

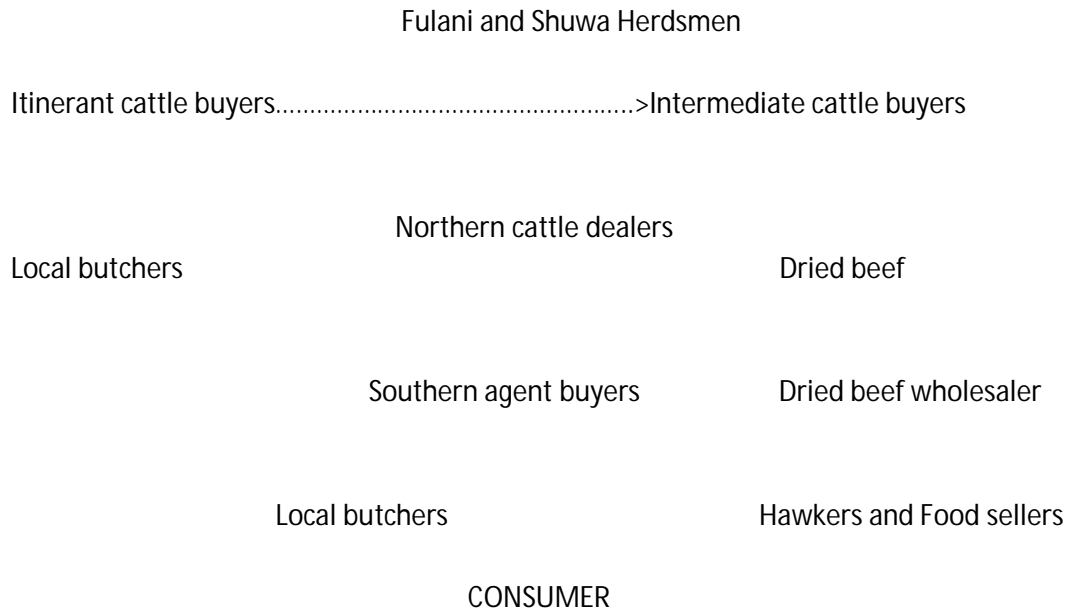
## Lecture 8

### COST OF BEEF PRODUCTION

Profits in the beef cattle industry are determined by the total production and the prevailing market prices as well as the cost of production. Even when prices are favourable and production is high, attempts must be made of minimizing the cost factors or operational costs which are variable from place to place and also depend on managerial ability of the operator. Large amounts of capital are usually involved in the provision of land, buildings facilities, machinery and animals.

### MARKETING AND CONSUMPTION OF BEEF

Even though the animal protein needs of the population could be supplied by poultry, swine, etc., almost half of Nigerian's meat supply is beef. Beef supply amounts to about 3.62kg /head/annum, compared with 1.78kg/head/annum of goat meat, 0.93kg of pork, 0.98kg of poultry and 0.78kg of mutton. It is estimated that approximately 10% of the Nigerian cattle population is slaughtered annually. The major cattle producing areas of West Africa stretch from Senegal to Chad, covering the boundaries between the coastal and the Northern States of Nigeria are part of the supply for the coastal areas. The bulk of the beef consumed in the South comes from the North because of the limiting effect of trypanosomiasis on cattle production in the South, and for the fact that most of the cattle kept in the South are rarely used as a regular source of meat.



The diagram shows the scheme of the current marketing system from the producer to consumer. The actual ownership of trade change 6-8 times before final sales

The large and small towns and villages along or near cattle trade routes are well supplied with beef, as cattle unable to withstand the strain of a long trek are sold en route to avoid death losses. In places far from the trek routes slaughtering are at intervals depending on the purchasing power of the villagers.

In large cities like Ibadan, Hausa cattle dealers buy through their agents in Northern Nigeria and arrange transport to the South. The cattle are sold to wholesale butchers who slaughter and sell to retail butchers and contractors supplying institutions. The retail butchers then sell in the local markets. Since refrigeration facilities are in most cases lacking, slaughtering must be adjusted to meet daily demands. Available slaughter facilities lack proper drainage and the standard of hygiene is generally low. The animals are slaughtered without proper rating and carcass transport media are inadequate.

With the help of USAID, the modern central Abattoir at Ibadan was opened in 1972. Similar facilities are planned for other big centres of population throughout the country.

In most places, beef is not sold by weight and prices paid for similar or same joints depend on the bargaining power of the consumer. An assessment shows a range of N700-N800 per kg for the best cuts. The offal usually command higher prices as most people value these parts.

## **SOCIAL AND ECOLOGICAL CONCERNS FOR BEEF PRODUCTION**

Production of beef is worldwide in activity and in scope. The methods of production are as varied as the producers and their environments. World population of cattle is 1358 million (FAO,2004) while 76% of this population is from developing countries, Nigeria boasts of about 20million , this figure might not reveal the total production level since slaughtering activities and beef marketed through formal outlets are documented. The availability of beef tends to increase with the standard of living. In Africa, the wealthiest consume like others in developed countries while the poor deepen in their consumption. In Nigeria, beef production contributes substantially to the national economy. The industry offers employment to Nigerians; it is second only to arable farming in Nigerian agriculture as an income earner. Nigeria has high prospects of increasing her cattle population because there is a ready market for beef and she has not yet attained the FAO recommended requirement for animal protein consumption of 35g per day. Breeds adapted to the environment are trypanotolerant, also vast grassland is available, and moreover, there are no tribal, religious or social taboos to beef consumption or leather goods. However despite all these prospects, the industry is beset with myriads of problems and challenges that can be broadly classified into three: 1) Controllable. 2) Uncontrollable. and 3) Genetic.