

**Project Location:**

Lautoka, Fiji

Project Start Date:

1 October 2009

Funding Source:

Australian Agency for International Development (AusAID) – 45%

Reddy Farms -55%

Total Grant Funds Approved:

A\$149,900

Updated December 2012

Reddy Farms – Duck Farming And Processing, Fiji

ABOUT REDDY FARMS

Reddy Farms is a 100 per cent locally owned Fijian company involved in the breeding, raising and processing of poultry.

With the support of ECF funding, Reddy Farms introduced duck contract farming with low-income urban fringe households in the Lautoka area of Fiji and the establishment of a commercial hatchery and processing facility. The processed ducks are sold to hotels, supermarkets and restaurants.

THE PROJECT AND HOW IT WORKED

This project was supported by the ECF on the basis that it would provide an important source of alternative incomes for households in the Lautoka region that were adversely impacted by the downturn in the sugar industry.

The mainly female contractors who were appointed to grow out ducks were expected to earn new or additional incomes for a limited amount of work each day.

In addition to these livelihood benefits, Reddy Farms would employ and train men and women to work in the processing operation.

Reddy Farms was also expected to be a useful model for small scale grow out operations and similar income diversification projects planned for the depressed cane growing areas of Fiji.

THE RESULTS

- Reddy Farms completed the duck hatchery and processing operation and secured all the required health, safety and environmental approvals by late 2010.
- Male and female contractors were recruited to raise week old ducklings. Reddy Farms provides feed and technical support and there are no operational expenses for the contractors.
- Six new full time and four part time workers were recruited, four of whom are women.

This project has, to date, not been as successful as expected.

- The original intention was to appoint a large number of contractors, mainly women, but poor performance by a number of contractors has resulted in a smaller number of contractors handling increased quantities of ducks.
- Sales to local customers have also not been as substantial as expected. Price resistance from consumers and lower than expected sales to hotels and restaurants have presented challenges to the business. As a result Reddy Farms has therefore diversified into the supply of fresh ducks at the farm gate and the processing of larger chickens to fill a gap in the market.

The business is commercially viable but the benefits are less than expected -

- The 10-15 contractors expected to continue to provide the 'grow-out' service. These contractors are likely to increasingly handle larger batches and earn more money but most are relatively entrepreneurial and are not necessarily disadvantaged.
- The additional 6 new full time and 4 part time workers who have learnt a range of new and valuable skills.

The project has been a useful case study for similar livelihood development strategies being considered for the cane belt regions of Fiji by both the government and donors. Lessons from the project are also expected to be useful for similar projects in other countries.

HOW ECF FUNDS WERE USED

The ECF grant covered part of the costs involved in the construction of the hatchery, processing plant, generator and the purchase of refrigerated transport.

Reddy Farms contributed 55% of the establishment costs and all of the ongoing operating costs once the grant funds were drawn down.