CHAPTER VII

SUMMARY OF FINDINGS AND SUGGESTIONS

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7.1 INTRODUCTION

The present study titled "Production and Marketing of Milk – A Study in Co-operative Milk Producers’ Union in Pondicherry" is an attempt to find the production concepts, marketing patterns and problems of members of the Pondicherry Co-operative Milk Producers’ Union.

The study begins with the profile of dairy, dealing with world milk production, bovine population, allocation over five years and yearly plan for dairy milk production, consumption and export. The study continues to identify the territory of dairy co-operatives with its profile. An overview of the PONALIT is described with many of its components which are responsible for its growth. It also measures the opinion of the respondents towards the services rendered by the Pondicherry Co-operative Milk Producers’ Union.

The approach to the study has been both descriptive and analytical. The researcher has used both primary and secondary data in writing up the thesis. For collecting the primary data, the researcher has used an interview schedule. A sample of 300 respondents (200 from Pondicherry and 100 from Karaikkal) were selected by applying stratified random sampling technique, from the list supplied by the co-operatives.
The operational problems mentioned in this study have been identified during the course of the interview with the members of the primary dairy co-operatives. Many officers belonged to the Department of Co-operatives, Government of Pondicherry, Department of Poultry Farming, Government of Pondicherry, leading cooperators who had long years of experience in managing the affairs of dairy co-operatives as members and office bearers and academicians and who had association with the co-operatives in general and dairy co-operatives in particular have been consulted. The suggestions presented in this study are also based on the views expressed by the different experts mentioned above.

This chapter deals with the findings, the various operational problems faced by the members of the dairy co-operative societies and suggestions for solving the problems faced.

7.2. SUMMARY OF FINDINGS

7.2.1 Dairy Profile

The backbone of Indian economy is ‘Agriculture’ sector and more than 70 per cent of the Indians eke out their livelihood from this important sector. The animal husbandry took an important part in the Indian agricultural scenario in particular and in Indian economy as a whole in general leading to the dairy development in India. The world milk production has increased from 540.7
million tones in 1995 to 641.8 million tones in 2006 registering a growth rate of 118.70 per cent.

In India, the trends in fluid milk production, milk consumption milk cow members and fluid milk production per cow have showed a growth rate of 108.38 per cent 119.22 per cent, 107.52 per cent and 100.99 per cent respectively. The Government of India has been allocating huge sums of money through its five year and annual plans for the development of dairy.

Milk production in India has increased from 41.5 million tones during 1984-85 to 106.9 million tones in 2005-06, where as the production in Pondicherry has also increased from 28 million tones in 1984-85 to 41 million tones during 2005-06. The annual growth rate of milk has also increased over the plan periods, from 2.08 percentage to 4.86 percentage from the first to the tenth plan periods. Milk consumption in India has registered a growth rate of 144.7 per cent and milk consumption in Pondicherry has also shown a growth rate of 121.11 per cent.

The co-operative movement started in India in the last decades of the 19th century. After getting progress in cooperation movement, the National Dairy Development Board (NDDB) was set up in 1965 which took up the ‘Operation Flood’ programme in 1970 to organize AMUL. Of the 1,08,574 Dairy Co-operative Societies in India, the selected Union Territory of Pondicherry had 97 Societies during 2006-07, where as there were 320 farmer members in
Pondicherry from out of 11994 farmer members in India. With regard to milk procurement and liquid milk marketing, the share of Pondicherry to India is very meager.

7.2.2 Working and Performance of PCMPU Ltd., (Ponlait)

The Union Territory of Pondicherry consists of four regions namely Pondicherry, Karaikkal, Mahe and Yanam. It was constituted on 1.11.1954. Agriculture is the most important occupation of the people. Pondicherry has the largest number of livestock and rearing of livestock is one of the major income generating occupations. Following the rapid increase in number of co-operative societies in India, the Government of Pondicherry also started Dairy Co-operatives and co-operatives in all other sectors. The Pondicherry Co-operatives Milk Producers' Union was established in 1972 (Ponlait)

'Pon' mean "Pondicherry" and lait means "Milk". The 'Ponlait' had its origin as a Primary Milk Supply Society on 7.2.1955. At present there are 101 organized DCS and 97 functional DCS with 35100 members (including 16000 women members). Being controlled by the 'Ponlait', it produces many milk products and important of them are ghee, khoa and flavoured milk. The price per litre of procured milk comes to Rs.1 to 7 and the sales price is being Rs.12. The total milk sold per day on an average comes to 82000 litres.
The 'Ponlait' has expanded the dairy plant from 50000 litres to 1,00,000 litres. It is carrying on many welfare activities which benefit the farmers.

Pondicherry has a population of 2534 per sq km. It gets more rain from south west as well as North East monsoons. Tube well irrigation is popular. Among food crops, paddy tops the lists, covering 76 percentage of area under irrigation.

7.2.3 Milk Production

It has been observed that in the study area, of the 300 respondents of Pondicherry and Karaikkal, 200 were males and 100 were females. A majority of 174 (58 %) were in the age group of 36 - 50 years category. One hundred and seventeen belonged to backward class community. Under the nuclear type of families, there were 223 respondents and a majority of 117 respondents belong to small families. There were 135 illiterates in the sample.

The main occupation of 230 respondents was agriculture. The size of operational holdings in case of 43 respondents was above five acres of land and 115 are landless agriculturalists. The gross annual income of 100 respondents was up to Rs.15000. A majority of 106 respondents spend less than Rs.15000, followed by another 106 respondents who borrowed between Rs.5000 to Rs.10000 per year. Among the different sources of institutional borrowings, borrowing from others
category tops the rank by 136 respondents borrowing from (non-institutional) money lenders by 95 respondents at the top in the rank.

One hundred and seventy five respondents had savings between Rs.25000 and Rs.50000. According to 92 respondents the total value of assets preserved comes between Rs.3 lakhs and Rs.5 lakhs. Up to 2 acres of land had been irrigated by 120 respondents. A maximum of 77 respondents use sprinkler type of irrigation. Among the fodder crops cultivated by the respondents, 123 respondents cultivated maize in 197 acres of land, followed by 86 Paddy (Food crops) in 254 acres of land and 48 plantain on 212 acres of land among commercial crops.

It has been observed that 219 respondents possessed 410 cows followed 258 having 510 crossbreed cows and 163 respondents possessed 275 buffaloes. In order to purchase milch animals, a majority of 33.3 per cent of respondents consulted cow brokers and only 7.5 per cent respondents consulted veterinary doctors. It is found from the survey that 32.2 per cent of the respondents have their own funds for purchase of milk animals. Among the 300 respondents, 235 had opined that they contacted individual milk producers to buy cows whereas 211 respondents said as weekly sandies are the apt place to buy milch animals and 196 remarked the same to buy buffaloes. It had been felt that dung, udder, appearance and age of calves were the highly influencing factors in selecting milk animals. The yield per animal was more in Pondicherry than in Karaikkal.
It had been observed that in the flush season (July – December) the production was higher than that of the lean season (January – June). More than 47 per cent of the respondents have their own production of feed to the animals. Among the factors responsible for the purchase of cattle feed, increasing fat content had constituted the first place. Fallow lands had been used by 184 respondents. The animals in the study area are mostly affected by foot-mouth disease. Majority of the respondents had opined that they prefer artificial insemination for the milk animal for breeding.

The high milk secretion period for milk animals in the study area are decided in the III year or the third calving according to 170 respondents. It has also been observed that milking begins at 4.00 am and closes before 8.00 am in the morning sessions and in the evening session; it commences by 3 pm and ends by 5 pm. The average cost of milk production as far as cows are concerned, it is Rs.5.40 followed by Rs.5.33 in case of breeded cows and Rs.7.09 in case of buffaloes.

7.2.4. Marketing of Milk

Four channels of distribution of milk by the members of PCMPU have been identified four channels of distribution. A majority of 113 respondents distribute milk by spot disposal. The percentage of marketed surplus to production is 89.54 per cent in case of members and 86.50 per cent in case of non-members. In case
of small farmers, the percentage of marketed surplus is higher than the other categories. Among the factors considered for fixation of price for milk, fat content topped the rank by 34.63 per cent and quantity was last in the rank by 16.64 per cent.

The price realized by member producers of the Primary Dairy Co-operative Societies had been Rs.9.90 whereas the consumer price is 12.70 and the margins to the unions is 0.14 paise. The price spread for the large farmers in cows is more (Rs.4.665) whereas in buffalos it is the small farmers getting more (4.455) and in case of breeded cow the small farmers are placed in a better position with Rs.3.83. It has also been found that the marketing margin to the private dairy agencies was greater than that of other intermediaries. A majority of 185 respondents spent below half an hour for disposing the produced milk whereas only 30 respondents spent a period between one to two hours for disposal of milk.

Among the reasons for selecting the primary dairy co-operative society for distribution of milk by members, 'remunerative price' ranked first with a mean score of 66.15, followed by 'payment in advance' with 61.36 mean score in season for selecting milk vendor for distribution by milk and 'regular visit by milk collecting society people' with a mean score of 67.72 among the reasons for selecting private dairy agency for the distribution of milk.
It has been observed that among the factors responsible for marketing related problems, ‘belated payment’ with a mean score of 66.36 has ranked top. In distance related problems, ‘change in quantity’ with a mean score of 68.15 has topped the list. ‘Time lag’ has been placed first with a highest mean score of 68.19 regarding the delivery related problems. In among the ‘feed-related problems’, the most dominant factor identified by the respondents was that of ‘no subsidy’ with 63.64 mean score.

Of the factors relating to finance-related problems, ‘price difference during procurement and payment’ has ranked first with a highest mean score of 69.76. ‘Cost of labour has the first prioritized factor with 63.15 mean score which constituted the milking man related problems. Factor namely ‘lack of meadows’ with a mean score of 70.32 ranked first which is one among the maintenance related problems. Among the various factors leading to marketing problems by vendors of milk, ‘not buying the entire quantity of milk’ has ranked first bearing a mean value of 58.70 and the marketing problem caused by private dairy agency also ‘not buying the entire quantity’ has ranked top with 62.32 mean score.

7.2.5 Extent of Attitude of Milk Producers to the Services of PCMPU

The attitude of the milk producers of the PCMPU Ltd has been measured with the help of 12 components such as “adequate and satisfactory services, redressal of grievances, striving hard to get better price for milk for its members,
quick settlement to members, good relationship between authorities and members, providing cattle feed to its members, good supervision and control, pasteurize milk, impart training to its members, acts as linkage machinery, helps in the form of loan subsidy and all members are treated equal”.

The researcher developed a scoring scheme to measure each of these statements. (Likert's five point scale technique). The KS test was used for analysis whether there is any significant difference in the importance ratings given by the respondents on the various statements. The analysis showed that all the twelve statements have proved that there is significant difference on the importance ratings given by the respondents in the statements. It was also analyzed with the help of the intensity value for each statement.

7.3 PROBLEMS AND SUGGESTIONS

The analytical exercises involved in the study were based entirely on documentary evidence and the primary data collected by the investigator from a carefully chosen set of informants. Dairy farmers, though members of Primary Dairy Co-operatives being largely backward and illiterate had to encounter diverse problems in their day to day life. The various problems faced by the respondents are explained below.
7.3.1 Market related problems

There are many factors which create marketing problems. While marketing milk, the respondents have viewed that belated payment and variations in quantity and quality of milk, are responsible for price fluctuations (price spread) on most of the occasion, which not only causes inconvenience but also substantial loss too.

As all the respondents are members of PDCSs they can even be provided with an advance for investments in cattle farming and reinforcements also in times of financial constraints.

7.3.2 Distance related problems

As the house or farm of the respondents and the society or the selling place are far away in most of the cases resulting in high cost of transportation causes difference in quality which consequently fetches less sales price to producers. It is suggested that milk procurement from remote villages could be done by van service or any other mode of transportation at the right time of production. The primary milk societies with the help of the local panchayats can create road access to the centres of milk production and thus help in this regard.

7.3.3 Delivery related problems

Undue delay in getting the milk sold to the users is the major delivery related problem. This delay creates capital loss to the respondents in the study area. In this regard it is suggested to establish small chilling plant units in
villages which will help the respondents to overcome this type of risk. The PCMPU can try to institute such facilities.

7.3.4 Feed related problems

Quality of the feed given to the respondents tells upon the output. The cost of the feed is high as far as small and landless respondents are concerned which results in low margin to them. The Central and the Government of Pondicherry may start public limited industries to manufacture cattle feed with high level of nutrition and hygiene at comparatively low prices to the members of the milk societies through proper channel of distribution.

7.3.5 Finance related problems

Every activity involves financial commitment. Among the various finance related factors, price difference during procurement, payment and low price of milk top in the series of many other factors.

It is suggested that the Government may take necessary steps to fix up a standard price for milk subject to the periodical changes. Liberal loans and advances may be granted to the dairy farmers so as to relieve them from debts and the clutches of middlemen.

7.3.6 Middlemen and maintenance related problems

The problem created by milkmen and the cost of maintenance can be overcome by regularizing the services of these milkmen as government servants
and the government can permit the cattle herds to pasture in the governments owned lands wherever it is possible.

7.3 GENERAL SUGGESTION

More than 70 per cent of the Indian population habitate in villages and ensuring financial independence and comfortable living for them is the bounden duty of the Governments as their urban counterparts. When the prospects for agriculture is becoming bleak, the allied agro based activities seem to show rays of hope in the tunnel of darkness.

Cattle farming is one of the agro based occupations which provides adequate income to maintain a family at least with minimum comforts.

Hence, the Governments must encourage such activities by all possible means which will bring down the economic imbalance substantially in an egalitarian society. The following suggestions may be earnestly considered for strengthening these agro based ventures like milk societies.

1. Veterinary universities with research and development may provide services on all aspects of cattle farming and milk production may be started at important centres.

2. The on-line services may be used for official administration of milk societies.
3. The Governments may manufacture cattle feed in the form of dehydrated and highly nutritious cakes, which are easy for handling, transportation, and safe from contamination and deterioration in quality.

4. Periodical health campus for cattle may be arranged in villages providing services like insemination vaccines and deworming to the cattles.

5. The cattle are susceptible to endemic and epidemic diseases and during such occasions veterinary wings must supervise the situation and offer appropriate services.

6. The Government must initiate steps to manufacture various end products of milk like paedas, paneer, packed curd and quality butter milk may become sometimes as alternatives to other soft drinks in the market in a hot countries like ours.

7. Expansion of such industrial activities with milk as the basic ingredients will increase the demand thereby ensure a remunerative price to the milk producers. Milk societies also will come up with potential for generating employment to a large number of people of the villages.

7.4 CONCLUSION

The present study has been undertaken mainly to help the planners and decision makers to take up certain policy decisions for the socio-economic development of the dairy farmers. This study has brought to light certain
economic problems faced by the respondents of the PCMPU. The suggestions presented in the study are based on the opinions of the respondents, Officials of the Department of Co-operatives and Animal Husbandry, Government of Pondicherry and leading Co-operators can help to solve many problems of the farmers in general and members of the Primary Dairy Co-operative Societies in particular.

The study will also pave way for undertaking similar studies in the area of dairy co-operatives. Based on the experience of the researcher the following issues have been identified for an in-depth study.

i) Socio economic impact of dairy co-operatives in a district

ii) Production and consumption pattern of members of dairy co-operatives

iii) A comparative analysis of the cost and return of dairy business in two districts.

The researcher will feel amply rewarded if the present study paves the way for the above and many more similar studies in future in the field.