



## RESEARCH PAPER

# Management and economic feasibility of dairy farming

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**Abstract :** India is the 'Oyster' of the global dairy industry with opportunities galore for the entrepreneurs globally. Since last 15 years, India continues to be the largest producer of milk in the world (Singh, 2017). It offers opportunities in large number to entrepreneurs, who wish to capitalize on one of the world largest and fastest growing market for milk and milk products. The breeding, feeding, housing and health care practices followed in Abhinav dairy farm are as per current scientific recommendations. The farmer is well trained and experienced in buffalo management. The total cost of per animal per year was Rs. 93419 of which total fixed cost constitute Rs. 1307 per animal and total variable cost was Rs.90890 per animal. Amongst total cost maximum cost incurred on feed and labour *i.e.* 80%. While the cost on medicine and vaccination, electricity, shop rent and transportation are the minimum factors contributing 5% of total cost per annum. Per litre cost of milk production was Rs. 32 which is economical because of presently fetching maximum selling price, in the market. Benefit cost ratio of Abhinav dairy farm was 1.20 which is greater than one. It is implied that expenditure of Rs. 1/- will fetch returns of Rs, 1.20 per annum. Certainly returns are comparable to returns obtained from any bank deposits or other guaranteed sources of income. Internal rate of return was 39 %. It ensures that Abhinav dairy farm investment makes more money than its actual cost. It shows that this project is financially feasible. Strength points of Abhinav dairy farm are quality of milk, location to nearby city and direct selling. Opportunities for this unit are widening of market, value addition and innovation in packing.

**Key Words :** Milk production, Economic feasibility, Cost per liter, Critical areas, Case study

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