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RECORD KEEPING : AN EFFECTIVE MANAGEMENT PRACTICE IN POULTRY BUSINESS IN UYO LOCAL GOVERNMENT AREA OF AKWA IBOM STATE.

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ABSTRACT

Without written records farmers mostly rely on their memory when making decision to modify their farm practices. While written or stored records are not easily lost or forgotten, memories can become unreliable particularly after few days, months or years. In today's business world, record keeping stands out as one of the determinants of business success. The study was conducted in Uyo Local Government Area of Akwa Ibom State. One hundred and eighty (180) poultry farmers were randomly selected from the 1,733 registered farmers that make up Uyo Local Government Area. Primary data was collected with the aid of questionnaires. Analysis of data was done using descriptive statistics such as frequencies and percentage and Pearson's product moment correlation (PPMC). Results showed that men dominated the poultry industry with most of them in their economically active ages. Records mostly kept by farmers were production, sales and purchase records while the constraints faced in keeping records were insufficient time and large sizes of farm holdings. Record keeping was found to have a positive relationship with profit of the farm business. Also, keeping records and household size were found to affect the income of poultry farmers in the area positively. Hence, it is recommended that farmers should keep records for better planning and performance of their farm businesses.

Key words: Records, Profit, Poultry, farmers, Productivity

INTRODUCTION

The recent collapse of oil prices in the global economy and unrealistic exchange rate regime in the economy, have affected and impacted negatively on the economy, resulting in a downward trend on the resource and revenue base of the government. The estimated annual growth rate of Nigerian economy in the first and second quarter is now -2.06% to the Gross Domestic product (GDP) while South Africa is estimated at 3% growth rate (Channel News, 2016). This negative economic indicator has taken toil on the economy resulting into high rate of unemployment put at over 30% and worsened socio-economic condition of the citizens. Also, the "mono-cultural" nature of the economy with long period of reliance on crude oil exports to the neglect of other real sectors such as agriculture constitute a major albatross to economic diversification (Shitu, 2017). Nigeria happens to belong among the few that have greatly retarded from their past glorious heights in agriculture down to zero scale of production. (Mathew and Adeboye, 2016). To become a developed nation, Nigeria needs to speed up its economic growth by focusing on vital economic sectors like education, energy, agriculture and manufacturing. At this point in Nigeria's development, the best approach is to focus on the agricultural sector. By focusing on agricultural development, Nigeria can speed up its economic growth in the coming decade (Omorogiuwa, Zivkovic and Ademoh. 2014). Prior to this era of modernization and commercialization of agriculture sectors in the developing countries, agriculture was led by farmers as a lifestyle, rather than running a business like other sectors (Brannstorm, 2004). This relatively discouraged commercialized farming thereby making record keeping of this subsistent business a difficult task for farmers. (Tropical Dairy Farmers, 2010). Records are source documents, both physical and electronic, that contain specific transaction date and amounts, legal agreements and private customer and business

details. (Queens and Government, 2014). Record keeping is the art of documenting detailed records by physical writing or storing electronically the daily activities carried out on the farm (Torres, 2001). Such activities include both financial transaction and management practices of day to day activities. In today's business world, it is impossible for farmers to manage a farm enterprise the way their parents did over 30 years ago (Arzeno, 2004).

Without written records farmers mostly rely on their memory when making decision to modify their farm practices. The decisions they make are guided by vague estimates and guesses based on their past experience of farming (Johl and Kapur, 2001). While the written or stored records are not easily lost or forgotten, memories can become unreliable particularly after few days, months or years (Tropical Diary Farmers, 2009). In today's business world, record keeping stands out as one of the determinants of business success. The Environmental Protection Agency (2012) further added that record keeping assist in future farm investment projects, budgeting, proper implementation and evaluation, preserve corporate memory, foster professionalism in running a farm business and many others. Without farm records, a farmer will not make it far in today's business environment. This is because a farmer who maintains an adequate set of records can usually handle problems better than the one who does not (Poggio 2006). In poultry livestock production, record keeping is very important as this helps the farmer to determine his or her productivity whether he or she is making profit or not.

Poultry farming business is one of the most profitable businesses in Nigeria. Poultry possess greater efficiency in converting feed into egg and meat compared to other livestock enterprises. Commercial poultry farms play an important role in meeting national protein supply (Jabir and Hague, 2010). Poultry business has gained acceptance among the citizens of almost all the regions in Nigeria due to the prolific instincts and short term rate of return in forms of cash and kind benefits (Farayola, Adedeji, Popoola and Amao, 2013). Apart from the benefits obtained in terms of profitability, consumer preferences have shifted now to poultry meat (white meat) given ecological, economic, social and health advantages it has over the other types of meat (red meat) (Gueye, 2002). Also, the multiple sub-enterprises in the poultry farming such as egg production, sales of chicks and pullet could also serve as source of income to poultry farmers (Udoh and Etim, 2009). Livestock rearing is an important subsidiary occupation that supplements the income of smallholder farm families and rural households in most tropical developing countries (Mbuza, Manishimwe, Mahoro, Simbankabo and Nishimwe,2017).

Several management practices, activities and factors are known to contribute to the success of poultry business of which one is the act of record keeping. (Aromolaran, Ademiluyi and Itebu, 2003). However, record keeping is not an end itself, but a means to an end, it therefore does not make a business profitable but can be used as a performance indicator tool or guide to make a profitable business in many ways. Some of which include; better control of farm business, farm business planning and decision making (Amadi, 2015). Undutimi (2013) noted that despite the importance of record keeping to the productivity of poultry farm enterprise, farmers often talk about profit or loss from guesses and memory rather than facts of written records.

Past studies on poultry production such as those of Effiong and Umoh (2010), Akpan, Patrick, Udoka, Offiong and Okon (2013), Udoh and Etim (2009), Augustine (2010), Adekoya (2005), Undutimi (2013), Muhammed et al (2004), have not particularly focused on record keeping as an effective management practice for profitable poultry production in Uyo, Akwa Ibom State. Consequently, this research work aimed at filling this gap by assessing record keeping among poultry farmers as in Uyo Local Government Area of Akwa Ibom State.

METHODOLOGY

The study was conducted in Uyo Local Government Area of Akwa Ibom State, Nigeria. Majority of the people in Uyo Local Government who are not involved in civil and public services are engaged in farming, trading activities and other commercial ventures (Etim and Ofem, 2005). Simple random sampling technique was used in selecting the respondents used for the study. The study made use of one hundred and eighty (180) poultry farmers randomly selected from the 1,733 registered farmers that make up Uyo Local Government Area. This gave a sample size of 180 poultry farmers which was used for the study.

The study was based on primary data collected through an instrument named record keeping and profitability of poultry farmers (REKAPOF) - a questionnaire. Analysis of data was done using descriptive statistics such as frequencies and percentage and Pearson's product moment correlation (PPMC) was used to determine the relationship between records kept by the poultry farmers and the profit they made. To determine the factors affecting the profitability of the enterprise, the regression model was used. The four functional forms were estimated but the exponential function was used as the lead equation because it had the highest R^2 value and also had the most number of significant variables. The exponential function was estimated as shown below:

$$\text{Ln } Y = b0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + b_7X_7 + b_8X_8 + b_9X_9 + ei$$

Where

Y = Value of Output of the Poultry farm (in Naira)

X_1 = Age of the Poultry farmer (in years)

X_2 = Marital Status of the farmer (single =1, Married =2, divorced =3, widowed = 4)

X_3 = Education (Number of years)

X_4 = Household Size (number)

X_5 = Those that kept records (keep records = 1, don't keep = 0)

X_6 = Stock density

X_7 = Cooperative membership (Member = 1, Non member = 0)

X_8 = Farming Experience (Number of years)

X_9 = Access to Credit facility (Access = 1, No Access = 0).

RESULTS AND DISCUSSION

This section specifically deals with the analysis and discussion of data obtained from the field.

Table 1: Socio-economic characteristics of Poultry farmers in Akwa Ibom State

Socio-economic characteristics	Categories	Frequency (n=120)	Percentage
Sex	Male	95	52.80
	Female	85	47.80
Age	11 – 25	28	15.56
	26 – 40	74	41.11
	41 – 55	55	30.56
	56 – 70	22	12.22
	71 – 85	1	0.56
Marital Status	Single	62	34.40
	Married	93	51.70
	Divorced/Separated	21	11.70
	Widowed	4	2.20
Education	No formal education	19	10.60
	Primary education	33	18.30
	Post-primary education	128	71.10
Monthly Income (in Naira)	≤ 50,000	99	55.00
	50,001 – 100,000	62	34.50
	100,001 – 150,000	11	6.10
	150,001 – 200,000	8	4.40
Household size	1 – 5 person(s)	71	39.44
	6 – 10 persons	94	52.22
	11 – 15 persons	15	8.33
Farming Experience	1 – 10 years	129	71.66
	11 – 20 years	33	18.32
	21 – 30 years	18	10.00
Membership of Co-operative	Yes	47	26.10
	No	133	73.90
Access to Credit	Yes	71	39.40
	No	109	60.60
Stock density	1 – 1000	133	73.90
	1001 – 2000	36	20.00
	2001 – 3000	10	5.60
	3000 – 4000	0	0.00
	4001 – 5000	1	0.50

Field Survey, 2016

Results in Table 1 above show that males dominate poultry farming population compared to their female counterpart. It could be observed that over (70%) of the poultry farmers are in their economically active and productive age and so, could accept and adopt poultry production innovations faster as well as invest more as agreed by Emaikwu, Chikwendu and Sani (2011). The results also show that farmers in the study area are literate as informed by high proportion of secondary and tertiary education attainment of over 60%. This is likely to reflect on their

farm record keeping behaviour since they might have acquired knowledge and skills in poultry farming from their respective educational institutions. Emaikwu et al.(2011) emphasized that education is not only an important determinant of adoption of an innovation but also a necessary tool for successful implementation of innovation for profitability.

Furthermore, it was observed that majority (73.9%) of the producers in the study area were not members of poultry cooperative society. Consequently, the non-members might be faced with problems of inability to pool their limited productive resources together to enjoy the benefit of economies of scales. Okantah et al. (2003) added that they may be constrained by poor inputs supply, poor marketing, inadequate finance and information that would have helped them to carry out improved poultry production practices for higher output and returns. Results from the study indicate that majority of the farmers (60.6%) did not have access to any form of credit such as bank loan to support their poultry business and as such Rotational cash contribution was the major means of sourcing funds to invest in their poultry business. This result corroborates Akpan et al (2014) who stated that majority of southern Nigerian poultry farmers do not have access to credit and thus low investment and low income. Credit is a veritable tool that can lead to increased output if properly applied (Ike and Chidebelu, 2003).

Table 2: Types of Records kept by Poultry Farmers

Type of Record	frequency	Rank
Production Record	133	1
Labour Record	35	7
Feed Use Record	26	8
Profit or Loss Record	51	6
Credit Book	56	5
Sales Record	110	2
Inventory Record	67	4
Purchases Record	90	3
Equipment/ tools Record	13	9
Supplementary Records	7	10

Field Survey, 2016

The table shows that the most kept farm record in the study area were production records which ranked first among all records kept by poultry farmers in the area. Other records kept by farmers in the study area were sales records, purchase records, egg production record and broiler production record. The result corroborates Enoch et al, (2010) who revealed that all poultry farmers keep production and financial records because they are to provide such records, when applying for loans from financial institutions. These high percentages for production and financial records prove that most farmers are more concerned about the productivity and profitability of their farm business (Okantah et al,2003).

Table 3: Regression Estimates of Socioeconomic Characteristics of Poultry farmers on Monthly Income

Variables	Parameters	Linear	Exponential	Cobb-Douglas	Semi – Log
Intercept	B_0	2143.897	7.436	21.984	231162.41
		(0.331)	(17.762)***	(2.533)**	(1.333)
Age	X_1	-63.335	0.001274	-0.5321	340351
		(-0.625)	(0.194)	(-1.298)*	(1.12)*
Marital Status	X_2	-6.218	-0.0004318	-2.919	-53109.465
		(-3.692)***	(-3.967)***	(-3.042)***	(-2.769)**
Education	X_3	190.692	0.01453	0.03860	-609.9150
		(0.927)	(0.1093)	(0.105)	(-0.809)
Household Size	X_4	751.801	0.05308	0.356	3295.806
		(2.146)**	(2.345)**	(1.751)*	(0.462)
Kept Records	X_5	338.168	0.001221	0.513	18143.366
		(0.560)	(3.345)***	(0.430)	(0.989)
Stock Density	X_6	39034.379	0.5211	1.782	32135.632
		(1.251)*	(2.602)**	(1.941)**	(1.98)*
Cooperative		2.607	0.0157	1.707	32135.632
Membership	X_7	(2.474)**	(2.311)**	(2.092)**	(2.011)**
Farming	X_8	-68.070	-0.006496	0.144	7335.041
Experience		(-0.625)	(-0.923)	(0.889)	(1.761)*
Access to Credit	X_9	13.216	0.002122	0.09031	1558.553
		(0.112)	(0.277)	(0.537)	(0.464)
R2		42.9	68.1	63.7	46.0
F – Statistics		3.284***	9.335***	5.041***	1.982***

Field Survey Data, 2016.

The result of socioeconomic factors on monthly income of poultry farmers is shown in Table 3. Exponential model was chosen as the lead equation based on the number of significant variables and being that it had the highest R^2 value of 0.681 which implies that 68.1 percent of the total variation in the income of poultry farmers was accounted for by the variables included in the model. The F- value (5.041) was highly significant at 1 percent indicating a regression of best fit.

The coefficient of household size (0.05308) carries a positive sign and significant at 5 percent level of probability. This indicates that an increase in the members of the household will bring about an increase in the output of the farmer thereby increasing his income. This corroborates Obinaju and Asa (2013) who opined that high household sizes of respondent can be attributed to the fact that these households are involved in farming activities and need more persons to make farm work easier. Also, it could be observed that keeping records (0.001221) was positive and significant at 1 percent indicating that keeping of records leads to a corresponding increase in the earnings of the poultry farmer. This corroborates with Arzeno (2004) who observed that good record keeping is important not only for tax purposes but also for efficient farm management.

Table 4: Constraints to Record Keeping by Poultry famers in the Study Area

Constraints	Frequency	Rank
Time Constraint	112	1
Size of farm holding	62	2
Stock size (number of birds)	42	3
Ignorance of benefits of Records	30	3.5
Fear of additional cost	30	3.5
Avoidance of tax	26	5

Field Survey, 2016

The table reveals that the most severe constraints to record keeping in the study area were: time constraints, size of farm holding, stock size. The result corroborates with Johl and Kapur, (2001) who reported that time constraints hinder farmers from keeping farm records and small stock size or subsistence nature of farming does not give farmers any incentive to keep records. Singh (2001) also stated that small size of their farm holdings will not be able to effect economies of scale; hence they do not show interest in farm record keeping.

Table 5: Relationship between number of records kept by the respondents and profitability

		Profit	Number of Records
Profit	Pearson Correlation	1	.633*
	Sig. (2 tailed)		.000
	N	180	180
Record Number	Pearson Correlation	.633**	1
	Sig. (2 tailed)	.000	
	N	180	180

Field Survey, 2016

** Correlation is significant at the 0.01 level (2 – tailed)

Results in table 5 reveal that a significant positive relationship exist between the number of records kept and profitability of poultry farming (r = 0.633). The correlation coefficient is positive implying a direct relationship between the two variables signifying that the profit earned by the respondents increased as the type and quality of records kept by them increases. The result corroborates the work of Muhammad et al, (2004) who noted that farm record keeping is a practice used by very successful farmers.

CONCLUSION

The study was conducted in Uyo Local Government Area of Akwa Ibom State. The study assessed record keeping among poultry farmers in the study area. Most farmers kept production and financial records which prove that majority of the farmers were more concerned about the productivity and profitability of their businesses. This did not come without challenges as they indicated that time to put down these entries in their record was a major problem coupled with the size of their respective farms. Record keeping was found to have a positive relationship with profit of the farm business. Also, keeping records and household size were found to affect the income of poultry farmers in the area positively This study therefore emphasizes the importance of records and recommends that farmers take stock of the conditions of their farms as a first thing on a daily basis and also move with a pocket dairy to take down information while working on the farm. This will surely help them in adequate planning and despite the recession, they would still operate their business profitably.

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