

Economic Analysis of Mid-sized organized dairy farms

Ayub.A¹. Joseph Mathew² and Sany Thomas³

The demand for milk and milk product has been growing rapidly in Kerala. Wide gap exists between the demand and supply of milk. Many entrepreneurs had taken up dairying as a business enterprise to make use of this opportunity. The present study focused on economic analysis of six selected midsized organized dairy farms from four districts of Kerala. Three among them with less than 30 animals and other three with more than fifty cows were selected. The data related to capital costs like value of animals, shed and equipments; the input costs like feed and fodder requirements, maintenance cost, gross and net returns were collected. Simple tabular method of analysis was used to find out the benefit cost analysis of milk production. Cost of production of different farms ranged from ₹ 9.62 to ₹ 23.88/litre of milk produced. The daily average production per cow had varied from 5.77 litres to 11.67 litres. Small dairy farms averaged 5.77, 6.67 and 6.54 litres/cow where as larger farms showed 10.42, 11.67 and 6.88 litres per cow. Net profit margin obtained were -32, -8 and 5 for small herd sized farms; 32, 15 and 43 for large herd sized farms. Income per ₹ of variable expense were 1.1, 1.62, 1.59 for small dairy farms and 1.79, 1.34 and 2.27 for larger farms. These results showed that smaller the farms, higher were the production cost/litre of milk. The productivity was less for the small farms and so the profitability. Economic analysis of midsized dairy farms indicates that level of productivity, effective utilization of unconventional feeds, optimum synchronization of labour and herd strength, cost effective mechanization, effective utilization of by products, strategies of prevention of diseases and direct marketing of the products are key elements for successful dairy farming.

¹ Senior Veterinary Surgeon, Veterinary Hospital, Nilambur.

² Professor and Head, University Livestock Farm, Mannuthy, Thrissur.

³ Veterinary Surgeon, Veterinary Dispensary, Malappattam, Kannur Dt.

