# Livestock
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## 1.Milk Production and Collection in Sri Lanka

Dairy industry in Sri Lanka has gained high priority and is expected to be self sufficient in milk by 2016 as per the government policy (***Mahinda Chinthana***) The Ministry of Livestock and Rural Community Development has taken several initiatives for increasing milk production and strengthening milk marketing net work in the country. Different types of development programs and fresh milk promotion programs are branched by the dairy development Master Plan .

With this background an analysis was carried out to analyze milk production and collection data for the last 12 years , with an objective of investigating the market trends.

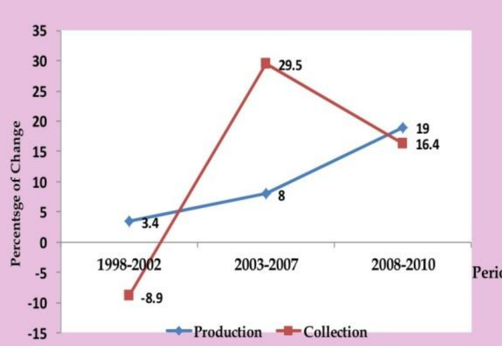


**Figure 1:Change of Milk Production and Collection**

The Figure 1 shows the percentage change of milk production and collection for every five year period from 1998 to 2010. The analysis shows that milk production has gradually increased for the last 12 years. The growth was higher from 2008 to 2010 ,compared to early years . It was 3.4 percent during the period of 1998-2002 , 8 percent in 2003 to 2007 and 19 percent in the period of 2008-2010 .

Milk collection is an important factor that is positively correlated with milk production in the country (Figure 2).

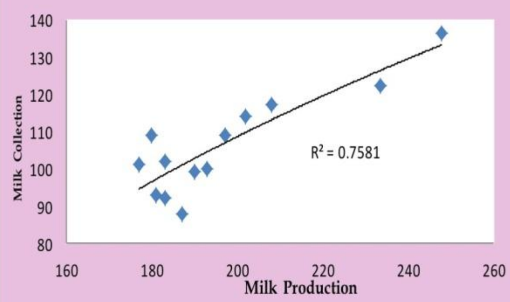


**Figure 2: Correlation between Milk Production and Milk Collection**

The study reveled that the milk collection has been increased from 1998 to 2010. In contrast to the milk production growth , milk collection has gone down by 8.9 % during the period of 1998 to 2002 . It could be due to the disturbing situation prevailed in most parts of Sri Lanka by that time. A significant increase (29.5) in collection has been observed during 2003 to 2007.

Further, it was shown that though the milk production has shown a rapid growth from 2003 to 2010 , milk collection has not expanded in par with the production . Insight view of district level milk collection and chilling capacities is presented in the next page.

# 2.Milk Collecting Network

## Milk Collection by Districts

Milk collection is mainly handled by a state –owned company and private sector and all collected milk is processed in Sri Lanka. Consumption of milk is mainly though milk powder and processed milk.

Even though the previous analysis shows that total milk production has very high correlation with milk collection , further analysis was made on the milk chilling capacity and collection at district level. This will give a clear picture on available milk chilling facility according to their production in different regions. Data on regional milk collection and chilling capacities are presented in figure 03 and figure 04 respectively.

According to the analysis ,the highest milk collection is shown in Nuwara Eliya district. The areas under Anuradhapura , Kandy, Kurunegala, Badulla are also high in milk collection. Galle, Matara, Hambantota, Mannar, Mullative and Kilinochchi districts are less in milk collection (Figure 03).

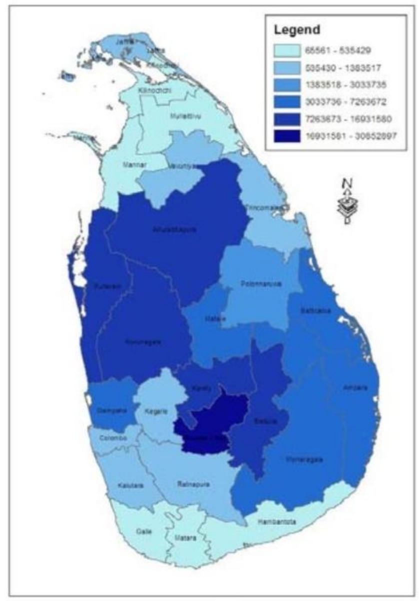


**Figure 03.Milk Collection by Districts, ( Liters) - 2010**

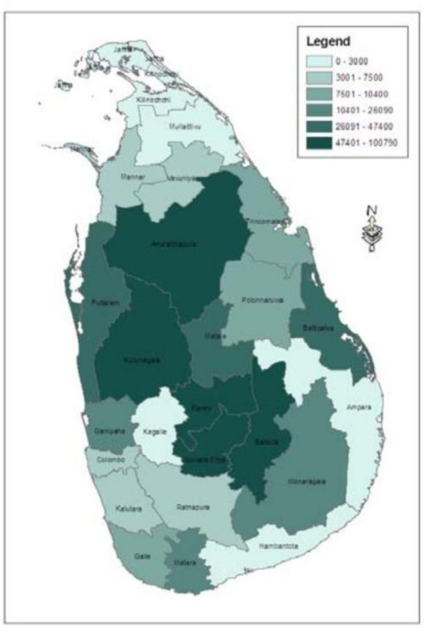


**Figure 04. Milk Chilling Capacity in Different Districts (Liters)**

## Milk Chilling Capacity

Regional milk chilling capacity is important to maintain keeping quality of milk and ultimately lowering the processing cost.

A careful review on district wise milk chilling capacity shows areas under Nuwaraeliya, Kandy, Badulla, Kurunegala, and Anuradhapura have highest milk chilling capacities. .

Though there is comparatively a high milk collection in Ampara and Jaffna districts ,milk chilling capacity is very low in these two districts. Milk collected in these two areas may be transported to chilling centers in adjoining districts .

Further, it was observed that the milk chilling capacity is high in Galle and Matara districts despite low milk collection. Chilling capacity is not in accordance with milk collection in these areas and it has to be addressed properly in order to minimize the milk transportation cost and thereby to increase production.

## 3.Trends in Chicken Meat and Egg Production

Poultry industry in Sri Lanka has shown a phenomenal growth over the past three decades or so. As a result, poultry products have become essential food items in Sri Lankan menus. Demand of chicken meat and eggs have been met by local producers for many years. Since the dynamic nature of poultry industry price fluctuations of chicken and eggs are very common. A bulk of the Requirement of broiler parent chicks (65 % ) is being locally produced by two grand parent farms and the balance is imported into the country.

A total of 27 broiler parent breeders are in operation at present producing day old chicks (DOC) which have to be sold to large, medium and small meat producers. The number of parent farms have grown from 22 to 27 in the broiler sector in 2011.It is expected to grow further in year 2012.
In contrast to the broiler sector layer parent birds are totally imported and reared in 12 parent farms. The number of layer farms have been grown from 07 to 12 in 2011 compared to year 2010.

**Table 1. Comparison of Key Statistics of Poultry Industry ( 2010 and 2011)**

| Item | Unit | 2010 | 2011 | Growth % |
|---|---|---|---|---|
| Purchase of Layer Parent stock (Jan-June) | Million | 0.0224 | 0.0473 | 111.2 |
| Purchase of Broiler Parent stock (Jan-June) | Million | 0.478 | 0.501 | 4.8 |
| Layer (DOC )Production (Jan-June) | Million | 2.18 | 3.45 | 58.26 |
| Layer (DOC) Production (Annual) | Million | 5.35 | 6.28 * | 17.38 |
| Broiler (DOC) Production (Jan-June) | Million | 38.69 | 48.05 | 24.19 |
| Broiler (DOC) Production (Annual) | Million | 84.16 | 96.95 * | 15.2 |
| Egg Production (Jan-June) | Million | 478.48 | 533.81 | 11.56 |
| Egg Production (Annual ) | Million | 941.47 | 1372.5 * | 45.78 |
| Chicken Meat Production (Jan-June) | 000 MT | 46.19 | 59.37 | 28.53 |
| Chicken Meat Production (Annual) | 000 MT | 99.8 | 121.7 * | 21.94 |

* Forecast

## Broiler Sector

A very high demand for chicken meat and eggs was observed in the country following the post-war situation since the later part of the year 2009, leading to a huge demand for both broiler and layer chicks in 2010. This has resulted in increased importation of grand-parent and parent stocks throughout the year 2010, causing sharp increases in production levels of day-old chicks, broiler in particular. Obviously, production of chicken meat has increased accordingly.

A total of 919,100 broiler parent stocks have been procured of in 2010 compared to 777,800 in 2009 with a 18% increase. These broiler parent stock would continue to produce 96.95 million DOC during 2011 compared to 86.4 million DOC (15% growth ) in 2010. As a result it is projected to produce 121,700 MT of chicken meat ; a 22% increase over the 2010 production of 99,800 MT . Thus , we could see that the chicken meat production is in upward trend and per capita availability will be around 6.00 kg/year in 2011, which was 4.9 kg/year in 2010.

The farm-gate price of live broiler has been within the range of Rs. 180-260 per/kg giving rise to chicken meat available at Rs. 315.00/kg to 350.00/kg in the domestic market during the period of January to August 2011. Even though the production is in upward trend, developing tourism and increasing per capita income would further increase the demand in the future. It would be manifested by increase in chicken prices viz. skinless chicken and chicken parts in the market**.** Therefore, the broiler industry should essentially have a proper plan to cater to the future demand.

## Layer Sector

The severe shortage of layer day old chicks (DOC) has resulted in a shortage of eggs in the domestic market in year 2010. The price of an egg was in the range of Rs.18-20 in the month of December, 2010. However, the situation has been changed in 2011 due to increased importation of parent stocks and commercial chicks in year 2010. The egg production has become normalcy after mid 2011 and , is in the increasing trend now , resulting the retail price of egg to remain in the range of Rs.10-12 in the domestic market.

The layer day old chicks (DOC) are being produced by 12 parent farms (layer breeder farms). The estimated DOC production for the year 2011 has been increased to 6.28 from 5.35 in 2010 with a growth of 17 % . Further, the production of layer day old chicks has increased by 69.91% in the first half of the year (January to June) compared to the same period in 2010. As a result it is estimated to produce 1372 .5 million eggs during the year 2011, which is 46 % increase compared to 2010 egg production of 941.5 million.

Therefore, it is expected to increase per capita availability eggs in 2011 to around 68.00 eggs per year in 2011 which was 45.6 eggs/year in 2010. Further, there is a huge upright demand for layer chicks for "***Divinaguma Prograrñe*** Both the private and government hatcheries will have to increase productivity and expand the capacity to cater to this demandhas become normalcy after mid 2011.

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