
Chapter 2

Economies of Animal Production

Economies of Animal Production: As an applied science whereby the application of the principles of choice in the use of capital and human resources and the earth and management in the agriculture industry.

This should be noted that the role of the economics of agricultural production scientists is not limited to the use of resources at the individual farm level, but also focus their attention on the use of resources in order to achieve economic efficiency at the level of national. So as to achieve and maximize consumer satisfaction of achieving prosperity for all members of society.

Economic Importance of Animal Products

1.Expand the labor force.
2.Investor Capital.
3.GDP (Gross Domestic Product)

Classification of Animal wealth into four categories:

1. Producing Animals (Sheep, Goat, Cow and Buffalo, Pork)
2. Animals to take advantage load (Donkey, horse).
3. Domesticated Animals (Chicken, rabbit,)
4. Fish

No. Animals 1955 17 million

No. Animals 2008 12million

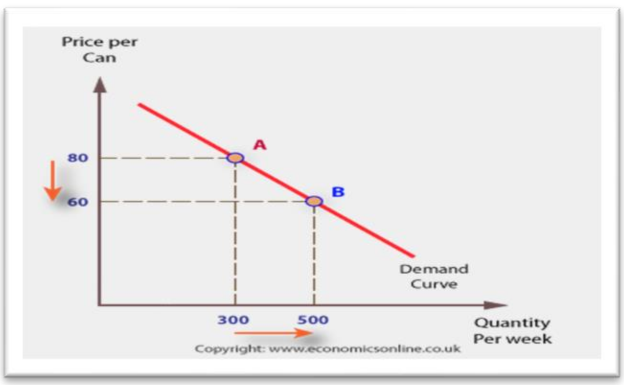
Animal Production Demand & Supply

1. Demand

The ability and willingness to buy specific quantities of a good at alternative prices in a given time period.
Demand is the goods and the service purchasing power at the consumer to buy certain quantities of goods at different prices.
1- The ability to purchase.
2- The desire.

Curve

The inverse relationship between price and the quantity demanded.



Demand Schedule

Demand for goods	
Price	Quantity Demanded
$55	5
$20	25
$5	50

- This table shows demand for goods - the quantities demanded at different prices.
- The data can be used to construct a demand curve.

Law Of Demand

The quantity of a good demanded in a given time period increases as its price falls.

Factors Effecting Demand

1. The price of the same goods.
2. The prices of other goods.
3. Change in consumer income: When people get richer, they buy more stuff.

- ❖ When an increase in income increases the demand for a good, it is a normal good

1. Changes in consumer taste: Changes in tastes caused by fads, fashions, and advertising can all increase or decrease demand
2. Expectations in prices: The expectation of a reduction in future supply increases the demand today.
3. Geographical location and time.

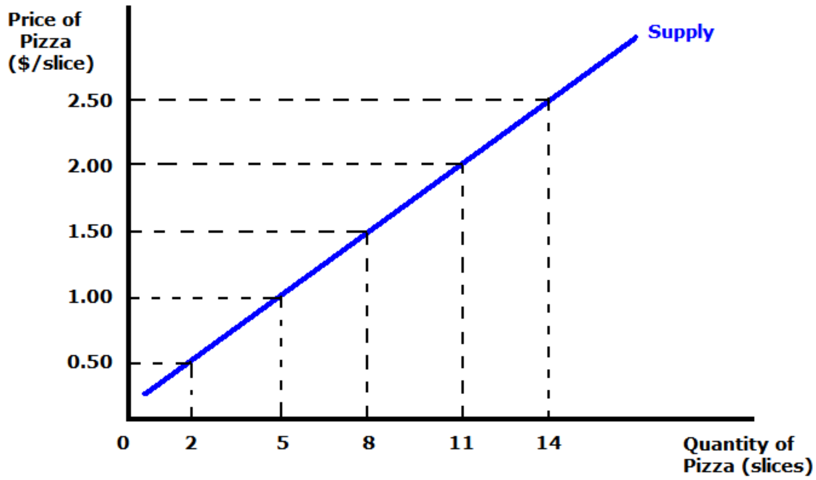
7. Number of buyers: An increase in population will increase demand generally

2. Supply

- ❖ The ability and willingness to sell (produce) specific quantities of a good at alternative prices in given time period.
- ❖ Quantity of goods and services that producers wanted to produced and sold at a different .

Curve

Positive relationship between the price of the goods and the quantity supplied.



Factors Effecting Supply

1. The Price of the same goods.
2. The Prices of other goods.
3. Expectations in Prices.
4. Factors of Production Prices.
5. Factor costs.
6. Taxes and subsidies.
7. Number of sellers.
8. The Technological level of Production.

Law Of Supply

- There is a positive relationship between the **price** of a product and the a**mount** of it that will be supplied.
- As the price of a product rises, producers will be willing to supply more.

Factors Effecting Animal Products Supply

1.It does not have a convenient place.

2.Natural Pastures.

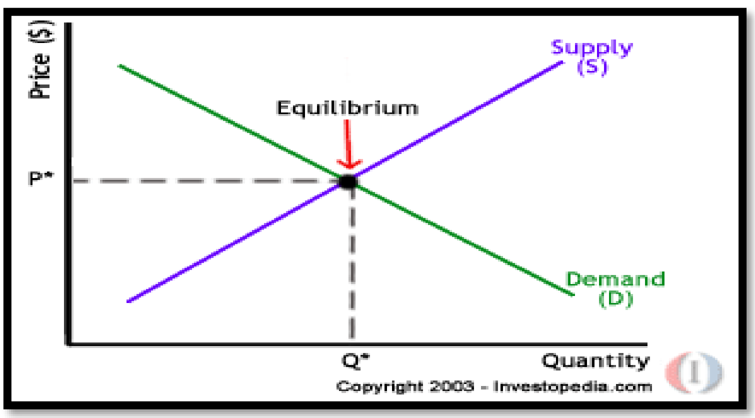
3. Slaughtered Animal.
4.Increased disease.
5.Old Marketing Mechanism.
6.Animal Feed Store is far from Modern roads.

Factors Effecting per Capita Consumption of Animal Products

1.Alternative Goods.
2. Religious Events.
3. Customs and Traditions.
4. Individual income.
5. Level Price.
6. Social Culture.
7. Expectation .

Equilibrium

When supply and demand are equal (i.e. when the supply function and demand function intersect) the economy is said to be at **<u>Equilibrium</u>**.



At this point, the allocation of goods is at its most efficient because the amount of goods being supplied is exactly the same as the amount of goods being demanded. Thus, everyone (individuals, firms, or countries) is satisfied with the current economic condition. At the given price, suppliers are selling all the goods that they have produced and consumers are getting all the goods that they are demanding.