

**The contribution of small scale dairy production to improve
rural livelihood : A case study of Batticaloa District**

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ABSTRACT

Small scale dairy production is an important source of income generation in the rural livelihood of Sri Lanka. Therefore socio economic survey was conducted in the Batticaloa district to study the contribution of small scale dairy production to improve rural livelihood. Three hundred and five small scale dairy producers in the six government veterinary divisions in the Batticaloa district were selected at random and were interviewed by using structured questionnaire with the objective of characterizing dairy production, handling, breeding, marketing systems, the amount sold by each household as well as to prioritize constraints associated with the dairy enterprise as identified by the producers and opportunities for dairy development in the area.

Two major dairy production systems, namely the extensive production and semi intensive production systems were identified. This study found that the dairy enterprise was a male domain under extensive production system (87.5%) whereas only 12.5% were female. Majority of cattle population in the Batticaloa district are of non-descript and indigenous in origin with low productivity compared to other existing exotic breeds and their crosses but they are well adapted in the tropical harsh environment, have ability to maintain their body condition on poor quality feed stuffs and are well resistant to local diseases. The average family size of small scale dairy producers was 6.17 persons and the bulk of the labour requirements are met through family labour. Most of the respondents ranged in age between 18 – 40 years (62.0%) and this should, *ceteris paribus*, have a positive effect on productivity. The overall proportion of illiterate farmers was 19 %. The education level is observed to be very low among small scale dairy producers which are some how correlated with the socio-economic status of households. It was found that 77.0% of small scale dairy producers were involved in full time dairy production and 23.0% of them were part time. An average land holding was 4 acre. Land availability is the major limiting factor in keeping indigenous cattle as they are generally kept in large numbers

under extensive system of rearing. The average herd size of small scale dairy production is 14.98 animals. The number of milking animals on average is 7.29 heads and dry animals are 3.81 heads. Overall the percentage of small scale dairy producers adopting 'natural service', and 'artificial insemination' were 72.8% and 12.4% respectively. The overall average milk yield per animal per lactation was 454.5 liters in the study areas and the average milk production per indigenous cattle per lactation was 317.45 liters while cross breeds was 1050.26 liters. It was found that 52% of small scale dairy producers exclusively rely on middle men to market their milk while 24.3% of them directly supply to Farmers Managed Societies in their village. The average milk price received by the dairy producers was Rs 27.82 per liter for cow milk and 30.03 per liter for buffalo milk. It was found that 61.3% do not have knowledge about increase milk price whenever government announce while 38.7% known due to the direct contacts with dairy cooperative, societies and main milk marketing companies. The dairy household's income ranges from Rs 41510 to Rs 420285 with a mean value of Rs 199,599. The income pattern of the dairy households under small scale dairy production showed that an average 49% of income draws from dairy enterprise which varies from Household to household depending on the milking herd size and the mode of marketing channel. While crop production contributes 45.7% share of total household income.

It can be concluded from this study that small-scale dairy production has a great potential of improving the livelihoods of rural households. In order to protect, promote and develop the smallholder dairy enterprise in Batticaloa district and elsewhere there is need for enhancing the enabling environment through improving the productivity, improving farmer access to marketing channel and self sufficiency in feed production will be an important factor in future development programs to improve rural livelihood of small scale dairy producers in Sri Lanka.