

Factors affecting for Commercialization of Rural Livestock Sector

**U Kyaw Khine
Dr. Chit Swe
Dr. Thein Htun Hla**



Background of the Study Project

- Funding by LIFT
- FSWG is implementing a three-year project of research in order to fulfill the general aim “Harnessing resources and partnerships to achieve food security in Myanmar”.
- Emphasized knowledge sharing,
- Recognize food security related capacity building within FSWG members
- Progressing of food security programming, and to assist promoting livelihood of poor families in the context of food security in Myanmar.
- FSWG ‘s research project, Evidence-based Research is to strengthen evidence-based information and research for enhancing food security and livelihoods of poor, and
- To growth and capacity of FSWG’s members to implementing their development objectives.

Rationale of the Study

- Livestock serve a variety of livelihood and income-generating functions in the rural areas of Myanmar.
- 13.57 million cattle and 2.97 million buffalo are for doing the cultivation area of 33.7 million acres of land
- meat, egg, and milk for food; can ensure food security and can promote living standards of rural people.
- Can give natural fertilizers for agriculture,
- growth of livestock sector can be effective in reducing poverty as the majority of the nation's poor live in rural areas.
- Demand for livestock products are growing fast
- Demand growth can provide significant opportunities for many rural and peri-urban poor to increase returns from their livestock resources.

Objectives of the Research

The objectives of this research are:

- To highlight the importance of the needs of the animal husbandry sector and to give recommendations and suggestions regarding on future possible strategies for commercialization of rural livestock sector.
- To provide suggestions to policy makers /decision makers of livestock in the context of food security issues by identifying the factors for commercially development of rural livestock sectors.

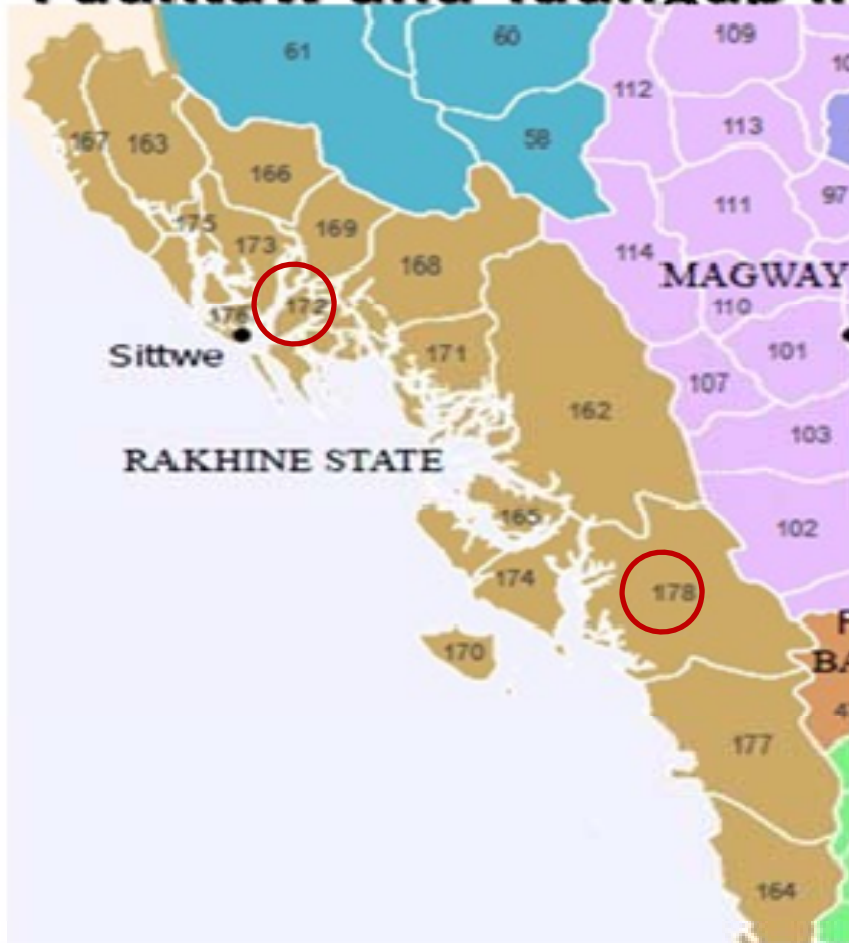
Research Methodology

For the research 3 research methodologies were used:

- Literature Review
- Focus Group Discussions
- Surveys
- **Focus group discussion (FGD)** wth professors from University of Veterinary Science, members of (MLF) and retired officers from LBVD were
- **In-depth** interview with village leaders and Township Livestock Breeding and Veterinary Department, other stakeholders especially retailers and wholesalers in livestock sector were conducted.
- HH survey conducted in rural areas of Taungup Township and Pauktaw Township in Rakhine State which Townships were purposely selected.
- Taungup Township is representative area of southern part of Rakhine State and Pauktaw Township in northern part

Survey Areas Two Townships

Pauktaw and Taungup in Rakhine State



Township Index
No. 172, Pauktaw
and Township
Index No. 178,
Taungup in
MIMU Map

Section 3: Results

Literature Review

Status of Livestock Sector

- Livestock in Myanmar is household based
- More than 98% of the total livestock population comes from back yard farming.
- Modern livestock breeding is capital intensive and technology specific in nature which is limited in Myanmar
- small scale livestock breeding and production with traditional technology and practice is more common.

Dairy Development

- Policy have adopted to promote the dairy sector in the economy.
- Dairy policy now promotes the linking of smallholder milk producers with large and small-scale private sector milk.
- Very poorest and landless can keep one or two dairy animals this strategy can be successfully applied.
- Dairy sector can enhance rural livelihoods through: (i) better nutrition, (ii) higher disposable income for purchasing household necessities and schooling, (iii) asset accumulation, (iv) improved capacity to cope with natural disasters,

Pig Production

- Needs to be done to improve the traditional system.
- Genetic material used grows more slowly than the improved pig breeds on offer, it is considerably more forgiving of poorer feed quality and quantity and low standards of housing and husbandry.
- Also, the larger hams and less fat of the improved breeds command no premium,
- Cash-poor households, raising the higher-demand, faster-growing, leaner improved pigs, has no advantage.
- The only technical area in which the native pig could be improved is in its fertility.

Poultry production

- Local poultry breeds in backyard is an important source of livelihood and largely dominated by the traditional sub-sector which comprises about 83% of the estimated 93.7 million chicken populations.
- Village chickens are an important livestock species in Myanmar's rural areas.
- They provide not only income but also dietary protein for the household.
- Poultry diseases, in particular Newcastle disease (ND) and poor poultry management are considered to be the major limitations

Rural development

- Huge potential of the agricultural sector and stimulating broad-based rural development and its critical role to achieve both growth and poverty reduction.
- High land/population ratio and half of its arable land is still left unexploited.
- The growth of the sector has been constrained by low productivity, poor marketing and farmers' lack of access to quality research and extension support.
- The opening up of the rural marketing system to the private sector,
- Better infrastructure, improved access to credit, the approval of the new land laws

Results from Focus group Discussion

• Capital Investment

- The most of the rural farmers run the livestock farming in small scale backyard style by using small amount of cash as much as they can.
- They do not have enough investment for livestock raising and private money lenders are only source to get loan investment.

Current Expenditure

- The commercial farmers have to pay the expenses in cash daily, weekly or monthly for the labour, feeds and feed additives, vaccine and medicines, transport charges and others.
- The certain amount of cash before the cash return from livestock farms, is needed sufficiently. Inadequacy of the current expenditure for small scale livestock farmers are encountering with problems of lack of operational expenses.

Technical knowledge and skill

- Advance technical knowledge and skills are very important
- It is still limited to acquire especially in the field of research and development.
- Students from UVS have less motivation in research for inadequate of financial resources.

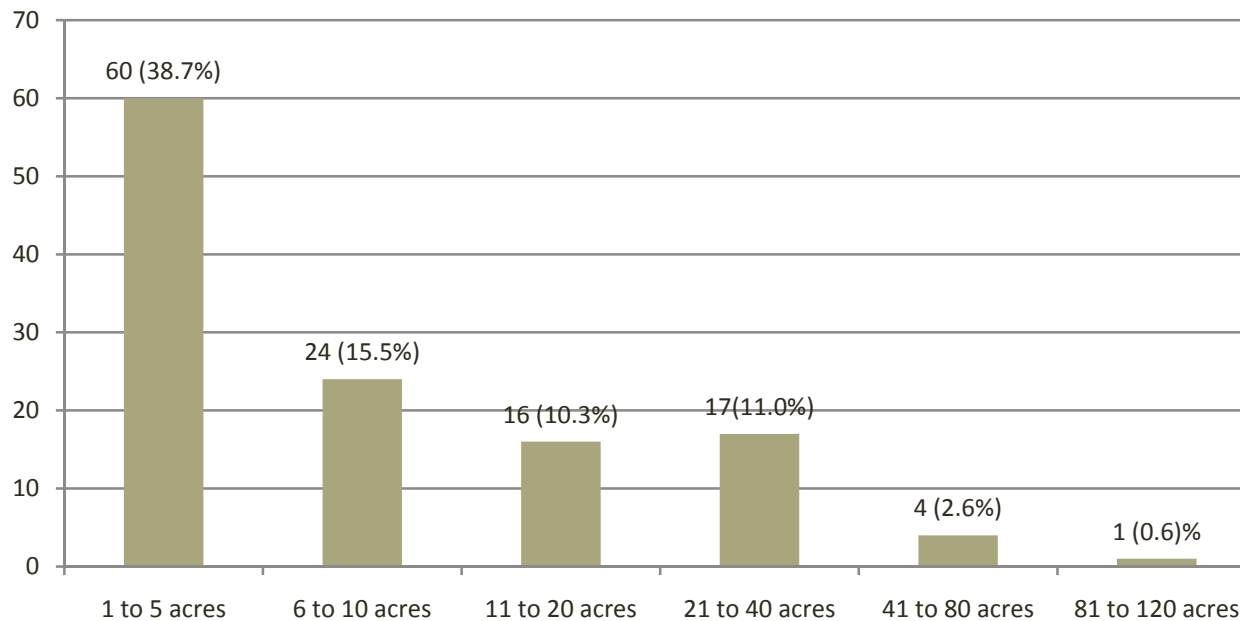
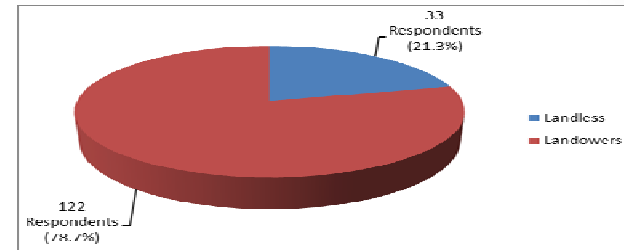
Basic Requirements for Livestock Farming

- **Water Supply**
- **Animal feed supply, mixed feed (ration) or raw form**
- **Availability of high production potential breeds**
- **Animal disease prevention and treatment opportunity**
- **Market situation**
- **Transport and communication means / route to market**
- **Labour Problems**
- **Environmental Problems**
- **Interest and awareness of rural livestock farmer on self-development**
- **Role of Government, Department, Organization and Local Authority**
- **Financial management, Book-keeping and Recording Skill**
- **Other factors**

Ownership of Land Plot Size

Results from Survey Data

- Land Ownership of Respondents



Cattle Ownership and SEC

Sr. No.	Socioeconomic Status	Cattle Owner	(%)	Non-Cattle Owner	(%)	Total No. of Respondents	% in Total
1	Well-off	39	76.5	12	23.5	51	32.9
2	Medium level	40	74.1	13	25.9	53	34.8
3	Poor	15	30.0	36	70.0	51	32.3
	Total	94	100.0	61	100.0	155	100.0

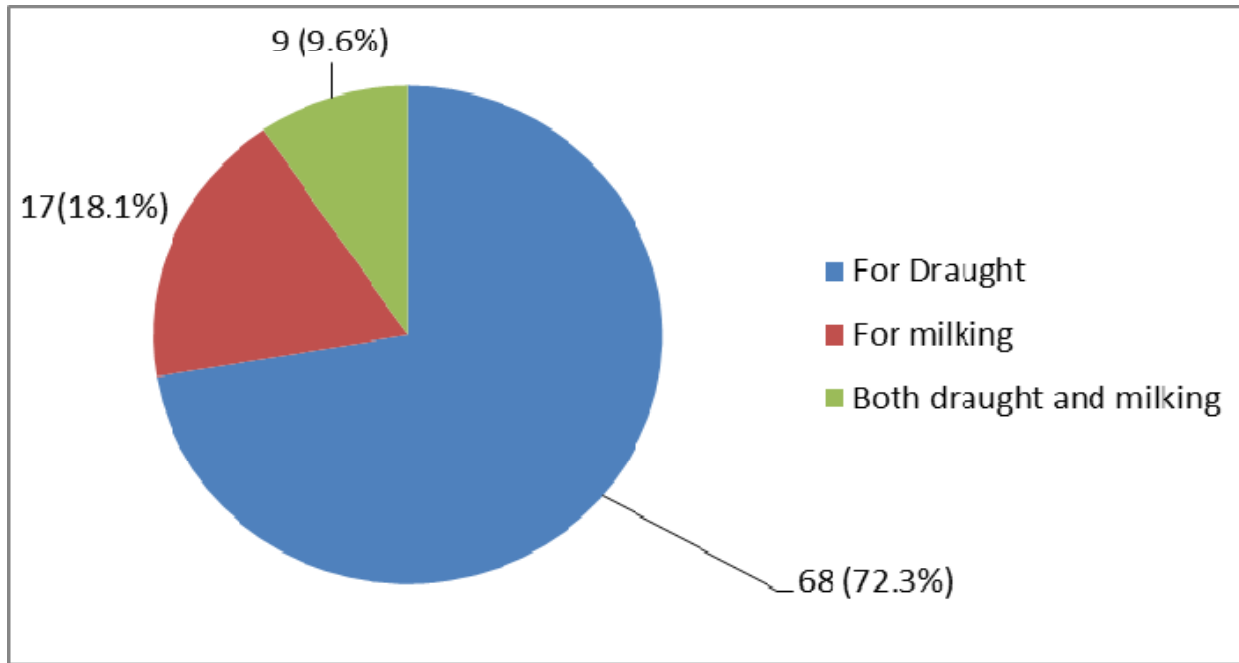
Among the total respondents of well-off class in the village level, 76.5% of those (39 out of 51), are cattle owners. In the medium in socioeconomic class, 74.1% of those (40 out of 53) are cattle owners. And then, only 30% (15 out of 51) of poor family own cattle. From this finding, cattle are major assets and property for households in rural areas.

Cattle Ownership in Two Townships

Location	Buffalo Raisers	Total Heads of buffalo	Average	Cow raisers	Total heads of Cows	Average
5 Sample villages in Pauk tau TSP	53	517	9.75	40	162	4.05
5 Sample villages in Taungup TSP	4	7	1.75	36	116	3.2
	57	524	9.19	76	278	3.66

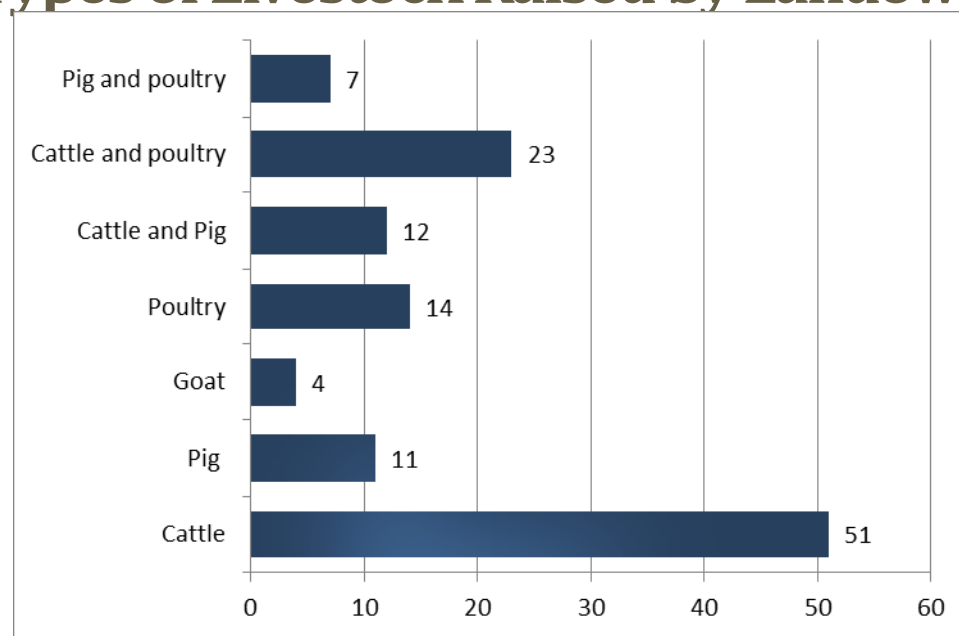
Among the total cow owners (76 farmers), 40 cow owners (farmers) are from Pauktaw Township. And the 36 are from Taungup Township. Average heads of cows per owner is 3.66 heads for both Townships. By the facts calculated, PaukTaw Township has more buffaloes raisers and more buffalo population. Ownership of land areas in Pauktaw Township is also more than that of Taungup Township. More land areas are very potential for animals feed availability and feasible for livestock commercialization.

Reasons for Cattle Raising



Among the total of 94 cattle raisers, 68 respondents (72.3%) cattle owners answered they raise the cattle for draught and for tilling the land and only 17 (18.1%) raised for milking. 9 respondents (9.6%) raised for both draught and milking. From this facts, cattle are raised for only draught. Dairy cattle are not raised totally for the purposes of milk.

Types of Livestock Raised by Landowners



In total of 122 land owners, 70.5% of (86 out of 122) respondents have cattle. From this fact, it can say that land owners are cattle raisers. Land owners have basic capital for livestock, and animal fodder such as hay and straw are also available. Therefore, cattle raising may be the most potential for commercialization of rural livestock sector.

Availability of High Quality Breed Varieties and Grazing Ground

- With regards to high breed variety, 69.7% (108 respondents of total 155) of the respondents from the study area reported that they had no access to genetically improved variety of cattle in their region.
- There are no farms of dairy cows in the Study townships.
- According the survey data, 41% of respondents of cattle raisers answered generally that they have enough common grazing ground for year round and 50% have partially enough ground for their cattle.
- And then, respect to grazing areas for livestock more than half (52.9%) of respondents have no adequate land.
- With regards to forest areas ownership for animal grazing, only few number of respondents (15.5%) owned forest areas for animal grazing. Such condition and situation of land ownership are consequences of policy of all land are owned by state.

Education Level and Training Experiences of Respondents

- Respondent's education level, only 10.3% (16 respondents) of total are secondary level
- 74.2% (115 respondents) of total are primary level,
- 15.2% (24 respondents) of total are illiterate.
- And then, only 6 respondents have basic training experiences of livestock.

Major Problems of Livestock Raising

- Major problems are inadequate pasture, inadequate water due to Stream and creeks are flooded with salty water in summer months.
- Animal theft is major issues in the region because of smuggling market in border areas
- Regarding to commercial livestock, 120 (77.4%) respondents are interested to do livestock commercialized.
- 60.6% (57 out of 94), have got vaccination services from LBVD for their cattle.
- Other 39.4% do not have contact with LBVD for vaccination services.

Sufficiency of Investment for Livestock Commercialization

- By referring to the survey data, only 14.8% (23 respondents) answered that they have enough investment for starting a commercial livestock business they want to implement.
- Other 85.2% of respondents mentioned that they have no initial investment.
- Starting capital investment is a major problem of livestock sector in rural areas.

Marketing Condition for Livestock Commercialization

- Regarding to market of livestock, 80.6% of respondents mentioned that they can sell their animals easily.
- With respect to selling of animals, (145 out of 155) respondents (93.5%) mentioned that they get the worth of value of their animals.
- 91.6% (142 respondents out of total 155) mentioned they can get reasonable profits.

Constraints and Opportunities to Livestock Development

Sr. No	Type of problem	Specific problem mentioned
1	Production	<ul style="list-style-type: none"> • Lack of suitable animals with an adequate genetic potential • Low reproductive and production rate • Shortage of reproductive hormones at affordable prices • Poor quality of forage • Weak ability to invest in pasture improvement • Unstable and high price of concentrates • Little appreciation of the role of nutrition in production losses • Little knowledge about local feed resources • Poor hygiene
2	Infrastructure	<ul style="list-style-type: none"> • Limited technical support and insufficient proven practical livestock extension services and facilities • Limited dairy animal research and development • Weakness in legislation on raw and finished products hygiene • Limited access to capital for dairy farmers
3	Marketing	<ul style="list-style-type: none"> • Poor marketing systems • Restricted market access and low and unstable prices • Low profits due to payment of high commissions to middlemen • Limited processing activities except condensed milk processing

Opportunities

- **In Social, Political and Economic Reforms of Myanmar** Livestock sector has been given as the second top national priority of rural poverty alleviation strategy
- **Opportunities of Private Sector Development in Rural Livestock Industry**

Potential of Market Development

- Low consumption rate of meat, milk, and egg (31.1 Kg, 26.3 kg, and 127 units respectively) can be improved .
- Initializing of school milk programmes

Potential of Development in Financial Sector

- A series of economic reform has been undertaken by the current Government to improve the business and investment climate and to facilitate the financial sector development through liberalizing trade and Foreign Direct Investment.

Suggestions and Conclusions

- Commercialization is getting priority in the policy agenda of economic development of the country since its infant stage
- The majority of the households covered in this study are mainly dependent on agriculture and livestock for their livelihoods.
- It was found many critical points related with five capital assets that need to be improved at all level with regards to commercialization of rural livestock sector in Myanmar.
- Followings are suggestions for policy advice to the policy makers, institutions, and all stakeholders involved in promoting rural livestock production from the subsistent to commercial farming.

Suggestions for Human Capital Development

- Promote basic veterinary and extension services by providing trainings to rural farmers through the extension workers.
- Ensure more research and development opportunities by providing regular financial and institutional support to LBVD and University of Veterinary Science.
- Ensure the adequacy of financial and human resources to village volunteers in veterinary extension services to cover all rural areas.
- Encourage more research activities and analytical learning among the students from UVS
- Long term human capital development plan for veterinary profession
- Promote formal learning and basic awareness by including basic veterinary and livestock raising knowledge in the curriculum of primary and secondary education.

Suggestions for Physical Capital Development

- Ensure rural farmers have an access of good variety of animals
- To create the livestock upgrading for the local breeds with improved variety for better genetic performance in rural livestock production.
- Build the capacity of human resources for artificial Insemination (AI) and provide enough facilities to perform the AI activities up to the rural area.
- Ensure all livestock support infrastructure such as cold chain, cold storage, animal feed mills and veterinary drugs and meat and milk processing plants by strengthening private sector investment.
- Explore more opportunities for rural infrastructure development, for instances, enough electricity, and good road transportation and other livestock infrastructure like hatcheries in the suitable locations.
- Ensure the accessibility and easy access to market and market collection points in the rural area for commercializing livestock sector.

Suggestions for Natural Capital Development

- To achieve the sustainable livelihood of rural people, availability and ownership of natural capital is one of the main influential factors in rural livestock production.
- Provide institutional and financial support to undertake more research on availability of registered and unregistered natural grazing ground for commercial livestock production.
- Ensure to bring the international and regional experience and best practices in maintaining and development natural capital for livestock sector development.

Suggestions for Financial Capital Development

- Provide financial infrastructure to rural farmers to have credits for livestock raising activities.
- Ensure to include credit policies to rural livestock owners in promoting Banking sector in Myanmar.
- Support the efforts of Cooperative Societies (Ministry of Cooperative) by using comprehensive and inclusive approach in strengthening private sector for rural livestock production.
- Ensure enabling environment (policy and legal) for NGOs, UN agencies and other CBOs in their intervention on rural credits and development program.
- Try to seek bilateral and multilateral assistance as much as possible in order to commercialize the rural livestock sector and poverty alleviation.

Suggestions for Improve the Social Capital

- Build social network among the rural farmers by establishing the rural co-operative societies (For example, Cattle Farmers group, Pig Owner Group, Poultry farmers group, etc) and ensure to share their knowledge and skills among them.
- Promote the participation of rural people in capacity building training.
- Create more space for rural farmers in seeking knowledge and skills development and behavioral change through rural veterinary extension service.
- Provide facilities to multimedia in promoting in public awareness and education program through various media.

Thank You Very Much for Your Interests