

COST AND EARNING STRUCTURE OF THE SWIFTLET FARMING INDUSTRY

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Information on cost and earning structure of an economic activity is useful to the operators and economic planners. An analysis of cost and earning structure could help identify the major cost components of the domestic swiftlet farming industry. The farmer could use this information to raise the efficiency in the financial management of his business operations. Operators could set their sale and marketing strategies by responding to market prices and inadvertently receive an acceptable level of profits. Economic planners and regulating government agencies can use the information on costs and earnings to understand the general operations of the domestic swiftlet industry. Also an analysis of earnings will give some indications of profitability to potential investors and entrepreneurs in the swiftlet bird's nest industry. This information would help them to identify the type of business along the value chain in the industry to venture into. This paper highlights the analysis of the costs and earnings structure of swiftlet farming in the country. The analysis involves identifying the elements of the fixed and variable cost and the quantification of the sales earned by swiftlet farmers. The rates of profit were computed. In general, it may be concluded that the fixed cost component is large and form an essential investment for a swiftlet house. Swiftlet farming is undeniably a lucrative means of securing a long term returns, given that the bird house requires large investments. Swiftlet farming could obtain high returns from their efforts and investment, provided they are able to attract and retain the swiftlet colonies into their bird houses.