

**PROFITABILITY ANALYSIS OF BROILER PRODUCTION
A CASE STUDY IN GAMPAHA DISTRICT**

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The study estimated the profitability and the factors affecting profitability of commercial broiler production in the *Gampaha* District. Data were collected from 60 farmers, in which 72% of them were males and 60% were at age between 36-50 years. Seventy eight per cent of the farmers are fulltime in broiler producers while 68% are non-contractual producers. The sample comprised of small (38%), medium (42%) and large scale (20%) operators. Average profitability of a broiler farmer is only about 10% (cost relative to sale price) as the farm gate price has declined over the last two years. The large scale importation of chicken during the last year has exacerbated this situation. Input costs have risen sharply over the past few years. The profit function estimation revealed that the profits are positively affected by the sale price of broiler chicken, and negatively affected by cost of feed, feed conversion ratio (FCR) and the cost of day old chicks (DOC). The rise in the sales price of broiler chicken by a unit (SLR/kg LW) will increase the profit per kilogram of live weight of broiler chicken nearly by 14.04 units. The rise in price of DOC, price of feed and FCR will lead to drop the profit per kilogram of live weight by 2.76, 11.06 and 7.78 units respectively. Large scale farmers earned Rs.28.89 profit per kilogram of live weight, while it is Rs.20.07 and Rs.23.20 for medium and small scale farmers respectively. Broiler production is not very profitable and may face a crisis in the coming years. Encouragement of youth farmers and women participation, precise import decisions, pricing policies and subsidies will sustain the industry

Key words: Commercial broiler production, Profitability, Profit function