093	3,57,958	3,73,967	4,07,073	3,94,477
2.	Board & Annual Meeting & other Functional Expenses.	17,458	12,900	11,733	16,209	38,266
3.	Sales & Other Taxes	11,215	8,610	12,178	1,92,783	2,69,258
4.	Garden & Road expenses.	19,553	10,010	17,382	3,355	-
5.	Profession fee.	4,450	5,500	14,800	9,350	20,500
6.	Insurance.	4,717	4,324	-	4,709	21,438
7.	Travelling expenses.	18,856	15,694	19,118	20,375	15,499
8.	Court Expenses.	3,730	4,180	9,159	822	8,069
9.	Printing & Stationery	22,607	31,990	23,319	34,879	37,286
10.	Postage & Telegrame	21,677	23,279	27,607	53,983	61,763
11.	Miscellaneous Expenses.	16,974	25,114	37,987	77,659	55,552
12.	Maintainance and Reparis & other electric Charges	1,37,562	3,05,026	3,43,746	2,04,950	87,046
13.	Interest on loan	3,18,302	3,27,561	4,96,350	10,03,118	17,37,368
14.	Audit Fee (Internal & Government)	27,910	29,000	27,000	33,000	46,017
15.	Water Supply expenses	15,000	50,000	35,000	35,000	-
16.	Rent	10,713	11,287	10,108	12,135	20,400
17.	Vehicle expenses	4,09,968	4,06,927	5,82,934	6,04,152	5,66,521
18.	Depreciation	3,14,018	3,83,355	4,58,185	4,41,284	3,77,772
19.	Store expenses, Octroi & Coolie Charges	31,693	47,762	57,330	7,801	43,832
Total Revenue Expenses		17,04,496	20,60,477	25,57,903	31,62,637	38,02,064

Source: Compiled from Annual Reports of the Mayor Kukkut.

Table 3.4: Summary Balance Sheet of the Mayur Kukkut.
(Year starting with 1st July and ending on 30th June)

<u>LIABILITIES:</u>					
(Figures in Rupees)					
Particulars	1983-84	1984-85	1985-86	1986-87	1987-88
<u>Owned Capital:</u>					
Share Capital	6,97,545	6,97,500	7,04,400	7,19,675	7,24,775
Share Suspense	21,860	25,383	22,053	22,998	22,893
Reserve & Other funds	14,25,686	16,51,597	22,30,723	28,41,878	24,55,269
Sub Total	21,45,091	23,74,480	29,57,176	35,84,551	32,02,937
<u>Add: Borrowing Capital</u>					
Non Refundable Deposit	1,83,411	3,90,000	3,90,000	8,26,452	8,26,452
Loans	9,59,647	20,70,705	29,99,530	1,21,90,195	76,40,471
Sub Total	11,43,058	24,60,705	33,89,530	1,30,16,647	84,66,923
Total Capital	32,88,149	48,35,185	63,46,706	1,66,01,198	1,16,69,860
Sundry Creditors	19,04,52	32,25,502	43,40,298	46,39,585	35,57,636
Sundry Payables	4,79,918	5,27,100	6,91,259	9,03,713	8,02,535
Profit & Loss Account	-1,77,454	1,77,300	-	-	26,610
Total	58,50,053	87,65,087	1,13,78,263	2,21,44,496	1,60,56,641
<u>ASSETS:</u>					
Cash & Bank Balance	1,03,131	1,33,953	4,91,316	1,81,966	13,13,386
Investments	81,875	83,185	1,02,379	1,34,110	75,208
Sundry Debtors	9,21,541	5,92,715	10,62,617	27,70,399	24,58,878
Other Receivables	-	-	-	1,36,232	2,09,785
Goodwill	-	6,000	6,000	6,000	6,000
Cattle	10,405	14,000	14,000	42,900	42,900
Fixed Assets	30,10,678	46,02,702	46,82,734	80,52,834	81,59,223
Current Assets (Closing Stock)	17,22,423	33,32,532	28,00,850	73,82,335	37,91,261
Profit & Loss Account	-	-	22,18,367	34,37,720	-
Total	58,50,053	87,65,087	1,13,78,263	2,21,44,496	1,60,56,641

Source:- Compiled from Annual Accounts of the Mayur Kukkut.