

Discussion of results:

1. Profitability of poultry, both eggs and broilers, fluctuates violently over time, mainly because of erratic changes in the prices of feed and chicks, and in prices of table eggs and poultry meat. Consequently producers may make unusual profits or losses if they either inadvertently take advantage of a transitional rise in the price of their produce or, conversely, if they are faced with a sudden rise in the price of feed, while the prices of their produce are relatively stable (See Graph IX-1).

Fluctuations in profitability are further accentuated by the occasional dumping of cheap Israeli eggs and broilers in West Bank markets.

2. Despite violent changes in profitability, poultry farming has been reasonably profitable over the past two years, mainly due to the Government's monetary policies calling for an eventual lifting of subsidies on poultry products. Though not yet fully enforced, this policy has resulted in a somewhat more equitable competition between West Bank and Israeli poultrymen.

It should, however, be emphasized that the profit margin is so tight that farmers with high overheads or relatively severe disease problems can easily run into losses.

3. Egg farming is generally believed to be more lucrative than broiler production. The risks involved, however, and the level of expertise and size of needed investment precipitate a certain margin of profit accruing to restricted competition. Should those pre-requisites be made available more freely, egg farming

Graph (IX-1)
Prices of broiler feed, baby chicks, and poultry meat
(June 80 - May 81)

