

A CASE STUDY

## An economic study of farmers dairy unit

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The economics of six animal dairy unit has been worked out assuming that it is managed by a farmers family having 1.02 hectare (0.47 irrigated and 0.55 ha non irrigated) of land dedicated to fodder cultivation. The dairy farmer will certainly get the balance amount after repayment of the installment of loan, every year. A farmer maintaining two-three animals would think about increasing number of animals, so that he can engage himself throughout the day. Also he can generate income as compared to salaried person. Specially educated unemployed should think over the project. Farmers themselves may take up this approach or any dairy organization in co-operative or private sector or a voluntary NGO may support a chain of such units. This would help the farming community to upgrade their socio-economic status, while dairy organization would benefit by getting more milk- perhaps good milk from a fewer locations. A dairy unit would be of six crossbred cows and their followers. It includes purchase of animals, construction of cattle shed, equipments, fodder cost and income through milk and manure. (Khanna,2007). This does not include the cost of land for fodder cultivation.

### Assumptions for the unit:

- Crossbred Jersey would be kept where fodder production is low and crossbred Holstein where it is more.
- The cost of animal is considered as Rs. 25000 per animal including transportation etc.
- The animals will be purchased during their second lactation and in the first month after calving. The animals will be carefully

selected as per the standard guidelines of selection. They will be purchased in one lot. This to ensure that animals are not purchased by compromising on quality.

- Investment in cattle shed is projected at minimum requirements. Shed may be provided for all animals in a single row. On the backside of the animal a gutter of 30 cm width should be built. Manger will be built with standard width of 60 cm. The manger will be provided by using cement half piper properly embedded. A water tank will be provided in the shed.
- Average lactation period has been considered as 270 days and the dry period has been taken as 95 days for crossbred cows.
- The average price of milk per litre has been taken as Rs. 9.50
- It is envisaged that the milch animals will be fed with green fodder, dry fodder and concentrates during lactation and dry period. The feeding will be in proportion to their body weight and requirement for maintenance and production. The amount of feeding will be reduced in dry period to minimize the cost.
- All the milch animals will be covered under insurance against mortality/permanent disability for which premium is projected at 5.5 per cent on purchase cost of cows.
- It is envisaged that the dairy unit will consume electricity and use sizable quantity of water for which expenditure of Rs. 3,000 per year is provided.
- It is contemplated that the dairy

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