

COMPETITIVENESS OF POULTRY AND DAIRY AGRI-BUSINESS IN BANGLADESH

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Abstract

Competitiveness of poultry and dairy production in Bangladesh were assessed by using data from a stratified sample of 57 broiler farms and 63 layer farms in Gazipur and Kishorgonj districts, a sample of 120 cross breed cow (CBW) farms and 40 local breed cow farms in Manikgonj, Pabna and Sharagonj districts in 2000. Data were collected on a recall basis in two rounds covering a period of six months in each round. So observations were received from a total of 114 broiler, 126 layer farms and 320 dairy farms. Results of policy analysis matrix showed that poultry meat, egg and milk production was generally competitive. Private revenue of broiler farms was higher than the social revenue. Private revenue of broiler farms was Tk. 58380, Tk. 58010 and Tk. 57810 for small, medium and large farms respectively per 1000 kg meat. The social revenue was 55328 Tk/1000 kg for all farms. Private input costs of broiler farms were also higher than the social input costs respectively. PAM results of layer indicated that private revenue was lower than the social revenue in all farms. The private revenues were Tk 42536.34, Tk 41840.12 and Tk 42635.17 for small, medium and large farms respectively per 1000 kg egg. The social revenue was 48410 Tk/ton egg for all farms. Private input costs of layer were also higher than the social input costs respectively. PAM results of CBC and LBC indicated that private revenue was lower than the social revenue in all farms. The private revenues of CBC were Tk 16010, Tk 15800 and Tk 16870 for small, medium and large farms respectively per 1000 liters milk. The private revenues from LBC's milk were Tk 15040, Tk 15960 and Tk 16220 for small, medium and large farms respectively per 1000 liters, milk. The social revenue in both cases was Tk 19040 per 1000 liters milk for small, medium and large farms respectively. Private input costs of dairy farms were also higher than the social input costs respectively. Bangladesh can earn excess profit by producing milk, meat and egg. Bangladesh may become a good example of a country which produces more output (milk, meat and egg) by import more inputs, because private input cost is higher than social input cost. If Bangladesh export egg and milk Bangladesh will be more benefited. Cost of production of layer farms was lower in medium farm, which was 15953 Tk./1000 kg egg, but net return was highest there, which were 25887 Tk./1000 kg egg. Cost of production of broiler farm is highest in case of small farm, which was 544870 Tk/1000 kg broilers, but its net return was lowest which was. 3510 Tk/ton. Cost of production CBC farms was highest in case of

small farm, which was 6230 Tk/1000 liters. Cost of production of LBC farms was highest in medium farms, which was 13091 Tk/1000 liters. There were economies of scale in production in case of poultry than dairy. Medium farms are most cost effective and small farmers were least competitive. Among the cost items feed cost was the highest cost items in all farms. Small farms had to make various types of competition with large and medium farms for sustaining their existence in the business. There were different types of competition among the small and large poultry farm owners. Small poultry farm owners face competition with large farmers for DOC, feed, credit facilities, capital investment etc. There was also competition among the dairy farms. They faced competitions for feed, veterinary services, milk marketing etc. Non-availability of feed, high price of feed and non-availability of chicks were the major problem for poultry production. Scarcity of feed and high prices of concentrate feed was the main problem in milk production. Some policies have to be taken both for the poultry and dairy enterprise. Different types of policy like feed policy, policy for better veterinary service, social security, credit policy, price policy etc has to be taken for the poultry enterprise. Policy towards infrastructure, pollutions, access to capital and credit, policy towards appropriate technology and services, marketing policy, long-term breed improvement policy has to be taken for the dairy farmers.