

Contract goat farming: an emerging model for livelihood generation among resource poor farmers of western Odisha

CHINMAYA KUMAR SAHOO¹, RUPASI TIWARI², RAKESH ROY³, P K BHARTI⁴ and TRIVENI DUTT⁵

ICAR-Indian Veterinary Research Institute, Izatnagar, Bareilly, Uttar Pradesh 243 122 India

Received: 21 August 2015; Accepted: 11 September 2015

Key words: Contract goat farming, Marketing, Models, Services

Formal contract farming has been successfully implemented in poultry, dairy and pig farming but in case of goat farming, only a few private companies have come forward and they rear broiler goats for commercial purpose and only provide consultancy services to entrepreneurs who want to do goat farming on a large scale basis (Eaton and Shephard 2001). A different type of informal contract goat farming was found in some part of Odisha, but the pattern or model in which it works was not documented in literature. Therefore, the present study was undertaken to document the origin and evolution of this contract goat farming and the various models operating in the study area.

An initiative was taken to find out the origin and evolution of contract goat farming (CGF), pattern of contract farming and the existing models in CGF in the area. Balangir district was randomly selected among top 5 districts in goat population from western part of Odisha. Blocks (5) namely, Titilagarh, Turakela, Sainitala, Muribahal and Bangomunda were randomly selected for data collection. In all, 60 contract goat farmers were randomly selected from 5 blocks. Again, 20 key informants were interviewed with open ended questions to gather information on existing models of CGF in the study. The key informants were the old persons in the villages, goat farmers, livestock personnel like livestock inspectors and veterinary officers working in the survey area. The key informants were interviewed with open ended question. Although the key informants could not depict the actual year of its origin, but according to their statement the evolution of CGF may be traced back to nearly 30–40 years around 1980 decade. Farm families in lean season used to migrate to nearby cities in search of employment. This circumstance forced them to either sell their animals or give their animals to neighbours or relatives with an

understanding that they have to take care of these animals up to the time of their return to the village concerned and when they will come back their animals will be returned to them. About two decades back, a commercial mind set aroused among the farmers. Hence, an informal agreement came into play between the farmers giving animals and the farmers receiving the animals in terms of sharing of kids, but without any fixed ratio. From the last decade, a verbal agreement popularly called 'ADHUADI' which had originated from the word 'adha' which means 50% share out of a whole amount came into play within the 2 parties having mutual trust upon each other. The farmer who rears it gets 50% of the kids born but no share on the goat. In recent years, this has taken a pure commercial form and more people wanted to invest in this business. They invested money in purchasing goats i.e. specifically mature does which were pregnant or at best single kidders and give these animals to some farmers whom they trusted and knew that the farmers were honest and loyal. Sometimes, contractor also provided various services like paying the cost of vaccination, deworming and treatment. In return, the kids produced from these contract animals were divided equally among them (Bourque 2011).

Majority (88.3%) of the contract farmers had adopted contract farming very recently (within 3–5 years) whereas 8.3% had taken up contract farming as an occupation (6 to 10 years). The study revealed that although the contract goat farming had been evolved many years back, a good number of farmers had adopted it very recently. About 41.7% of the contract farmers had adopted contract farming as they did not have their own goat but wanted to rear it, whereas 36.7% of the contract farmers had their own goats, but contractor persuaded them to keep the contract goats. About 18.3% of the farmers had adopted it to increase their flock size; hence they persuaded contractors for that. Majority (76.7%) of CGF farmers had been supplied with small number of goats (3–5 goats), followed by 13.3% supplied with medium number of goats (6–8 goats), 8.3% supplied with large number of goats (9–11 goats). Majority (95%) of the contract farmers were associated with a single contractor though 5% farmers had received goats from more than one contractor. The study revealed that loss of kids

Present address: ¹Veterinary Assistant Surgeon (drchinmayasahoo@gmail.com), Department of ARD, Government of Odisha. ²Principal Scientist and I/c ATIC (rtiwarirupasi@gmail.com), ⁴Scientist (pkish.1002@gmail.com), LPM Section, ⁵Joint Director (triveniduttivri@gmail.com), Extension Education. ³Subject Matter Specialist (rakeshvetext@gmail.com), Darjeeling KVK, UBKV, Kalimpong, Darjeeling.

was shared equally (50:50) by both the parties as per the verbal agreement done between both the parties, but the loss of does was solely borne by contractor.

The study revealed that in all cases, if triplet were born from the does supplied through contract, these were shared equally by both the parties. After taking first two kids one each, the third kid was either taken by one party as per his requirement giving the same opportunity for the other party next time or the third kid was sold and the money was divided equally among them. About 15% of CGF farmers had told that they were not facilitated by the contractor in cases when the contractor had got a chance to sell his share of kids at a higher price, whereas 85% of the farmers had said that they were facilitated by the contractor in this context. The study revealed that all the contractors supplied does to the farmers whereas only 1.7% of the contractor provided buck for breeding purpose and 5% of the farmer was provided with mineral mixture for the does. Concentrate feed and housing materials were not provided by contractors to the CGF farmers.

Treatment of the sick animals were done by cent percent contractors, but majority of the contract farmers (88.3%) opined that contractors only treat the animals provided through contract whereas 11.7% of the contract farmers told that contractors treated their animals along with the animals under contract. About 3.3% of the farmers said that contractor treated their animals free of cost whereas 8.3% of the farmers told that contractor charged money for the treatment of their own goat. In the study, cent percent farmers said that contractors facilitated vaccination for the animals out of which only 3.3% of the farmers said that contractors always paid the cost of vaccination for their animals. Cent percent farmers reported that contractor dewormed the animals, whereas 81.7% of the farmers reported that their contractors only dewormed the contract goats but 18.3% of the farmers said that contractors associated with them paid the cost of deworming their animals also. Cent per cent farmers said that contractors facilitated extension contact with veterinary officers, livestock extension officer and paravets but only 16.7% of the farmers told that contractors provided vehicle for communication at the time of need. About 41.7% of the farmers said that contractors provided health care services to them at emergency (Kolekar and Meena 2013). Majority (63.3%) of the farmers opined that contractors associated with them facilitate market linkage for better marketing of their share and 70% of the farmers opined that the concerned contractors had given them credits at their needy time. None of the contractors had arranged insurance facility for the contract animals which may be due to the cause of small number of animals reared in the scheme.

As per the statements of the key informants CGF is based on (i) provision of input and services and (ii) pattern of marketing of kids First model based on provision of input and services where contractor supplies inputs and provides all the services regularly to the goat under contract, but not

to the farmer's goats. At the time of sharing of kids, the total numbers of kids are shared in the ratio of 50:50. Cent percent of the key informants had opined about the existence of this model in the research area. Second model based on provision of input and services where the contractor supplied goat as input, provided healthcare services to the goats under contract and also provided free healthcare services for the farmer's goats. Sharing of kids was done in the ratio of 50:50 among the total number of kid born. Cent percent of the key informants had opined about the existence of this model in the research area. Third model based on provision of input and services, the contractor only supplied the goats as inputs, but no service was supplied neither to the goat under contract nor to the goats of the CGF farmer. All the expenses for the goats under contract were borne by the farmer. Sharing of the kids was done in the ratio of 25:75 (contractor share- 25% and farmer share- 75%). Only 15 percent of the key informants had opined about the existence of this sort of CGF model.

First model was based on pattern of marketing of kids where the contractor and farmers sold their own share of kids. No one interfered with others business and the farmer did not get any help from the contractor in marketing of his kids. Majority (80%) of the key informants had opined about this type of CGF model in the study area. Second model was based on pattern of marketing of kids where the contractor took the total share from the farmer and paid him for his share. Hence, the farmer had no problem in marketing of kids. The farmer got monetary value for his share at his doorstep. Only 10% of key informants had opined about the existence of this model in the study area. Third model was based on pattern of marketing of kids where each party took away and sold their own share. If farmer sought help from the contractor, then only contractor would have helped the farmer by facilitating customer contact for easy selling of the kids. About 30% of the key informants had opined about the existence of this sort of model of CGF on the basis of marketing.

SUMMARY

The present study was taken up with the objective to find out the pattern of contract goat farming (CGF) in western Odisha. Data were collected through personal interview from 60 contract goat farmers for pattern and practices in CGF and 20 key informants for understanding the existing models in CGF in the study area. The study showed that there were a number of models of CGF existing in the study area based on provision of input, services and marketing of kids. All of these models revealed that these types of contract goat farming were acting as a source of income and employment for the resource poor farmers and rural youth. The study showed that the traditional goat farming over the years had taken a commercial outlook in the form of contract goat farming. Though it was informal but the services and marketing strategies to be provided were clearly defined in various models of the CGF before

entering into contract. The various models revealed an equal distribution of profit among the two parties, which was the basis of a strong bonding and a long term business venture. The CGF operational in western Odisha suggest an excellent model of employment and income generation for resource poor rural people and educated youth. In fact these models if taken up on a large scale in areas with similar agro-climatic zones can definitely boost the livelihood security among the educated unemployed youth and poor farmers.

REFERENCES

- Bourque J F. 2011. Contract farming: Opportunities and risks. *International Trade Forum* **3**: 34.
- Eaton C and Shephard A W. 2001. Contract farming: Partnership for growth. FAO. *Agricultural Services Bulletin* No.145. Rome.
- Kolekar D V and Meena H R. 2013. Accessibility, efficiency and impact of extension service deliveries to rural milk producers under contract dairy system. *Animal Science Reporter* **7** (2): 67-74.