

An Economic Assessment of Livestock Production and Consumption in Bangladesh

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ABSTRACT

The study was undertaken to examine the profitability, resource use efficiency, profit elasticity of variable inputs, marketable surplus and consumption pattern, factor share of production and identify the constraints of livestock farming under traditional and commercial management at rural households and farms. For obtaining information from farmer's two livestock producing districts namely Sirajgonj, Gazipur and Dhaka City Corporation for consumer information were selected purposively for this study. Data were collected from livestock farmers using structured schedule during April to July, 2011. A one year observation was also done on the consumers of the livestock products. The studies revealed that the dairy farming under commercial management was more profitable than traditional farming. Traditional production was less profitable mainly due to small herd size, low productivity of animal and involvement of extra family labor. The production of poultry under backyard farming was profitable only for large farms due to low cash cost and use of family supplied inputs. The returns to scale and production elasticity revealed that the livestock farmers could not use inputs efficiently. Livestock both traditional and commercial farmers had ample opportunities to increase output and income by using more production technologies, suitable breed and efficient use of inputs. Among all the production inputs used in production, the effect of maked feed is most dominant for poultry production and labor for dairy production. The broiler farms in the study areas economically viable as the BCR were 1.23 and 1.03 in Gazipur and Sirajgonj respectively. A farm with a flock size of at least 505.41 broilers per shift was required to cover the cost of production. The broiler farmer of the study areas allocated their resources in the constant return to scale. Regression coefficient of total production of livestock products confirms that total production is the best predictor in determining the level of marketable surplus. For all of the livestock products (milk, egg and broiler) the elasticity of gross sales with respect to total production was positive and greater than unity. Therefore, increasing livestock production in Bangladesh increases the marketed surplus. Livestock products constituted about 13.15 percent of the total food expenditure. Rice cost occupied about 40.13 percent of the food basket. Milk showed the highest proportion of consumption followed by chicken, beef and mutton. According to both the models estimates dependency ratio had negative effects on household calorie intake significantly, whereas land holding, mothers education and location dummy positively influence on caloric intake. The major constraints to higher production of livestock and livestock products included working capital, lower prices of produces, quality breed, scarcity of feed and fodder, chicks and veterinary cares.