

DEVELOPMENT OF LIVESTOCK SECTOR THROUGH LEADING NGO IN BANGLADESH

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Abstract:

In Bangladesh, more than half of the total population is based on agricultural product and livestock. Recognizing this fact, Government has changed its development policy. Government has recognized the fact that equal participation of public and private organization can solve the problem by doing various activities. Apart from this Government encouraged NGOs and private sectors to undertake steps for the development of livestock by liberalizing its policy. Therefore, the study has tried to unearth the present condition and activities of NGOs (especially B RAC) for the development of Livestock in Bangladesh. Bangladesh Rural Advancement Committee (BRAC) implements Livestock Development program towards rural and urban poor family. Here, the paper explore about the livestock business development through various program designed by BRAC.

Key words: Livestock, BRAC, Bangladesh

JEL Classification: E65

INTRODUCTION

BRAC (formally the Bangladesh Rural Advancement Committee) was established in 1972 to work with the rural poor in Bangladesh. It is now one of the world's largest NGOs with approximately 3.3 million members, 23,000 full time and 57,000 part time employees. Portfolio growth has averaged 46% per annum since 1989. Total expenditure in the year ended 31 December 1998 was \$77 million. Income from interest on loans, service charges, and commercial activities was \$49 million during the same period, 64% of total expenditure. The remaining 36% of expenditure was funded by grants. BRAC is involved in a wide range of activities. Its development program divides into three areas; rural development, health, and primary education. In addition to these development activities BRAC has established a number of commercial enterprises including a printing press, training center for development management, production centers and a chain of retail outlets, cold storage facilities, dairies, poultry farms and has recently incorporated the BRAC bank. It also has a number of joint ventures including a housing project. Annual income from commercial activities in 1998 was \$16 million generating a net surplus of \$310,000. BRAC's rural development activities are administered through the Rural Development program (RDP). This is a 'credit plus' program with savings and credit supported by a range of BDS in the poultry, livestock, fisheries, agriculture, forestry and sericulture sectors (named the Employment and Income Generating (EIG) program but known as the sector programs). There are also components covering social development, human rights and legal education, environment, and popular theatre. The RDP is run through a branch network of 330 area offices and 300 sub-area offices.

RATIONALE OF THE STUDY

Livestock is very important sector which can remove poverty instantly. Bangladesh has 140 million skilled and unskilled people. Out of 140 million, more than 70% are as unskilled but they rely on livestock and agribased business. It is very difficult that Government will accommodate all the people to livestock sector. That is why NGOs were welcoming by government to act conjointly in livestock sector. The paper based on how BRAC is so successful in their livestock development activities in Bangladesh.

OBJECTIVES OF THE STUDY

The principal objectives are as follows: -

- ## SCOPE AND METHODOLOGIES OF THE STUDY

LIMITATIONS OF THE STUDY

AN OVERVIEW OF LIVESTOCK INDUSTRIES IN BANGLADESH

THE NATURE AND DEVELOPMENT OF LIVESTOCK INDUSTRIES IN BANGLADESH

ROLE OF NGOS

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with the motivation of Ministry of Livestock. More than 18000 NGOs are working in Bangladesh and more than 50% are engaging with livestock development and rests of them are involving with other various program. So many projects from DANIDA, U SAID, ATDP, AUSAID is also working significantly in this sector in Bangladesh. Projects objectives are increased per capita income and increased animal protein consumption among rural poor in Bangladesh as well as increased Livestock productivity for the Livestock rearers involved. It is estimated that about more than 90+ per cent of rural households' rear poultry and 50+ percent rear dairy. All the rearing depends on mostly in the hands of Livestock.

DIFFERENT LIVESTOCK DEVELOPMENT PROGRAM OF BRAC

Microfinance Program

The microfinance program of BRAC is a tool for poverty alleviation and empowering the poor. Lack of access to the formal banking system deprives them of the facilities to borrow, save and invest in productive activities, and this is a major reason why poor people remain poor. The formal banking sector also requires collateral. Making credit available to the rural poor enables them to become involved in different income generating activities which, in turn, allows them to become economically self-reliant. Through this process BRAC's microfinance program works to create a self-sustaining and reliable financial service program for the poor. Credit is provided to its VO members to initiate different income generating activities. While loans for individual and joint activities do not require collateral, members must have some savings with BRAC before they are eligible for loans. Credit operations are carried out through a Revolving Loan Fund (RLF). This RLF consists of donors' fund, members' savings, Polli Karmo Shohayok Foundation (PKSF) loan and other loans. Loans realized from VO members are credited to and form part of the RLF for extending further credit. A 2% loan loss reserve is kept to cover the risk of bad debts and death. Regular borrowing and payments allow the borrower to take larger loans.

Key Features of Loan

- Loan range: US\$ 17 (Tk. 1, 000) to US\$ 345 (Tk. 20,000)
- Service Charge: 15%
- Repayment mechanism: Equal weekly installments
- Loan products: General loan, sector program loan, housing loan and emergency loans given at the time of disaster in 2002, US\$ 294 million (Tk. 1,707 crore) has been disbursed to 2.9 million borrowers with repayment rate of over 98%.

Micro Enterprise Lending and Assistance (MELA)

Micro Enterprise Lending and Assistance (MELA) program was launched in December 1996 to provide loan to small enterprises with growth potential. The objective of this program is to provide credit facilities and technical assistance to new and existing small businesses. The characteristics of MELA loans are:

- Loan range: US\$ 345 (Tk. 20,000) – US\$ 3,448 (Tk. 200,000)
- Service Charge: 15%
- Repayment modality: Equal monthly installments
- Loan duration: 12 months, 18 months and 24 months
- Twenty different business sectors are supported by MELA loan

By the end of 2002, a total amount of US\$ 48 million (Tk. 260 crore) was disbursed to 45,503 borrowers in 64 districts of Bangladesh with an average loan size of US\$ 1,077 (Tk. 62,484).

Employment and Income Generation (EIG) Program

BRAC has learned that besides lack of access to finance, the two major constraints that have prevented the poor from improving their lives are the absence of self-employment opportunities and

lack of skills to sustain those activities. BRAC realized that if different employment opportunities were created, along with sufficient training and refreshers for capacity development, the poor could be linked to the mainstream economy which would ultimately bring them out of poverty. Activities approved for BRAC Sectoral lending and other support enterprises can be classified under the following broad categories.

Poultry & Livestock Program

Approximately 70% of the rural landless women are directly or indirectly involved in traditional poultry rearing activities. The Poultry and Livestock Program is composed of several components: poultry and livestock extension program, poultry farms and hatcheries, feed mills and feed analysis laboratories, bull station and the disease diagnosis laboratories. Till to date, 1.96 million people have been involved in this program. The key persons under poultry and livestock extension program are i) Poultry and Livestock Extension Worker ii) Chick Rearers iii) Key Rearers iv) Cage Rearers v) Broiler Rearers vi) Egg Collector vii) Model Cow Rearers viii) Model Goat Rearers and ix) Artificial Inseminator.

Fisheries

The Fisheries Program, started in 1976, is now developed into one of the most promising and profitable EIG activities for rural women. The key components of the program are pond aquaculture, open water fisheries management, and fish and prawn hatchery. BRAC aims to promote pond aquaculture by rural women to provide them with an additional source of income and improve their nutrition level thereby improving socioeconomic condition of the participants. BRAC provides training, undertakes production and distribution of quality fish spawn and prawn post larvae, extends credit assistance, and technical and marketing support. Till to date 47,421 acres of water-body have been brought under fish culture and 234,412 farmers are involved in fisheries program.

Agriculture

The agricultural extension activities can be broadly categorized into vegetable cultivation and crop diversification (rice, maize, wheat, cotton, and sunflower). This program has been undertaken to increase the nutrition and income levels of the households by increasing agricultural production of VO members through technology transfer. Under these program VO members, who have less than 0.5 acres of land in each area, receive training, technical support, inputs like HYV and hybrid seeds, fertilizers, and have access to BRAC's microfinance to obtain the resources for investing in farming. Interested small farmers, who have land between 0.5 and 3 acres, also receive training and technical support. Crop diversification contributes to increased agricultural productivity. Besides maize and wheat, which are used for poultry feed, rice, cotton, onion, mustard and sunflower cultivation are also being undertaken. By December 2002, there were 157,280 vegetable growers bringing 67,114 acres of land under vegetable cultivation and 1,169.37 MT of seeds have been distributed.

Sericulture

Sericulture is a labor intensive agro-industry. Sericulture Program links the rural producers with urban markets. The main components of the program are: a) mulberry cultivation (roadside, homestead and bush), b) silkworm rearing, c) reeling and weaving, and d) marketing. Besides, there are other components of the sericulture program, which include silk Seed Production Centre and Sericulture Resource Centre (SRC). At present, BRAC is operating 8 Silk Seed Production Centers, 6 Sericulture Resource Centers, and 3 Reeling Centers. The Sericulture Resource Centre provides practical training to the rearers on mulberry cultivation and silkworm rearing. In 2002, there were 7,407 silkworm rearers and 1.4 million Disease Free Laying (DFL) have been distributed.

Program Support Enterprises (PSE)

Essential inputs such as poultry feed, day old chicks, silkworm eggs, post larvae and vegetable seeds must be supplied to group members if they are to continue expanding the program. As the inputs from the government and the local industry are not enough to meet the demand BRAC established a number of Program Support Enterprises to supply these inputs which include grain ages for silkworm egg production, reeling centers for yarn production, prawn hatcheries for post larvae production, feed mills producing poultry and livestock feed, poultry farms for the production of day old chicks, nursery for seedlings and seed production centers for quality seed. Under this program, there are 6 poultry farms, 3 poultry feed mills, 2 seed processing plants, 15 grain ages and reeling centers, 12 fish and prawn hatcheries, and 1 bull station for artificial insemination.

Dairy & Livestock Program

Approximately 65% of the country landless people are directly or indirectly involved in traditional Dairy rearing activities. The Dairy and Livestock Program is composed of several components: Dairy and livestock extension program, Dairy farms, feed mills and feed analysis laboratories, bull station and the disease diagnosis laboratories. Till to date, 2.50 million people have been involved in this program. The key persons under Dairy and livestock extension program are i) Dairy and Livestock Extension Worker ii) Cow Rearers iii) Bull Rearers iv) Buffalos Rearers v) Milk Marketer vi) Milk Collector vii) Model Cow Rearers viii) Model Goat Rearers and ix) Artificial Inseminator x) Sweet, Butter and milk based product producer

Problems facing by Farmers

The livestock rearers face lot of problems while they exchange or deal with BRAC. More than fifteen problem identified by researcher but out of fifteen five is very important and have need emphasize by the BRAC. These are as follows:-

1. Higher rate of Interest
2. Difficulty in getting Loan
3. Lack of Coordination
4. Premature recovery loan
5. Lack of technical/marketing knowledge

RECOMMENDATION

In the shed light of total problem faced by the farmer, BRAC need to give so me effort to develop their huge services towards poor people. These are as follows: -

1. Cut off their high interest rate
2. Remove their cumulative interest counting,
3. Ease to get loan
4. Giving door to door service regarding loan
5. Reduce initial hassle regarding loan
6. Developing a business planning cell
7. Loan management counseling cell
8. Spread out their loan to real poor people,
9. Give training on marketing and production,
10. Coordinate with farmers' community, etc.

CONCLUSION

In the new millennium, Livestock has become major role to play to eliminate poor people. Livestock development policies must be supported by appropriate organizations or dynamic organizational, socio-economical changes for sustainable growth and development. In recent years, many NGOs have adopted an increasing focus on Livestock development programs provision for the rural and urban poor people. Some of these programs have been extremely successful and have expanded to become major undertakings. In several instances, the NGO has become sufficiently effective to cover all of its operating costs from service charges on the credit provided. This represents a substantial development in the growth of self-reliance among Bangladeshi NGOs and poor people as well.

RESULTS

Table no. 1: BRAC's Livestock development activities at a glance: -

Program Coverage		Programme Support Enterprises	
Districts	64 (100%)	Poultry Farms	14 million chicks
Thanas (Sub-districts)	480	Feed Mills	35,000 MT
Villages	62,404	Prawn Hatcheries	15 million post larvae
Urban Slums	2,297	Fish Hatcheries	4,500 kg fish spawn
Population Covered	70 million		
Water-body under Fisheries	48,976 Acres		
Land under Agriculture	408,820 Acres		
Development program		Job Creation	
Village Organizations	115,840	Poultry	1,665,688
Membership - Total	3,939,439	Livestock	371,068
Membership - Female	3,929,128	Agriculture	778,670
Membership - Male	10,311		
Loan Disbursement (Jan-Jun 2003)	Tk. 9616.06 million US\$ 164.38 million	Fisheries	236,010
		Sericulture	18,288
		Horticulture	168,101
		Agro-Forestry	44,597
Loan Disbursement - Cumulative	Tk. 96,226.26 million (US\$ 1,963.19 million)		
Annual Expenditure		Commercial Projects	
2001	Tk. 8,135 million US\$ 153 million	Dairy & Food Project	1
2002	Tk. 9,259 million ; US\$ 161 million		
2003	Tk. 10,090 million; US\$ 174 million		

Source: BRAC Annual Report, 2002

Table no. 2 – Services Provided to Poultry Sector

Ref	Facilitator	Provider	Recipient
Services provided free of charge			
1.	BRAC donor consortium	BRAC - provides 3 days training in husbandry techniques for HYV poultry (different course for different recipient groups)	Key, cage, model, broiler and pullet rearers
2.	BRAC donor consortium	BRAC - provides 5 day training course on basic veterinary treatment and vaccinations, and a free 'starter pack'	Poultry workers
3.	BRAC donor consortium	BRAC - provides 5 to 7 days training on rearing chick from day old to 8 weeks	Chick rearers
4.	BRAC donor consortium	BRAC - provides 15 days training on egg hatching	Mini hatcheries
5.	BRAC donor consortium	BRAC - provides 3 day training course on feed	Feed sellers
6.	BRAC donor consortium	BRAC - provides 1day orientation on egg marketing	Egg collectors
Services charged at the market rate			
7.	BRAC donor consortium	BRAC - provides supplies of vaccines and medicines	Poultry workers
8.	BRAC donor consortium	BRAC - provides day old chicks from BRAC's own large scale hatcheries as well as private sector and Government hatcheries	Chick and broiler rearers
9.	BRAC donor consortium	BRAC - provides bulk quantities of high quality feed from BRAC's own feed mills as well as private sector feed mills	Feed sellers
10.	BRAC	Poultry workers - provide inoculations and medicines for chicks and adult birds	Key, cage, model, broiler, pullet and chick rearers
11.	BRAC	Chick rearers - provide 8 week birds	Key, cage, model and pullet rearers
12.	BRAC	Mini hatcheries - provide day old chicks	Chick rearers
13.	BRAC	Feed sellers - provide high quality feed	Key, cage, model, broiler, pullet and chick rearers
14.	BRAC	Egg collectors - provide marketing services	Key and cage rearers

Source: Jack Newnham, 2000

Table no. 3: Expanding the Market for Business Development Services

Number of MSMEs purchasing services		1997	1998	1999 (to Sept)	Cumulative / % change
		Units	Units	Units	Units / %
Poultry workers	BRAC	41,228	41,853	42,000	50,499
	Market	60,000	65,000	70,000	8%
Key rearers	BRAC	1,190,490	1,271,717	1,362,243	1,461,420
	Market	1,490,490	1,671,717	1,862,243	11%
Cage rearers	BRAC	5,000	5,315	6,295	9,000
	Market	7,000	8,500	10,000	18%
Model rearers	BRAC	11,195	11,142	11,175	13,124
	Market	11,500	11,500	11,500	0%
Chick rearers	BRAC	14,723	14,723	14,730	20,339
	Market	21,000	21,000	22,000	5%
Broiler rearers	BRAC	1,081	1,357	1,512	2,423
	Market	2,500	3,500	4,000	14%
Pullet rearers	BRAC	2,260	2,652	2,632	3,643
	Market	2,260	2,652	2,632	-1%
Mini hatcheries	BRAC	1,349	1,364	1,395	1,626
	Market	1,700	1,750	1,800	3%
Feed sellers	BRAC	2,450	2,492	2,563	2,888
	Market	2,700	2,700	3,000	11%
Egg collector	BRAC	2,798	3,128	3,142	4,110
	Market	3,500	4,000	4,500	13%
Total	BRAC	1,272,574	1,355,743	1,447,687	1,569,072
	Market	1,602,650	1,792,319	1,982,675	11%
BRAC's market share		79%	76%	73%	

a - % change in estimated market size between 31 December 1998 and 30 September 1999

Source: Jack Newnham, 2000

Table no. 4 Major sectors in which NGOs are currently operating are as follows:

Livestock Development related Programs	Programs for all
❖ Integrated rural Livestock development	❖ Legal aid
❖ Livestock's development	❖ Human and civil rights
❖ Agriculture	❖ Rehabilitation of blind and/or disabled
❖ Fisheries	❖ Environment and forestry
	❖ Public health.
	❖ Savings and credit
	❖ Income generation and training
	❖ Health
	❖ Education
	❖ Adult education

[Source: Annual reports and Field survey]

Table 4 shows that selected NGO organization are emphasize the program on Livestock development because Livestock are widespread than other business. That is why NGOs are giving importance on Livestock education and training specifically. Here is also some program comprising with all the people generally. This general program includes all community and society respectively.

Table no. 5: Problems identified by the sample respondents towards NGO s activities for Livestock development

Variables	Average Scores
➤ Higher rate of Interest	2.0
➤ Difficulty in getting Loan	2.5
➤ Lack of Coordination	1.0
➤ Premature recovery loan	1.5
➤ Lack of technical/marketing knowledge	1.0
	1.6

[Source: Field Survey]

Table- 5 shows that the aggregate overall score as per opinion of the respondents based on five problematic sub variables is 1.6 indicating nearer to modest efficiency of the system. In fact, the program of NGOs practiced over the Livestock which are not quite efficient and it does not fulfill them very much. There has short of desired requirement. In this stage, information was collected as to the adequacy and efficiency of the programs taken by NGOs. Table -5 shows the responses of the sample respondents evaluated through seven -point bi-polar scale system wherein +3 would indicate quite satisfactory position, +2 moderate states and +1 would indicate low degree of satisfaction. The minus scores would indicate the reverse position i.e. Unsatisfactory condition in the same degree as plus sign would reveal. This survey represented of five major faults done through various programs which is the obstacles of the Livestock development.

Table no. 6. Factors influencing regarding the activities of selected NGOs which perceived by sample respondents for selected NGOs and their programs respectively

Limitations perceived by sample Respondents for selected NGO	percentage	Limitations perceived by sample respondents for selected NGO program	percentage
<ul style="list-style-type: none"> ➤ Small size, scope and impact ➤ Slack structure, often with limited accountability to beneficiaries ➤ Inadequate attention to the 'very poor' ➤ Unduly influenced by donors' interests, which may not reflect the priorities of the poor; ➤ Insufficient attention to monitoring and evaluation ➤ Weak planning and management capacity ➤ Inadequate technical, professional, and managerial skills. 	60 70 100 90 80 100 100	<ul style="list-style-type: none"> ➤ Inadequate and un-integrated supply of fund ➤ Difficulty in getting Loan ➤ Higher rate of Interest ➤ Premature recovery loan ➤ Lack of education among the Livestock entrepreneur ➤ Inadequate training facilities ➤ Lack of marketing knowledge ➤ Lack of Government activities ➤ Lack of freedom 	70 100 100 70 100 100 80 100 80 60
	100+		100+

[Source: Field Survey]

[Note: Percentage exceeds 100 because the respondents mentioned more than one factors]

Table 6 comprises the factors, which are directly involving with the NGOs itself developments and others are influencing factors to the respondents those who are taking and continuing the programs under the selected sample NGOs. Here the respondents answered more than one choice at a time, which is why total is exceeding 100+. That means limitation of NGOs and its program has to improve more than one factor at a time.

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