

FEASIBILITY OF FINANCING LIVESTOCK WITH UPLAND FARMERS

The study is on cattle fattening

Concerns:

1. Minimum spacing required i.e. minimum 2 M² per head of cattle, materials that can be used are bamboo and nipa
2. Steers and bulls are recommended due to more efficient feed conversion
3. Cross breeds are recommended
4. Feed requirements: grasses and farm by-products such as pineapple pulp, sugar cane tops, corn Stover, rice straw, rice brab, corn glutton, copra meal, molassess etc. furthermore ipil-ipil leaves, napiesrgrass, style, centrocema etc. is possible
5. Need for anti-biotic-vitamin-mineral supplement to add to drinking water for several days
6. After receiving animal immediately put in shed, feed it and give water
7. Two days after arrival feeder stock should be grouped according to age or weight of animal, before putting it in the feedlot
8. De-worm the animal before first feeding and do it regularly afterwards (?)
9. Two weeks after first time de-worming, immunisation against major infectious diseases should be done
10. Spray with insecticide to control external parasites such as ticks and blood sucking flies. Spray when weather is good, sunny and it will be fair weather for at least two days after spraying

Food requirements

1. 3% of body weight in **dry feed** for young animals
2. 2-2.5% for older ones

3. Dry feed consists of 12-14% moisture content
4. 4 kg of fresh herbage (grass) is roughly equal to 1 kg dry feed
5. Example:
 - a. 1 year old calf of 200 kg
 - b. dry feed required $200 \times 0.3 \% = 6$ kg per day
 - c. when only grass it will be $6 \times 4 = 24$ kg
 - d. when also some concentrate feed is given daily, say 1 kg then needed grass would be $5 (6-1) \times 4 = 20$ kg grass

Income and profit

A. Assumptions:

1. Age of fattener 1 year old
2. Body weight: 150 kg
3. Buying price: Peso 7500 (150×50)
4. Body weight after 5 months: 200 kg
5. Selling price: Peso 10000 (200×50)
6. Costs:
 - a. Average dry food requirement per day: $175 \text{ kg} \times 0.3\% = 5,25$ kg
 - b. Feed concentrate: $1.5 \text{ kg/day} \times 150 \text{ days} \times 5 \text{ peso/kg} = 1125$
 - c. Grasses etc.: $5,25 \text{ kg} - 1.5 \text{ kg} = 3,75 \text{ kg} \times 4 = 15 \text{ kg}$ (no cost assumed)
 - d. Medication 100 peso
 - e. Total cost: $1125 + 100 = 1225$ Peso
7. Gross profit $10000 - 7500 - 1225 =$ Peso 1275
8. If fattening is financed by loan
 - a. Required loan $\text{Peso } 7500 + 1225 = 8725$
 - b. Interest: 5 months at 3% on 8725 = 1308 Peso
 - c. Net profit 0

B. Other set of assumptions

1. Age of fattener 1 year old
2. Body weight: 150 kg

3. Buying price: Peso 7500 (150 X 50)
4. Body weight after 5 months: 250 kg
5. Selling price: Peso 12500 (250 x 50)
6. Costs:
 - d. Average dry food requirement per day: $175 \text{ kg} \times 0.03 = 5,25 \text{ kg}$
 - e. Feed concentrate: $1.5 \text{ kg/day} \times 150 \text{ days} \times 5 \text{ peso/kg} = 1125$
 - f. Grasses etc.: $5,25 \text{ kg} - 1.5 \text{ kg} = 3,75 \text{ kg} \times 4 = 15 \text{ kg}$ (no cost assumed)
 - g. Medication 100 peso
 - h. Total cost: $1125 + 100 = 1225 \text{ Peso}$
7. Gross profit $12500 - 7500 - 1225 = \text{Peso } 3775$
8. If fattening is financed by loan
9. Required loan $\text{Peso } 7500 + 1225 = 8725$
 - a. Interest: 5 months at 3% on 8725 = 1308 Peso
 - b. Net profit $\text{Peso } 2467$

So in the latter case the net income over a period of 5 months is about 2500 Peso, on an annual basis it would be $12/5 \times 2500 = 6000 \text{ peso}$

For two cattle $\text{Peso } 12000$ etc.