



Cattle Feed Market in Kerala: A Study of Purchasing Pattern and Buyer Behaviour

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ABSTRACT

Animal feed is currently evolving from a fragmented industry into an organized sector. The feed manufactures are increasingly using modern and sophisticated methods in an effort to incorporate best global practices. Cattle feed is a segment of the animal feed industry with potential for growth, given that India is the world's leading producer of milk, and production is expected to grow at compounded annual growth rate of 4 per cent. The concept of branded animal feed as a packaged commodity, though not a very recent concept, is fast gaining popularity in rural India. The packaged feed, as a product possesses, various factors such as hygiene, quality, convenience to handle, etc. to its advantage. The age old feeding pattern being practiced in India is undergoing change because of various social and environmental issues. There can be a positive change in the demand for cattle feed because of factors like (i) shrinkage of open land for cattle grazing, urbanization and resultant shortage of conventionally used cattle feeds, and (ii) introduction of high yield cattle requires specialized feeds. In the above context, this paper looks into the emerging purchasing pattern and buyer behavior in the Kerala context.

KEYWORDS: Animal feed industry, Branded cattle feed, Purchasing pattern, Buyer Behaviour

INTRODUCTION

Animal feed is currently evolving from a fragmented industry into an organized sector. The feed manufactures are using increasingly modern and sophisticated methods in an effort to incorporate best global practices. Cattle feed is a segment of the animal feed industry with potential for growth, given that India is the world's leading producer of milk, and production is expected to grow at compounded annual growth rate of 4 per cent. The demand outlook will require dairy companies to step up production and get higher animal yields on the back of superior feed and nutrition. The way the rural farmers makes their purchases of feed and have their buying priorities is quite different from those of their urban counterparts. Hence one need to find out the demand patterns, consumer's likes and dislikes, time of demand and the Mean Time Between purchase (MTBT) of feed. Even at current production levels, with the thumb rule of 0.5kg of feed per liter of milk, India's annual production of 91 million tones of milk implies that the potential market for cattle feed should be approximately 45 million tones annually. On top of this, 0.25kg of cattle feed per liter of milk is required for maintenance of the animals but is rarely implemented in the country. The vast majority of cattle and buffalo in India are fed through grazing and the use of basic mixes and concentrates, and the market for compound animal feed is estimated to be around 5.5 million tones only (CLFMA of India, Mumbai, 2012). The private players produce around 1.2 million tones, the dairy cooperative and government sector produces around 2.5 million tones of feed that is sold to farmers- members involved in milk production at subsidized price, and the rest is produced by home mixers.

BRANDED CATTLE FEED INDUSTRY

The concept of branded animal feed as a packaged commodity, though not a very recent concept, is gaining popularity in the rural folks in the recent past. The packaged feed, as a product possesses, various factors such as hygiene, quality, convenience to handle, etc. to its advantage. The age old feeding pattern practiced in India is a mixed variety consisting of green grass, dry grass, cotton seed cake, coconut cake, rice bran etc. From the time immemorial, the cows were fed by grazing in open areas. But, as time elapsed, due to changes both environmentally and socially, problems evolved to continue with the age-old pattern. The Indian milk scenario witnessed a total metamorphosis by the advent of Operation Flood. This has considerably increased the per capita consumption of milk and this sparked of a high demand for feed. On analyzing the factors related to the cattle feed demand, it is seen that there can be a positive change in the demand in the market situation. The major factors contributing to this are: (i) Shrinkage of open land for cattle grazing, urbanization and resultant shortage of conventionally used cattle feeds, (ii) Introduction of high yield cattle requires specialized feeds.

OBJECTIVES OF THE STUDY

To make a systematic study of the dynamics of cattle feed market in Kerala with a view to assess the current demand pattern, general market trend and growth prospects;

To study the purchasing pattern and buyer behaviour with respect to cattle feed products;

To formulate meaningful marketing strategies for effective marketing of cattle feed product in Kerala based on the current market structure and future growth prospects.

METHODOLOGY OF THE STUDY

The universe of this study was restricted to the dairy farmers of central Kerala consisting of Malappuram, Palakkad, Thrissur, Ernakulam, Kottayam and Idukki districts. The central Kerala Region was selected, because, majority of the cattle feed manufacturing units are concentrated in this area of Kerala and feed consumption is maximum at this territory. The study was undertaken during 2011-12 period.

Data Collection – Secondary Data

Secondary data are collected from authentic sources like Census of India reports, NSSO publications, publications of Kerala state planning commission and Statistics department of the Government of Kerala.

Data Collection – Primary Data

Primary data are collected using a carefully drafted and pre-tested Questionnaire from the users of cattle feed (animal farmers), dealers of the cattle feed products, and expert opinions.

Sampling Frame

A sample of 180 units was selected by simple random sampling method. The dairy farmers who owned milking cows were considered for the study.

Findings of the study

Expected growth of animal number in the future

Growth of animal population will have a direct and positive impact on cattle feed consumption. Increase in cattle feed consumption is linked to increase in animal population. Table No. I show details of trend in growth of animal number in future, for the northern region. The survey shows that 58.33 per cent of farmers indicated that there would be an increase in animal number in the future. From this it can be inferred that the study hold good news for cattle feed industry, predicting a growth in demand in Kerala. Considering it together, 58.33 per cent of farmers considered there will be an increase in animal population in future whereas only 13.69 percent considered it in negative. This is a

positive sign for cattle feed industry.

Present feed consumption pattern

The pattern of present feed consumption was studied to provide new insights into the present behavior of farmers. It was felt that, knowing this aspect, would help to frame appropriate strategy for capacity building in feed production and promotion of cattle feed could be made more effectively. Table II shows details of current feed consumption pattern. The study reveals that 31.67 per cent gives conventional/natural and branded feed, 26.11 per cent gives all the category of feeds. In effect approximately 58 per cent feeds animal with branded feeds along with other feeds. This shows the market is nearing maturity and has absorbed well the ready made compounded cattle feeds as their regular feed for milking cows

Cattle holdings and consumption of cattle feed

An analysis is done to identify the average cattle holding in the region and consumption of pellet and mash type of feed. The details of analysis are highlighted in Table III. The mash consumption is higher than pellet consumption. Mash consumption is 82.32 kg per cattle per month whereas pellet consumption is 65.62 kg. The average consumption of cattle feed in mash and pellet form per animal per day is 4.93 kg.

Factors influencing buying decision

One of the important factors one needs to understand is the factor influencing the buying decision. Understanding factors that influence purchase will enable marketer to design a more effective marketing strategy that pin point these factors which in turn will expand market and thus generate more revenue. Several factors have been identified as given in table below showing percentage of farmers influenced by respective factors. The major influencing factors are availability, price, quality and convenience as shown in Table No. IV. It may be noted that quality, as such, is not a significant factor influencing buying decision.

SUGGESTIONS BASED ON STUDY Findings

48 per cent of the farmers use all types of feeds and 11 per cent depends only on branded feeds. There is good scope for bringing conventional feed users towards branded products.

The consumption of pellet form of feed is increasing and has got regional brand leaders. The pellet feed is having a share of 59 per cent and mash feed 27.9 per cent. The consumers of pellet feed expressed a positive trend towards the animal farming and use of pellet.

There is not a definite buying pattern. A combination of conventional, branded and fodder type feed is preferred by 31.67 per cent farmers and 18.89 percent of farmers prefer branded feed.

Price, convenience, availability and quality are the major factors influencing the purchase decision of farmers. Of these, 12.78 per cent attributes to convenience, 10.56 per cent to availability and 7.22 per cent to price exclusively. Quality as a single reason has a very low percent and the purchase decision of the farmer is very much influenced by the combination of quality and price, which accounts for 38.89 percent. The customer satisfaction level is medium on an average. The major attribute to the satisfaction level is quality.

CONCLUDING REMARKS

The compounded Cattle Feed (CCF) though not a relatively new entry in the market, is gaining momentum and acceptability in the recent past. It attracted the farmer's attention because of many reasons. The live stock population in Kerala mainly consists of cows, buffaloes and goats. On the basis of the results of the survey, it can be reasonably assumed that the demand for compounded cattle feed will grow by 5 per cent on an average in the coming years

Table I: Expected Animal Growth of Cattle Feed Market

Sl. No	Trend	Number	Percentage
1	Positive	105	58.33
2	Negative	25	13.89
3	No change	35	19.44
4	No response	15	8.33
	Total	180	100

(Source: Survey Data)

Table II: Present Feed Consumption Pattern

Sl. No.	Pattern	Number	Percentage
1	Conventional/natural feed	5	2.78
2	Fodder	8	4.44
3	Branded feed	34	18.89
4	Conventional/natural and fodder	6	3.33
5	Conventional/natural and branded	57	31.67
6	Fodder and branded	23	12.78
7	All the feed category	47	26.11
	Total	180	100

(Source: Survey Data)

Table III: Cattle Holding and Consumption of Cattle Feed – Central Kerala

Sl. No.	Item	Unit	Quantity
1	Average cattle holding per month	No	2.90
2	Average pellet consumption per month	Kg	190.26
3	Average mash consumption per month	Kg	238.77
4	Pellet consumption per cattle per month	Kg	65.62
5	Mash consumption per cattle per month	Kg	82.32

(Source: Survey Data)

Table IV: Factors influencing buying decision relating to Cattle feed products

Sl. No.	Factors (influencing buying decision)	No. of respondents	Percentage
1	Price	13	07.22
2	Convenience	23	12.78
3	Availability	19	10.56
4	Quality	01	00.56
5	Price and Convenience	04	02.22
6	Price and Availability	08	04.44
7	Price and Quality	70	38.89
8	Convenience and Availability	02	01.11
9	Convenience and Quality	02	01.11
10	Availability and Quality	19	10.56
11	All the factors	18	10.00
12	Not applicable		
13	Not responded	01	00.56
	TOTAL	180	100

(Source: Survey Data)

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