

Small Scale Private Dairy Farm Through Financial Grants: An Evaluation

S.M. Kamrul Hassan
Joint Director



Rural Development Academy
Bogra

Executive Summary of Major Findings

✓ Bangladesh is a country with deficit in milk production. To attract the people in establishing more dairy farms at private level the government of Bangladesh provided grants to a number of dairy farms all over the country. ✓ The present study was conducted in two thanas of Bogra district. There were 107 dairy farms which received government grant in Bogra district, of which 65 dairy farms were located in Bogra Sadar and Sherpur Thanas. ✓ The average age of owners of the dairy farms was 42 years and they had education between Class VI to Masters' Degree. On an average they had 6.30 acres of land and all of them were found engaged in two and more occupations.

✓ Out of 65 dairy farms 51 (78%) farms were found in operation and the rest 14 (22%) were out of operation. At the time of receiving grant there were on an average 6 cows per farm with 6 breeds of cows- Local, Shahiwall cross, Shindhi cross, Frisian cross, Haryana and Jersey cross. Among these breeds of cows Frisian cross was found to be maximum in number. During the period from receiving grant to data collection the number of cows per farm was reduced from 6 cow heads to 4.9 with Local, Shahiwall cross, Shindhi cross and Frisian cross. ✓ Out of 51 farms 44 were producing 1127 litres of milk in a day with an average 8.58 litres per cow. The owners of the dairy farms were found to consume

146 litres of milk in a day with an average of 2.8 litres per family. The rest 981 litres were sold to consumers, middlemen, and milk processors from 4 places, such as - home, ferry, bazaar and sales centre.

The milch cows were given concentrated feed two times a day and milking was also done twice a day. The cowsheds were cleaned two times daily. To do these jobs 110 persons were employed of which 35 persons were from family on part time basis and the rest 75 persons were hired on full time basis. Maid servants and female workers were employed by 15% only.

nl In all 75% of the farms had vaccinated their 13% of the cattle at home against FMD and Anthrax and 14% cattle against BQ and HS and diseases. Twelve different types of diseases were found to have attacked 129 cattle of different farms of which Frisian breed was found susceptible to many diseases.

The affected cattle were treated at home mainly by the veterinary surgeon of Livestock Department. Every farm was found to practice artificial insemination (AI) in breeding their cows but the results were not satisfactory. So, two or more times AI was required to get a cow conceived.

On an average the owners of the dairy farms had purchased 0.12 cows with Tk. 21700.00 per cow and sold 0.37 cattle with Tk. 9100.00 per cattle per farm in a year.

✓ In the study the average costs and returns of five years of a dairy farm had been considered since the receipt of the government grant for calculating NPV, BCR and IRR. The calculated values of NPV, BCR and IRR were Tk. 79986.00, 1.12 and 44% respectively which indicated the profitability of a dairy farm at private level. ✓

Out of 60 farms 51(85%) farms were found in trouble with four types of problems and the rest 9(15%) did not face any problem.

The problems faced by the owners of the dairy farms were as follows :

- i) The problem of increase in the price of cow feed and medicine.
- ii) The problem of non-availability of veterinary surgeon for treatment.
- iii) Problem of selling milk i.e. milk sold at low price and
- iv) Failure of artificial insemination.

To solve the above mentioned problems the owners of the dairy farms suggested the following measures :

- To reduce the price of cow feed and medicine, subsidies may be given to its producers. Supply of cowfeed may be increased by importing oil seed and pulse seed instead of importing edible oil and fine pulse for human consumption.
- To ensure the price of milk, small scale powdered milk factories may be established so that liquid milk can be processed for storage and the programme of milk procurement may be introduced.
- Steps may be taken for importing high yielding milch cows.