

**SOCIO ECONOMIC ANALYSIS OF NEW
TRENDS IN ANIMAL PRODUCTION**

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Recent dynamics in rural agriculture due to changes in the macroeconomic environment in the country are not adequately discussed. With the large diversity of regions and sectors the peasant agriculture, broad analyses have failed to comprehend the specific changes at sectoral or regional levels. This paper aims at examining the dynamics in the animal husbandry sector of the rural economy of with special reference to policy changes in the post '77 period.

Animal husbandry sector in the economy is largely integrated with the other agricultural activities with only a small percentage of farmers specializing in this field. Its contribution to the GNP is about 2% and to agricultural production, around 12%. Overall importance however, is much higher as high expenditure is incurred in importing milk products.

With the recent structural changes in the economy poultry and dairy cattle production took two distinguished development trajectories. The marginalization process is seen in the poultry industry with the investment of local capital while foreign capital is experimenting in the cattle industry following a similar pattern as tobacco and sugar cane production. Price change of a bottle of milk was more than 200% with production level being almost the same overtime. Egg production has increased by about 200% while price change has been around 10% during the last decade.

Although technology transfer was expected with the foreign capital, outcome was that large companies were interested in importing milk products and selling them while poultry producers do not enjoy the same benefits. This paper will discuss these observations in depth.