

# Rapid assessment of COVID-19 impact on livestock sector – A

study conducted<sup>1</sup> by SHOMOSHTI Project, CARE Bangladesh

## Summary

*The COVID-19 epidemic has created a serious negative impact not only for health sector in the country but also all aspects of living conditions. After the COVID 19 outbreak began in early March in Bangladesh, Government has lockdown people's movement to control the spread of the disease. The lockdowns have had a significant and still not well understood impact on the agricultural sector. As all of the livelihood sectors fall into a serious implication, the livestock sector is no exception. To understand the current situation of livestock market, the project SHOMOSHTI has made phone call based consultation with 72 entrepreneurs and 100 farmers of 7 districts in the livestock sector using structured questionnaires during 16-20 April 2020. The study found that the pandemic has reduced input demand, cutting income of which thousands of entrepreneurs and producers depend for their livelihoods. Study showed that the 90% retailers' sales reduced and 85% paravets and 74% farmer's income decreased as a result of the coronavirus outbreak. Around 50% milk remains unsold all over the country and 45% milk sold with a reduced price. The estimated loss would be around tk 189 million per day all over the country. Considering the lockdown situation in the country and economic downturn, if the situation continues for the next 90 days, the loss would be huge and create a shortage of protein availability in the market. Nearly one third of respondents have no savings to recover from the crisis. About 64% retailers, 43% farmers and 39% paravet have loans from either Bank or MFI. Half of respondents reported that increased expenditure at household level. Among them, 65% used their savings, 33% has reduced food intake, 21% took loans for managing households' expenditure. Study results also showed that about 61% respondents perceived an increased workload of women at households. Most of the women have to spend more time in food preparation, washing clothes and taking care of family members. About 28% respondents indicated that they found an increased trend of domestic violence in their community. Regarding COVID 19 awareness, all respondents know about coronavirus disease outbreak through the social, print and electronic media, mobile network as well as government messaging. Around 87% would go to nearby hospitals directly if any family member seems to be infected. This figure is alarming and reflected that they only know the disease outbreak but they are not internalizing its pandemic situation. Major respondents (80%) asked cash support and loans with easy terms and conditions. Respondents (30%) also recommended free food supply for the poor to ensure staying at home during lockdown. In this situation, Government and other agencies should be concentrated on multipurpose cash support for the COVID19 affected vulnerable groups, so that they can buy their necessities from their local market for retrieving local economy which will also create an equilibrium condition in market. On the other hand, local administration should increase their strict monitoring for availability of daily necessities in the market and for controlling annoying situations in the market.*

## Introduction

Livestock sub-sector contributes 13.46% into overall agricultural GDP in Bangladesh<sup>2</sup>. This sub-sector generates 20% direct employment and 50% partly which also plays an important role in the national economy of Bangladesh<sup>3</sup>. More than 70% rural households are engaged in livestock that contributes a greater share to the livelihoods of smallholders and landless households<sup>4</sup>. The COVID-19 epidemic has started in Bangladesh since the 2<sup>nd</sup> week of March 2020. It has created a serious negative impact not only for health sector in the country but also all aspects of living conditions. After the COVID 19 outbreak began in early March in Bangladesh, the Government has lockdown people's movement to control the spread of the disease. Day by day disease affection is increasing geometrically. The lockdowns have had a significant and still not well understood impact on the agricultural sector. According to a recent survey published by BRAC, though the lockdown is useful to prevent the spread of disease as it forces people to

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<sup>2</sup> Livestock economy at a glance 2018-19, Department of Livestock Services (DLS); ([www.dls.gov.bd](http://www.dls.gov.bd))

<sup>3</sup> Livestock economy at a glance 2018-19, Department of Livestock Services (DLS); ([www.dls.gov.bd](http://www.dls.gov.bd))

<sup>4</sup> The World Bank, Livestock Development-based Dairy Revolution and Meat production Project

stay at home, the average household income falls 75% caused by sudden shutdown. As all of the livelihood sectors fall into a serious implication, the livestock sector is no exception. The livestock market is also facing continuous loss. Livestock farmers face severe pressure from supply and market disruptions, since animals need to eat every day and production cycles are short—daily for dairy and t 3-4 months’ cycle for bull fattening.

## Objective

The overall objective of the study is to assess the COVID-19 impact to small and medium enterprise and livestock farmer’s lives and livelihoods. Another important objective is to document the situation of the livestock market for better planning of livestock activity and support to the policy maker and other stakeholders for understanding the current situation of the sector.

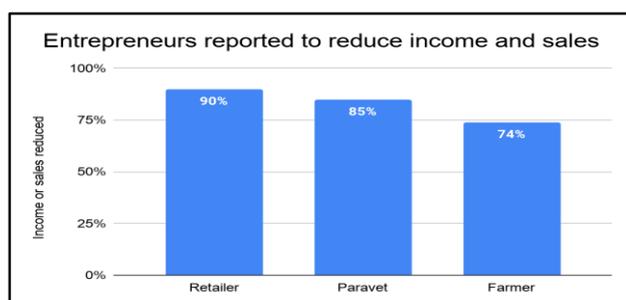
## Methodology

The study has employed both quantitative and qualitative methods to assess the COVID 19 impact on livestock sector. Data has collected through the phone call survey with 72 local service providers (retailers and paravet<sup>5</sup>) and 100 livestock farmers using structured questionnaires during 16-20 April 2020 . Besides, study has analyzed different print and electronic media reports to understand the sector as a whole. This assessment has done keeping in mind that the movements are restricted. The primary data has been organized through ODK platform-KoboToolBox and sample respondents were consulted from the SHOMOSHTI project stakeholder list from 7 districts of Rajshahi, Rangpur and Khulna divisions. Household heads or persons who take major decisions for farming and or business were consulted to understand business performance, market behavior, COVID 19 awareness, gender issues and current priority of their livelihood and business expansion.

## Findings

### Livestock markets struggle under COVID 19 restrictions

- The pandemic has reduced input demand, cutting income of business on which thousands of entrepreneurs and producers depend for their livelihoods.
- The below chart shows sales of 90% retailers and income of 85% paravets, 74% farmers are reduced compared with the normal market.



- The average daily customers and sales of 90% retailers is reduced by 46% and 54% compared to the scenario before Covid-19 respectively. The daily

customers dropped to 25 from 54 and sales dropped to tk 9,977 from tk 18,300.

- Around 72% retailers reported that they cannot collect their input on time due to restricted transportation and limited supply from companies.
- About 97% entrepreneurs forecasted that they will face huge losses, if the situation continues for next 3 months. Among them 67% entrepreneurs will have increased debt and or scale down their business, 47 % will shut down their business and only 21% will increase investment.
- The study findings showed that 85% of paravet’s income reduced by 35% from their regular monthly income of tk 26,500.
- About 73% of paravet attendance with farmers called for livestock services has dropped by 37%. While interviewed, paravet stated that farmers call them only in case of serious ill health of their

<sup>5</sup> Paravet- Livestock health worker who provides advice and primary veterinary services to the farmer.

animal and offer less than half of consultancy fee compared to normal market scenario.

- The study finding revealed that 37% farmers, 28% retailers and 18% Paravets have no savings. Contrariwise 43% farmers, 64% retailers and 39% Paravets have loans from either Bank or MFI. It is also found that about 50% of surveyed actors have stopped providing loan installment.
- Livestock farmers also face severe pressure from supply and market disruptions. It is estimated that there are about 1.4 million dairy farms in the country<sup>6</sup>, with an average herd size 3.6. In addition, a study report showed that average milking cow size 1.8 among rural livestock rearing household<sup>7</sup>.
- Around 90% farmers reported an increased feed price of tk 5 to tk 10 per kilogram. About 74% farmers reported a reduction in milk price of tk 12 to tk 20 per litre. Besides, 53% farmers reported that they could not sell their milk to the market.
- Secondary literature revealed that farmers are facing loss from unsold milk as well as decreasing price of milk every day. Farmers incur loss of tk 135 every day/per farmer and if the pandemic continues for next three months, the loss would be around tk 12,000 for a dairy farmer because of unsold and price fall of milk.
- It is estimated that everyday around 4 million litres of milk remain unsold across the country and 3.7 million litres sold at a lower price of tk 12 per litre. About 5 million liters of milk production is being reduced from the total production. The daily loss is tk 189 million across the country.
- Only 11% farmers reported to sell bull in this situation. Of them 33% face difficulties to sell their fattened bull on time.

### COVID-19 impact at household level

- Almost all respondents (95%) reported that their household income has reduced significantly and 50% reported increased expenditure at their household. The study findings depicted that 65%

surveyed households used their savings, 33% reduced food intake, and 21% took loans for managing households' expenditure.

- Around 8% respondents reported that household members lose their job or opportunity to earn due to coronavirus outbreak. About 2% stated that their household members returned home from big cities like Dhaka, Narayanganj, Gazipur Chattogram, etc.
- The survey results showed about 61% respondents perceived an increased workload of women at households. Most of the women have to spend more time in food preparation, washing clothes, house cleaning and taking care of family members. About 28% respondents indicated that they found an increased trend of domestic violence in their community under this circumstances.

### COVID-19 awareness

All respondents know about coronavirus disease outbreak through the social, print and electronic media, mobile network as well as government messaging. About 80% respondents are connected with different media to be informed and about 90% respondents took preventive measures of their own as they said that they are frequently washing their hands using soap, maintaining social distance etc. Respondents were asked, what measure would they take if any family member seems to be infected. Around 87% would go to nearby hospitals directly which is alarming and reflect that they only know the disease outbreak but they are not internalize its pandemic situation

### Demographic profile of survey respondent

The study analysis based on 76% male and 24% female consultation. It is also found that about 76% respondents have primary to higher secondary education and 21% have graduation and post-graduation education and the remaining are illiterate.

<sup>6</sup> Hemme, T., Deeken, E. and Ramanovich, M., 2008. IFCN Dairy Report 2008. International Farm Comparison Network (IFCN), Dairy Research Center Kiel  
Study conducted by SDC- SHOMOSHTI project

<sup>7</sup> Impact study on livestock, Shomosthi project, CARE Bangladesh

## Recommendations

- Government should take immediate initiatives to support the milk processing companies to source milk from the farmers.
- Support in input provision (feed/medicine/vaccine) for cattle of livestock rearing households to encourage the farmers for continuing with this current livestock farming.
- Interest free or flexible repayment based long term credit facilities should be ensured for agro-based enterprises to revive from the severe shocks of COVID-19 and to run their current business.
- Mass awareness should be continued through electronic and print media as well as using other social media and communication platforms for internalizing COVID 19 pandemic. In some time, administration should be strict for implementing the government rules.
- Government and other agencies should be concentrated on multipurpose cash support for the COVID19 affected vulnerable groups, so that they can buy their necessities from their local market for retrieving local economy which will also create an equilibrium condition in market. On the other hand, local administration should increase their strict monitoring for availability of daily necessities in the market and for controlling annoying situations in the market.

## Conclusion

The whole world is now almost paralyzed by coronavirus. It goes without saying that the big catastrophe is coming in the economy. If this situation is prolonged, food crisis will start in the country. The most pressing need at the moment is in the agricultural sector including livestock sector.