

FINANCIAL EVALUATION OF BROILER PRODUCTION PROJECTS IN DIYALA GOVERNORATE IN THE YEAR 2017

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ABSTRACT

This research aims to study the economic evaluation of meat Broiler projects province of Diyala for 2017 by identifying the economic merit of the production projects of the meat broiler by applying some economic evaluation criteria using questionnaire form. Data were collected randomly from a sample of 40 meat Broiler breeders representing 20.41% of total 196 poultry fields which established in Diyala Governorate. The sample was divided into three categories: the first category was 21 breeders, the second category was 15 breeders, the third category was 4 breeders, and the design capacity of each category (1-50) thousand Broiler, (51-100) thousand Broiler, more than 100 thousand Broiler respectively. The results showed that the producers at the sample level achieve an annual profit of 5.5 Billion ID, while the return of the invested dinar at the level of categories represented in the first category which gave the highest value, as follow 1.594, 1.504, 1.395 ID for the first category and second category and third category respectively, which indicates to efficiency of the studied projects while the payback period of the capital was estimated to be about 1.650, 1.939, 2.456 years for the three categories respectively, The results showed that most of the production costs were variable. The fixed costs constituted only about 10.25% of the total cost. The feed value accounted for more than half of these costs by 65.89% of the total cost, followed by the value of the chicks by 18.56% then others costs. The fixed costs included the field rent by 17.82%, while the permanent work was 12.16%. The interest of capital was the largest percent by 70.02% of the total fixed costs. Therefore, it is recommended that the state should intervene directly and adopt an effective and vital policy. In supporting and encouraging breeders by providing them with feed and protein concentrates for their fields at subsidized prices.

Keyword: Return of invested dinar, Variable capital productivity, efficiency.

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التقييم المالي لمشاريع انتاج فروج اللحم في محافظة ديالى في عام 2017

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المستخلص

يهدف البحث الى دراسة التقييم الاقتصادي لمشاريع انتاج فروج اللحم في محافظة ديالى لسنة 2017 من خلال التعرف على الجدارة الاقتصادية لمشاريع انتاج فروج اللحم وذلك بتطبيق بعض معايير التقييم الاقتصادية في ضوء استمارة استبيان، وجمعت البيانات عشوائيا من عينة مكونة من 40 مربي لفروج اللحم مثلت 20.41% من مجموع 196 حقلا عاملا في محافظة ديالى وقسمت العينة الى ثلاث فئات ضمت الفئة الاولى 21 مربي والفئة الثانية 15 مربي في حين ضمت الفئة الثالثة 4 مربين وكانت الطاقة التصميمية لكل فئة هي (1-50) الف طير، (51-100) الف طير، اكثر من (100) الف طير على التوالي . وظهرت النتائج ان المربين على مستوى العينة يحققون ربحا سنويا مقداره 5.5 مليار دينار بينما بلغ عائد الدينار المستثمر على مستوى الفئات متمثل بالفئة الاولى وهي اعلى الفئات نحو (1.594، 1.504، 1.395) دينار للفئات الاولى والثانية والثالثة على التوالي الامر الذي دل على كفاءة المشاريع المدروسة في حين قدرت فترة استرداد رأس المال بنحو (1.650، 1.939، 2.456) سنة للفئات الثلاثة حسب الترتيب. استنتج البحث ان معظم تكاليف الانتاج كانت متغيرة ولم تشكل التكاليف الثابتة سوى نسبة قدرها نحو 10.25% من مجموع التكاليف الكلية، وشكلت قيمة العلف اكثر من نصف تلك التكاليف 65.89% من مجموع تلك التكاليف ثم تلتها قيمة الافراخ (18.56%) ثم بقية بنود التكاليف. اما التكاليف الثابتة فقد شكلت تكاليف بدل ايجار الحقل 17.82% في حين العمل الدائمي شكل 12.16%، اما الفائدة على راس المال فقد كان لها النسبة الاكبر فقد شكلت نحو 70.02% من مجموع التكاليف الثابتة. لذا يوصى بضرورة قيام الدولة بالتدخل المباشر واتباع سياسة فعالة وحيوية في دعم وتشجيع المربين وذلك بمددهم بالأعلاف والمركبات البروتينية لحقولهم وبأسعار مدعومة.

الكلمات المفتاحية: عائد الدينار المستثمر، انتاجية راس المال المتغير، الكفاءة .

INTRODUCTION

Investment projects have great importance in enabling countries to direct the factors of production to move from recession to development. Investment projects are of great importance to the national economy in general and to economic units in particular (15). The project evaluation process is the evaluator opinion in success of the project study and the identification of the best alternatives technical, financial, economic, environmental, social, organizational and administrative alternatives to meet the project's objective with the required efficiency and effectiveness (14). The purpose of investment opportunities evaluating is to evaluate the economic prospects of the proposed investment projects (10). The importance increasing of good projects, including poultry projects adopted by the State to reduce the role of the public sector and increasing the private sector and seek to optimize the use of available resources by directing these resources to the best uses available or so-called rational use of these resources. implementation of the project. Therefore, poultry is considered to be one of the most important farm animals producing the food needed by humans as a quick source of animal protein at affordable prices. It is characterized by rapid reproduction, short life cycle and high productive efficiency, thus achieving a profitable return from capital investment. The aim of poultry projects is either to produce white meat or produce eggs. Therefore, the production process requires high experience in the treatment of chickens, both in the incubation period of the chick or in the period of care during the production period (7). Over the years, the development of poultry from small primitive to intensive care and production systems and the use of the latest production technology to meet the needs of the market with the increase in population, With the use of modern technologies, the poultry production sector is called the poultry industry, where the industry combines many scientific efforts such as science of breeding and improvement of poultry, poultry nutrition, physiology of poultry, poultry diseases, poultry management, poultry marketing, poultry technology and poultry economics (7). We can Summarize the research, problem,

The high cost of Broiler production, as well as the low prices of poultry products, which caused the reluctance of some producers to invest in Broiler projects because High total costs (rent, , veterinary care, workers, etc.) as well of the entry of imported poultry meat from abroad at prices lower than the price of the local product. the research aims to Studying the economic efficiency of broiler production projects by using a number of well-known economic standards. It also aims to study the problems that accompany the production processes of this sector.

MATERIALS AND METHODS

The data of research were obtained through a random sample of broiler projects in Diyala Governorate using a questionnaire form that included a set of questions prepared for this purpose. During the operation revealed that most poultry projects are private sector projects, because most of the poultry projects of the state is stalled due to exceptional circumstances in the country. As for the size of the random sample, it reached 40 projects representing 20.41% of the total projects in Diyala Governorate. The research adopted a set of economic criteria to reach the objectives of the research are :

1. Net cash income criterion: In order to measure net income and changes in the prices of certain productive activities that may decrease and revert back to the normal level according to the annual change in productivity (13). should be taken into account from the following equation (19).

Net cash income = Cash revenue - Cash costs

2. The criterion of economic profit: the difference between total revenue and total costs (18). It is calculated from the following equation(6).

Economic profit = Total revenue - Total costs

3. Profitability criterion: The difference between the revenue and the costs of the project means the net profit after paying all other costs and expenses as calculated as a percentage of the annual return of capital which consists of current capital and working capital (9).

Profitability = $\left(\frac{\text{Annual net profit}}{\text{Invested capital}} \right) * 100$

4 - Return of invested dinar: is the division of the annual revenue of the project on the annual costs, all at current value, both in terms of

returns or costs (3). It is calculated using the following equation (21):

$$\frac{\text{Production of Invested Dinar}}{\text{Value of Production}} = \frac{\text{Capital invested}}{\text{Capital invested}}$$

5. Capital recovery period: The required period to equalize the net cash flows with the investment costs of the project (15), or the required time for the project to recover its investment costs. It is calculated from the following equation (23). Capital recovery period = Invested Capital / Annual Profit

6. Variable Capital Productivity: This criterion can assess the efficiency of the use of changing farm assets. The efficiency of using these resources determines the profitability of the productive process. Therefore, the use of economic incentives in the use of these assets will optimize their use (20). It is calculated using the following equation (17):

$$\text{Variable Capital Productivity} = \frac{\text{Total Revenue}}{\text{Total Direct Costs}}$$

7. breakeven point: the lowest level of production or the level of sales which the project can operate in it without loss (8). The breakeven point is one of the most important criteria used to analyze the relationship between the production, costs and profits, because it provides sufficient information on the interrelationships among factors of production (5). The breakeven can be calculated from the following equation (16):

$$\text{Breakeven (unit)} = \frac{\text{fixed production costs}}{\text{(price per ton - average variable cost)}}$$

Breakeven (as value)= fixed production costs / marginal income. It can calculate the safety value of the product which shows the percentage at which production can be reduced without to achieve losses according to the following equation (1):

$$\text{Production Safety value} = \left(\frac{\text{Annual production} - \text{Equalization production}}{\text{Annual Output}} \right) * 100$$

RESULTS AND DISCUSSION

The evaluation of investment projects, including poultry projects, requires a lot of data and information to be provided. The most important of these data are the investment costs of all types, production costs and evaluated cash flows for the project. In order to carry out the evaluation, it is necessary to

analyze the investment costs, fixed costs and variable costs. It is worth mentioning that these costs are for one year and included 4-5 batches and a period of breeding 35 days for the batch.

Costs structure analysis

Costs refers to the total paid expenditure for all services of economic resources used in the production process (4).

Fixed costs: The fixed costs in the poultry projects included the following:

1 - The rent of the land (field): - Rent the field and the halls in which to be exploited, and the rent varies according to the number of halls and location and distance from marketing centers, there are fields rented with all the requirements and other rented only the hall without supplies. Table (1) shows that the field rent costs at the sample level amounted to about 193.5 million ID, which constituted about 17.82% of the total fixed total costs. While at the category level, the cost of renting the first category was about 78,400,000 ID, which is the highest category by total fixed costs. This is due to the large number of fields in this category and this fields have been rented with all its accessories , The total cost of the third category of total fixed costs amounted 37000000 ID, which is the lowest category due to the low number of breeders within this category.

2 - Permanent labor: - Includes salaries of employees and administrators and salaries of the director, guard and family members in the project (field), the total permanent labor costs reached 132050000 ID at the sample level, which amounted 12.16% of the total fixed costs. The first category was the highest in terms of permanent labor costs which amounted 66150000 ID of the total fixed costs, while the total fixed cost of the second category about 52300000 ID, which comes second after the first category followed by the third category which reached 13600000 ID as shown in Table (1).

3 - The Interest rate of capital: One of the main variables that affect investment decisions is the cost of capital, which have a major role in the investment process, the cost of capital is affected by the prevailing economic conditions in the country. (9). The 8% interest rate was calculated on variable costs which spent by

breeders to provide production inputs to start production. The results of Table (1) show that the capital interest at the sample level was about 760516100 ID, by 70.02% of the total fixed costs. While at the level of the category,

the highest capital interest was in the second category which reached 332869920 ID followed by the first category then the third category, which reached 332869920, 168213380 ID, respectively.

Table 1. Items of fixed costs ID and their relative importance

Items	Scale categories			Total fixed cost ID	Relative importance % of TFC
	1-50	51-100	More than 100		
Field Rent Allowance (ID)	78400000	78100000	37000000	193500000	17.82
Permanent labor	66150000	52300000	13600000	132050000	12.16
The benefit of capital	259432800	332869920	168213380	760516100	70.02
Total	403982800	463269920	218813380	1086066100	100

Source: Prepared by researchers in the light of personal interviews.

Variable costs: The costs that change in total and in the same proportion and in the same direction with the change in the volume of activit (11). In the sample of the study, the total variable costs included the following items:

1 - the value of chicks : ranked second on the level of the sample as it amounted to 18.56% of the total variable costs, as for the cost of chicks at the level of category. The highest value was in the second category, which amounted to 791584000 ID then second place (first category), which accounted 565784000 ID, the third place was for the third category, which reached 407442250 dinars.

2 - The value of the hired labour : occupies the sixth rank contributes to lower costs by 2.68% of the total costs at the level of the sample while the second category ranked first at the level of one class, amounting to about 106500000 ID while the second and third ranks for the first and third categories respectively, reaching about 98000000 ID million and 50550000 ID.

3 - Value of feed: At the level of the sample, these costs ranked first by 65.89% of the total variable costs. At the level of the category, the cost of feed varied and amounted to 2758835000 ID for the second category, which was ranked first, while the second place was in the first category, which amounted to 2137686000 ID, while the third category was ranked third which reached 13661130000 ID. The reason for the high feed costs is that these feed are imported.

4 - The value of medicines: The cost of medicines contributed 4.74% of the total variable costs ranked third on the level of the sample, either at the level of the category. the second category ranked first in terms of cost was valued at about 202220000 ID, The first category and the third category cost reached 163390000 and 84850000 ID, the second and third rank of their share, respectively.

5 - Value of the mattresses : At the level of the category was the second category ranked first costs amounted to 45200000 ID, while the first category ranked second which reached 34115000 ID, while the third category was ranked third 22940000 ID. On the sample level reached 1.08% of Total variable costs.

6 - The value of gas: ranked fifth at the level of the sample by 2.97% of the total variable costs, while at the level of the category occupied the second category ranked first and amounted to 114220000 ID . The third category ranked second and reached 89020000 ID while the first category ranked third with a value 79360000 ID.

7 - The value of electricity : The second place at the level of category 4815000 ID was in the first place, while the second place was the first category, which gave 4245000 ID, the third category was ranked third.

8 - Water value: The second category ranked first at the level of the category amounted to 22500000 ID, while the third category ranked second with 323000000ID, while in the first category was ranked third and reached 1590000 ID.

9 - Value of maintenance : Included all expenses spent by the owner of the project (field) to maintain the maintenance of investment assets, and maintenance expenses were different depending on the number and quality of equipment used in the field. The second category was the highest category, with costs reached 149500000 ID, it ranked first, while the first category ranked second, with 13595000 ID, while the third place was in the third category, which amounted to 12150000 ID.

10 - Value of fuel and oil : The cost of fuel, oil and grease used for the operation of machinery and equipment used in the process of production and came in fourth place by 3.22% of the total variable costs, at the level of the category was the first category gave 140660000 ID, Then the second and third categories ranked second and third respectively, which reached 116840000 ID, due to the high cost of fuel and the difference between one category and the other due to the

number of fields existing for each category, as well as some fields, especially not accessible by the state electricity The generators serve 24 hours, especially in the winter season.

11 - Other costs: We mean the costs of transportation and costs of food and other expenses as the more the number of fields, workers and administrators increased these costs and this is evident from the difference between categories, amounted to 13875000 ID for the third category and thus became the first position in terms of cost, The second place was in the first category, with 4485000 ID, while the second category came third with 3460000 ID.

We note that the second category in most of the cost items ranked first in terms of costs due to the disparity in the volume of investments in this category and to the production capacity of each room as well as the wages of work and supervision and veterinary medicines as well as proximity and distance from the city centers and so on Other things.

Table 2. Variable cost items JD and their relative importance

Items	Scale categories			Variable cost JD	Relative importance % of TVC
	1-50	51-100	More than 100		
Value of chicks	565784000	791584000	407442250	1764810250	18.56
The value of the leased work	98000000	106500000	50550000	255050000	2.68
Value of feed	2137686000	2758835000	1366130000	6262651000	65.89
Value of medicines	163390000	202220000	84850000	450460000	4.74
Brush value	34115000	45200000	22940000	102255000	1.08
Value of gas	79360000	114220000	89020000	282600000	2.97
Electricity value	4245000	4815000	3430000	12490000	0.13
Water value	1590000	2250000	3230000	7070000	0.07
Maintenance value	13595000	14950000	12150000	40695000	0.43
Value of fuel and fat	140660000	116840000	49050000	306550000	3.22
Other cost	4485000	3460000	13875000	21820000	0.23
Total	3242910000	4160874000	2102667250	9506451250	100

The source is prepared by researchers based on the questionnaire.

Table (3) shows that the total revenues at the sample level reached 16,132,450,357 ID, which included the basic revenues resulting from the sale of marketed quantities of Broiler , in addition to the secondary income resulting from the sale of waste (organic fertilizer). Also the results of table (3) show the breeders of the

sample were divided into three categories and each category is different in terms of number of breeders and design capacity of the field (number of chickens). The second category obtained a value of revenues of 7008544058 ID and its relative importance was 43.44%. This is due to the variation in the design

capacity of this category compared to the other categories. This category ranged between a minimum of 51000 Broiler and a maximum of 100000 Broiler, while the first category ranked second in terms of total revenue which reached 5857099152 ID and the relative importance of 36.31%. the third category was the last in terms of total revenue 3266807147 ID and the relative importance 20.25%. The reason is due to the lack of the number of breeders for this category compared to the first and second, where the number of breeders only 4 , while the number of breeders in the first category (21) and in the second category (15) breeders. While the total costs at the sample level amounted to 10592517350 dinars while at the level of the category the relative importance of the second category the highest rates by 43.65% This is because the total costs of this category was greater than the other categories which reached 4624143920 ID, Followed by the first category with a relative importance by 34.43%, while the total cost reached 3646892800 ID, while the relative importance of the third category was about 21.92% while the total cost was 2321480630 ID. the total profits achieved by these projects (Broiler) at the sample level amounted to 5539933007 ID, while at the level of the category the second category gave the highest value of total profit which reached 2384400138 ID with a relative importance by 43.040%. The second share of the total profits was for the first category, amounting to 2210206352 ID with a relative importance by 39.896%. and the lowest value obtained from the third category with total profits amounted to 945326517 ID and a relative importance by 17.064%. On the revenue average side, the results of Table (3) show that the average of total revenue at the sample level was 40,331,258.9 ID While the

third category achieved the highest average amounted to 816701786.8 ID , then the second category with an average of total revenue reached 467236270.5 ID, while the first category achieved an average of total revenue reached 278909483.4 ID. The results of Table (3) show that the average of total costs at the level of the sample reached 2510,357 ID. While at the level of the category, the third category achieved the highest average of the total costs 2548.730 ID followed by the second category with an average of total costs 2542.972 ID. But the first category was lowest in average of total costs 2447.108 ID, and in terms of average of total profits at the level of the sample gave 138,498,325.2 ID, while at the level of the category the results of table (3) showed that the third category got the first level of total profits compared to other categories with average reached 236331629.3 ID, then the second category with average amounted to 158960009.2 ID. Finally we come to the average profit per kilogram of chicken meat has reached the level of the sample 1312.927 dinars, while at the level of the category achieved the first category average Profit per kilogram of 1483.074 dinars and the average profit per kilogram in the second category fell to 1311.262 dinars and fell more in the last category, reaching 1037.864 dinars. Finally, the first category with an average of total profit amounted to 105247922 ID. and the average of profit per kg of chicken meat, which reached 1312.927 ID at level of the sample , while at the level of the category the first category achieved average of profit per kilogram reached 1483.074 ID and the average of profit per kilogram in the second category decreased to 1311,262 ID and decreased more in the last category to 1037.864 ID.

Table 3. The total revenues, the total costs, the total profits and the relative and average importance of each item

Items	Scale categories			Total
	1-50	51-100	More than 100	
Number of breeders	21	15	4	40
Quantity of met kg	1490287	1818401	910838.1	4219526.1
Total Revenue ID	5857099152	7008544058	3266807147	16132450357
Relative importance %	36.31	43.44	20.25	100
Total costs ID	3646892800	4624143920	2321480630	10592517350
Relative importance %	34.43	43.65	21.92	100
Total profits ID	2210206352	2384400138	945326517	5539933007
Relative importance %	39.896	43.040	17.064	100
Average total revenue ID \ Jam	278909483.4	467236270.5	816701786.8	403311258.9
Average Revenue ID/kg	3930.182	3854.234	3586.594	3823.285
Average total costs ID/kg	2447.108	2542.972	2548.730	2510.357
Average Total profit ID	105247922	158960009.2	236331629.3	138498325.2
Average profit ID/kg	1483.074	1311.262	1037.864	1312.927

Source: collected and calculated by researchers based on questionnaire.

The results of Table (4) show that this activity achieved an annual profit at the sample level reached 553,993,007 ID so that the commercial profitability ratio at the sample level 52.30%. At the level of the category the second category achieved annual profit 2384400138 ID, which is considered the first among the categories, while the profitability of trade was the second, which is 51.56%. While the first category was the second in achieving an annual profit reached 2210206352 ID, but it was the first in terms of commercial ratio by 60.60%, while in the third category, it was the last in terms of annual profit which gave 945326517 ID and commercial profitability by 40.72% The profitability ratio at the category level was higher in the first category and this reflects the profitability of this activity in the production in this category compared to other categories. It is known that projects of good economic efficiency are the ratio of return to cost more than (1), the results of table (4) shows that the return of the invested dinar at the level of the sample was 1.511 ID. At the level of categories in the first category the invested dinar achieved interest rate reached the highest level 1.606 ID, in the second category decreased to reach 1.504 ID and continued to decline until 1.395 ID in third category. all these returns were rewarding compared to interest of invested dinar in commercial banks, so it was found that all categories included in the study achieved a return of the dinar invested more than (1). The

payback period of the capital was the shortest period in the first category reached 1.650 years then the second category with the period 1.939 years, while the longest period for the recovery of capital was in the third category, which reached 2.456 years because low efficiency indicators within this category due to large size and lack of control over project management. At the sample level, the payback period for the capital was 1.912 years. The payback period of the capital was short in the first category then increased slightly in the second category then increased more in the third category. This indicates the difference between the category and the other. This may be due to a difference in the invested capital for each category, as well as the difference in the average of profit also, and this is shown in Table (3). The variable capital productivity criteria was 1.523 at the sample level, while the variable capital productivity criteria at the level of the category reached 1.606. The highest productivity of this variable capital obtained from the first category. This indicates the high efficiency in using the variable production factors in this category. Followed by the second category, which gave 1.5156 while the third category gave 1.407. These projects required to 123911.2755 tons to be the economic profit equal to zero and represents the amount of meat to be produced in the case of profit or loss, the broken even point was 1558200396 ID which the meat breeder achieve it at the broken even point which

comes from sale of broiler as a major product. At the level of the categories, the second category achieved the highest value of broken even point reached 3068835523 tons. It was also at the first level at the broken even point, reaching 6769069892 ID, followed by the first and third categories, with value of broken even point reached 261434416, 1838377439 ton respectively , while broken even point as a

price was 501141954.8, 395220307.4 ID, while the production safety level at the sample level was 97.06%, while at the level of the category it was the highest level in the second category reached 83.12%, followed by the first category by 82.46% Followed by the third category with a production safety rate of 79.82.

Table 4. Results of the study criteria

Benchmark or benchmark	Scale categories			the sample
	1-50	51-100	More than 100	
Total variable costs ID	3242910000	4160874000	2102667250	9506451250
Total fixed costs ID	403982800	463269920	218813380	1086066100
Total costs ID	3646892800	4624143920	2321480630	10592517350
Economic profit ID	2210206352	2384400138	945326517	5539933007
Profitability%	60.60	51.56	40.72	52.30
Return of the invested dinar ID	1.594	1.504	1.395	1.511
Payback period year	1.650	1.939	2.456	1.912
Variable capital productivity	1.606	1.5156	1.407	1.523
The amount of the tie Ton	261434.416	306883.5523	183837.7439	123911.2755
Breakeven unite	501141954.8	676906989.2	395220307.4	1558200396
Productive safety limit%	82.46	83.12	79.82	97.06

Source: Prepared by researchers in the light of Table 3.2.1 data.

The research Concluded that, the most fields in the study area is the first category, which included 21 breeders followed by the second category with 15 breeders , the first category represented half of the sample fields also there are problems during the period of breeding such as lack of control of diseases and pests in the fields of production, especially at the beginning of breeding and this is due to lack of sufficient knowledge of how to give medicines and vaccines or to the weakness of immunity in chicks in addition to the first category achieved the highest level of efficiency of breeders through economic indicators, while the third category, which are fields of more than 100 thousand birds less efficient to adopt the traditional methods in breeding and the management of fields that are not suited to the management of large projects and require the process of regulation , such as self-management of the field and the non-use of modern management methods also the results

of the study indicated that most of the production costs were variable. The fixed costs constituted only about 10.25% of the total cost. Feeding value was more than half of these costs (65.89%) of the total costs. Followed by the value of the price of chicks (18.56%) then the rest of the cost items. The fixed costs included field rent by 17.82%, while the permanent labor was 12.16%. The capital interest rate was the largest value, which reached 70.02% of the total fixed costs in addition to the average weight per live bird was (1.650) kg with an average period of breeding (35) days also most of these projects rely on the rivers and some of them on the water wells, and after the stations drinking water, which leads to disease also the average weight per live broiler was (1.650) kg with an average period of breeding (35) days in addition to most of these projects rely on the rivers water and some of them on the wells

water, because of the distance away from the water filter stations this causes more diseases. The research recommendations, the State should intervene directly and adopt an effective policy to support and encourage breeders by providing them with feed and protein concentrates for their fields at subsidized prices. Loans should be granted to establish feed mills within the governorate to reduce the cost of feed also the Ministry of Agriculture should supervise the quality and strains of chicks that imported from abroad and not allow to enter only after ensuring their safety and free from diseases and viruses in addition to the State should encourage breeders to establish local hatcheries by providing a specialized staff to supervise and follow up. And support those projects financially in addition to not to expand the size of the project to more than 100 thousand broiler because the decreasing of efficiency indicators within this category and lack of control over the management of the project also supporting the breeders through long-term loans, payment facilitation, land leasing and tax exemptions beside and support domestic product and protect it from foreign competition through the imposition the tax duties on imports, therefore does not affect the prices of local product, which encourages local products and increase production in addition to the directorates and the agricultural departments in the districts and villages should be interested in holding seminars and training courses for the producers by a specialized team to raise the awareness of the educators about the importance of this activity, which leads to raising the administrative efficiency of the owners of these projects, this lead to positive repercussions on increasing production.

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