

Venture performance and diversifications on household wellbeing: A case of dairy farming households in Hingurakgoda DS division

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Abstract

This research intends to measure the performance level of both dairy ventures funded by Sri-Lanka Centre for Development Facilitation (SLCDF) and non-funded dairy ventures of Hingurakgoda DS division. Objectives of the study was to explore the product, process, marketing and management diversifications adopted by the dairy ventures and to measure the level of diversification of both funded and non-funded dairy ventures, and to find out the performance of dairy ventures and the impact of diversification on household wellbeing of dairy farming households. Survey strategy was utilized as the principal data collection tool and both qualitative and quantitative techniques were used. A sample of 100 dairy farmers were collected from Hingurakgoda DS division including 50 SLCDF (NGO) funded farmers and 50 of non-funded farmers using simple random sampling technique. According to the study four categories of diversification; product, process, market and management were explored. Product diversifications identified were mainly curd, pudding, yoghurt and milk toffee. Market diversification available in the farmer base was identified as owning a milk collection center. Record keeping was identified as common management diversification. Process diversification included artificial insemination (80%) for cattle breeding, silage making (10%), owning a silage cutter (8%) and grass cutters (5%) and preparing mixed rations (1%). Results revealed that the level of diversification of the funded farmers (0.42 out of 1) was higher compared to non-funded farmers (0.34 out of 1). Both male (0.72 out of 1) and female dairy farmers (0.71 out of 1) were operating and performing equally. Venture performance was measured with dimensions efficiency (Return on Investment, Benefit Cost Ratio, and profitability), responsiveness, quality, flexibility, reliability, product availability. There was no significant difference between the overall venture performance level of the funded farmers (0.71 out of 1) and non-funded farmers (0.72 out of 1). But the ROI (Return on Investment) of funded farmers (158.65), product quality and reliability were higher compared to non-funded farmers (111.39). The performance of dairy ventures and diversification had an effect on household wellbeing of dairy farming households in Hingurakgoda DS division. Accordingly, the highly performing ventures with high level of diversification had improved savings, monthly income and bank loan repayment ability in their families. It can be concluded that dairy venture performance has an impact on the household wellbeing of the farmers and product diversification had also contributed to the household wellbeing of the dairy farmers.

Keywords: Diversification, Household wellbeing, Venture performance

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