

## **Canada to Nepal Export Final Report:**

### **Pheasant Hoods: An anti-pick poultry product**

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#### **Introduction to Nepal**

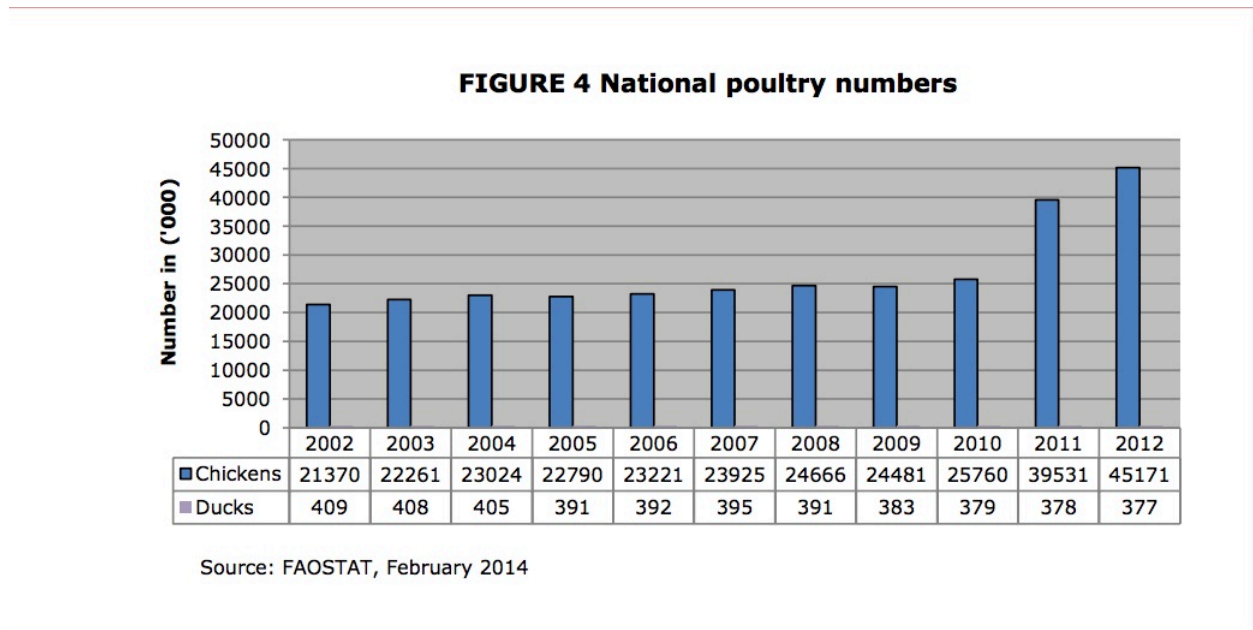
Located between China and India, Nepal is a small country with a population of around 28 million. Nepal is home to many ethnic groups, primarily Hinduism and Buddhism, making it very diverse and welcoming. The land regions are also extremely diverse in Nepal as they have three main regions; mountains, hills and terai. Terai and hill regions are where most of the agriculture happens and it is also where poultry agriculture takes place as well. Nepal is a poor and developing country, about 24.8% of the population is below the poverty line, making only \$1.25 a day, and the GDP for the country is \$2376 per capita (Heritage, 2016).

Like most developing countries, because of the low income families need to start relying on their children to start work at a very young age. This results in education being put on hold, meaning over one third of the adult population has no formal education; literacy rate is 38% for adult men and 23% for adult women (Every Culture, 2016). This can pose a challenge with introducing new technologies or products that require learning skills, or even managing in the market place if they do not understand economics and how to be a successful entrepreneur. In 2015 Nepal was hit with a devastation earthquake, resulting in many people losing their lives, homes and livelihoods. Having to rebuild what little they already had has been a great challenge for Nepal, and Canada, as a thriving country, needs to provide all the help we can give.

## Part 1: Product Information

### Poultry Industry in Nepal

As an emerging and very important industry in Nepal, we should be focusing on preparing them for trade on a global level and increase jobs and incomes for the people of Nepal.



*Figure 1: Demonstrates the increase in poultry in the past 10 years*

The industry started in 1974 and involves a numerous amount of people and contributes 4% in GDP. Not only is poultry sector at an commercial level but over 1.5 million households are raising chickens (FAO, 2014). While the commercial industry, employing over 65,000 people (Bijesh Mishra, 2013), is booming, it is still a good idea to focus on everyone contributing to the poultry sector. Across Nepal, mainly the hill and terai region, there are 65 districts where farmers are distributed throughout the country. The rate of expansion has increased at a faster rate than expected by 30% in the past five years (Bijesh Mishra, 2013). Broilers have made an incredible

gain in the industry, in 2003 meat production increased from 15,881 tonnes to 36,085 tonnes in 2010 (FAO, 2014). With this rapid expansion, problems are arising such as lack of marketing and poor management. This is where we can come in to help; if Nepal works on their marketing they will need products to keep up with the increase in demand. The products that we export to Nepal should aid in this expansion and help the poultry industry get to global standards.

## **Product**

The product idea that will be exported to Nepal is from a Canadian company, it is an anti-pick poultry product called a pheasant hood. This product can be used for game birds or poultry. The intention of the hood is to prevent the birds from fighting and resorting to cannibalism by not allowing the birds to see directly in front of them. With the hoods attached to the faces of the birds it adverts direct eye contact, but allows the birds to continue regular activities such as eating and drinking (Berry Hill, 2016). The purpose is to decrease the amount of birds that are lost from these fights that can lead to death or severe infection. Loss of poultry can affect farmers in a negative way as it decreases the amount of meat and eggs that they can sell to market, overall lessening the livelihoods of Nepalese farmers. A chain reaction could occur where there is not enough poultry to get to market and the prices increase making it harder for the rest of the population to buy poultry products to feed their family. If we were to export these specific pheasant hoods from Berry Hill, it would decrease the chance of infection and breakage. The hoods are attached through the nasal region and can often cause clogging which leads to infection and cause death. The products that will be exported are not made of the traditional rubber or metal but a polyethylene plastic. This plastic is durable and



environmentally friendly, it prevents clogging and decrease the chance of infection and decreases the chance or ripping off and breaking so that the product can be reused.

*Figure 2 demonstrates what the hoods looks like, as you can see there is a green pin that goes through the nasal area to secure the hood in place*

*Source: berryhill.ca*

The target market would be for start-up commercial poultry farmers and rural farmers with a larger yield of chickens.

There are some issues with the hoods such as the time consuming process of placing them onto each chicken. There is also the fact that it can be stressful for the birds and they need special attention during this time which would need to be addressed to the farmers. Farmers also need to know when to put the hoods on, which is mating seasons (That Quail Place, 2016), so they need to understand when the birds are going through that. With these hoods, farmers need to be educated on the welfare of the birds in order to make this product a success.

## **Company**

The supplier of the pheasant hoods is an Ontario based company called Berry Hill. They are a family run company based in St. Thomas, Ontario that sell high quality agricultural products. Their mission is to provide customers with the best service and value possible (Berry Hill, 2016). They have been providing their services since 1946 and are a reliable source for the pheasant hoods. They have won an award for best chicken information, this proves that the company knows the products they are selling and have the knowledge to provide the best product that ensure the poultry will be safe with the products. Since it is a smaller company it is easy to get in touch with them to order specific products. They are close to Toronto which makes

shipping costs a bit lower because there is less distance to an international airport. This company is close to their customers and reliably provides products that are of good quality and will be a good provider for the export to Nepal.

### **Benefit to Rural Farmers**

About 80% of Nepal's people live in rural areas and depend on subsistence farming (Rural Poverty Portal, 2016). This means that while commercial farming is booming, rural farming is still an important part of people's livelihoods. This product aims to help maintain and hopefully increase their chance of making a good life for themselves. When farmers obtain pheasant hoods they will be able to maintain their yields of poultry and continue making a life for themselves. Being able to educate farmers on pheasant hoods will enable them to get more self confidence in their farming skills and help their community. Farming as a source of income in Nepal is very important because it prevents families from going below the poverty line, it can encourage education for children and help families to start saving for the future (Global Press Journal, 2012). As commercial farming is taking over, those who are not into that sector can maintain their flock without suffering the effects of losing birds and ultimately having to find another way to make a living.

### **Benefits to Canada**

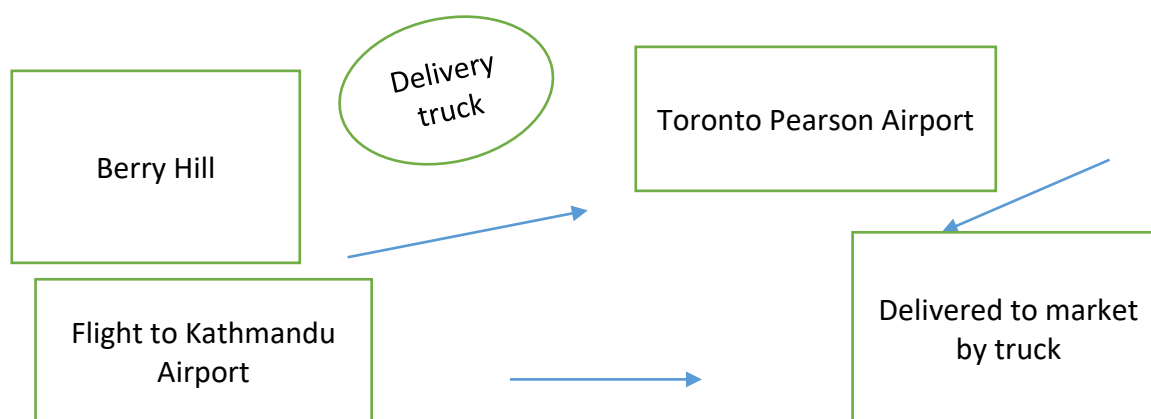
Not only will providing Nepal with a product to help the agriculture sector thrive, but it will provide a number of opportunities for Canada as well. The company that we will be using is a small Ontario establishment that will benefit from the increase in sales. They will be able to expand their stores which will be able to provide products to more people across Canada and will help the family that runs the company. Berry Hill will need more employees if they expand their companies, this will enable Canadians an opportunity for a career and help them provide for their

families. Berry Hill is the middleman for the product, and so jobs will be created as well for the actual producers of the pheasant hoods by increase in demand. Canada will gain revenue from trade and help boost our economy and overall provide Canadians with more beneficial opportunities.

### Export Potential to Nepal:

#### **Transportation of Product**

The product that I am exporting is very small and light weight, it also does not need certain temperature requirements. Thus making it an extremely easy product to export.



The illustrations above show the product coming from Berry Hill will be shipped from the company. It will be delivered to Toronto Pearson airport through a mail delivery service such as UPS. Once arrived at the airport the product will be placed on a plane direct to Kathmandu airport. This airport is ideal because it is situated close to the hill and terai regions in Nepal which is where most of the poultry farming takes place and Kathmandu has 41% of all the commercial poultry farming in Nepal (FAO, 2014). Once arrived at Kathmandu the product will

be unloaded and will be sent out to markets and middlemen who will sell them to farmers. This step may take some organization because Kathmandu is fairly Eastern in Nepal and getting the product across the country may pose a challenge. I choose air freight over overseas freight because we will be sending enough of the product to test it and see if it is a success; therefore, the weight will not be as much and it ends up being cheaper and more reliable to fly it straight to Kathmandu (Universal Cargo, 2011).

There are around 39 million chickens in Nepal (FAO, 2014), this requires a lot of hoods to be exported. The hoods are sold at \$339.99 for a package of 1000, to start off I plan to send 10-20 of the packages to start up farms and see the success. If the product is a success hopefully we can expand to start up commercial farmers and send more to Nepal. The cost alone of the start-up amount of hoods is \$4000-\$8000, plus taxes and air freight costs. The plan to pay this is to get the Global Opportunities for Associations Grant from the Government of Canada to fund this export. This grant contributes funding to support national associations undertaking new or expanded international business development activities (The Canadian Trade Commissioner Service, 2016). This would exponentially help start up the process of exporting the hoods to Nepal and ensure that this project will not fall short of money.

### **Benefits to Nepal**

As stated before, many Nepalese people depend on farming as a form of income. As approximately 32% of GDP comes from agriculture alone (Bijesh Mishra, 2013), they need ways to increase and secure their chances of success. By providing a way to increase the chances of survival in their poultry, we are securing the future of their farms. With the Nepali government promoting poultry farming (Global Press Journal, 2012), more and more people are willing to get into the business. Some may be reluctant because there is not a lot of information or technology

on the welfare of the birds, and a lot of birds are dying from disease or fighting. When we provide equipment that ensures that chickens will have a better survival rate, it is more likely they will enter into the sector and overall increase their standard of living. The process of putting the product to market also gives jobs for those who will end up selling them. There is a little knowledge that goes into using the hoods, but once farmers get that information, it will boost their confidence in their ability to raise chickens. Nepal imports a majority of its chicks but since an Avian Influenza was detected in Indian states, they banned the imports (FAO, 2014). This ban means that Nepal has to rely on their internal supply which can be positive because it gives them more independence, but can also cause stress because, now more than ever, they need to decrease the loss of birds. Pheasant hoods are a solution to the majority of bird loss and can give the farmers the confidence they need to succeed and create a life for themselves.

### **Market Opportunities**

There is a huge market opportunity in Nepal for Pheasant hoods as there is a lot farmers still need to work on in order to decrease casualties. Nepal does not have the means to obtain new technologies and that poses a threat to the poultry sector. Some issues that Nepal has with their poultry sector is that they lack modern laboratories in regards to disease diagnosis, poor management and support facilities, inaccurate budgeting, unawareness of farmers and dangers of various unknown disease measures (Bijesh Mishra, 2013). These challenges need to be faced with government policies as well as products to prevent these posed threats. The chance to bring in these products to help the industry will be welcomed and sought after. The pheasant hoods are cheap and durable; therefore, they would be a great asset to new farmers or those wanting to get to a commercial stage of poultry farming. Giving farmers a chance at success is all they need, the hoods require little knowledge and do not require electricity which many homes do not have.



Giving Nepalese people a product that is cost efficient and easy to use are more likely to be a success and promote agricultural practices, giving people a proper income. There are other products such as electric beak clippers which are expensive, time consuming and are less ethical for the birds. Therefore, these pheasant hoods are a simple solution to help farmers create an income for themselves overall increasing their standard of living and GDP for the country.

### **Target Market**

Based on the information for the product and commercial poultry farming, this product would best be suited for rural farmers or farmers starting up in the commercial industry.

According to 2010 data from Practical Action, there are 5,000 commercial poultry farms in Nepal (Global Press Journal, 2012), this is excellent for Nepal as a country as it increases GDP, jobs and overall livelihoods for those in need. The increase in the commercial sector means less focus on rural farmers and more attention on trying to increase yields in the commercial farms. In order for rural farms to continue to thrive, I will focus on trying to get the product to them and make it accessible to anyone who is struggling. There is a lot more than just anti-fighting regimes to be successful, but if they tackle one problem, everything else can come after such as feed, water and housing. The product is best used when there is a large crowd of chickens where most fights break out, in some rural farms there can be as many as 1500 chickens (Global Press Journal, 2012). This can be time consuming to place each hood on to the chickens and in commercial settings it can take a very long time and there are better alternatives for that quantity. It is more reasonable to use it on less chickens, and it is also easier to keep track of the chickens if there aren't as many. Being able to increase the size of the flock or even just maintain what they already have will prevent loss of income, keep the population from going under the poverty line, and increase education opportunities by allowing children to go to school instead of

going out and finding work to support their families. There may be an issue of getting the product out to more isolated farms where road access is limited. If we can get past this barrier, hopefully farmers all around Nepal will be more successful in keeping their flock size and increasing the standard of living.

### **Competition**

Like mentioned before, the hoods, even though ethical, cheap and durable, are time consuming and will at some point need to be replaced. There are other methods to control the fighting that happens within the flocks. A popular method would be to cut the beaks off at a young age, that way you do not need to worry about applying anything to each individual chicken. Though this method is popular, it is more suited for commercial farms so it is faster and once it's done there is no more worrying about it. Some issues with this is that the machines that do the cutting can be very costly and some cannot afford the machine. There is also the fact that if it is not done properly, infection might occur and end up killing the chicken. The main reason why chickens fight is because of overcrowding, making it hard to scavenge for food (The Chicken Chick, 2016). Another solution that could be provided to farmers is equipment to separate chickens or make their pens larger to give more room for the chickens to walk around and forage for food. This solution is great for those who have the room to make a bigger pen, and the money to buy the building materials. The issue with this is not every farmer has the land capacity to make a bigger pen, and the building materials can be quite expensive. The Nepali Government is trying to inform farmers about poultry farming with trainings and booklets (Global Journal Press, 2012), so if they can learn from those, then we can provide pamphlets along with the hoods in order to inform the farmers of the benefits and practicality of the

product. The pamphlets and targeting the right population will ensure that the competition for anti-pick products will be reduced significantly.

### **Unknowns and Challenges**

Throughout this paper there have been mentions of some challenges associated with sending pheasant hoods to Nepal. The first is that farmers are still trying to get in control of the welfare of the animals such as disease, feed and stress. These are major challenges that need to be addressed, even if we send them the hoods, it will not prevent disease which can kill the chickens rendering the hoods useless. The chickens are also susceptible to stress with the placement of the hoods and need to be cared for in a way which the stress doesn't cause any negative effects on the birds. Many new farmers won't realize this and the stress could potentially kill the birds. There is the challenge of figuring out how to inform the farmers about the process of placing the hoods on the chickens. A solution would be to add pamphlets or instructional pictures with the product so the farmers can avoid any repercussions of placing them on wrong. Hopefully if the grant is rewarded than we could get the extra funds to make the pamphlets.

Trying to distribute the products are an unknown because we would have to research where the best places to provide the hoods. Also I plan to send them to rural farmers which can pose a few issues. First of all, there is the fact that many farms cannot be reached by road access which will make it very challenging to get the actual product to them. Then there is the fact that they might not even need them and the target market should be more towards commercial farmers. It is trial and error for the target market, but for the access issue, hopefully we can arrange for big shipments to be distributed specifically to rural farms. This would include

possible carts and getting people to meet us half way to make it easier to get the product where it needs to go.

Overall there are some challenges that can possibly arise with the export of pheasant hoods. If we catch them now and think ahead, when and if they do arise we can tackle them with the advantage of predicting them.

### **Conclusion**

In conclusion, pheasant hoods are a cheap, reliable and ethical way to prevent fighting and cannibalism among poultry. The result of the hoods are helping the poultry industry keep their flock count and minimizing loss which in turn keeps Nepalese farmers making an income and providing for their families. Both Nepal and Canada benefit from trade and will gain potential jobs and steady income for the population. They are easy to export and can make a big impact on the country's booming poultry industry. Nepal is a very poor country and we are fortunate enough to live in Canada, if there is a way that we can help make the world around us a better place, that should be a top priority.

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