Chapter-VII

SUMMARY OF FINDINGS AND SUGGESTION

India’s ancient aspects are fundamentals formula of modern cooperative. The theory of cooperation is very briefly that an isolated and powerless man can, by association with others and by moral development and mutual support obtains, in his degree, the material advantage available to the wealthy and powerful persons, and thereby develop himself to the fullest extent of his natural abilities. In this way economically, self-reliance and mutual help are the pillar of cooperative. Principles of cooperatives are voluntary or open membership, democratic control, limited interest on capital, equitable distribution of surplus or patronage dividend, cooperative education and cooperation among cooperatives, cash trading, political and religious neutrality. These principles are divided into two parts: essential principles and non-essential principles. Cooperatives development has been done in three stages ancient period, middle period and modern period. Feeling of cooperation and cooperative is broadly found till Mughal period.

People of Britishers period took very less loan because in that period there was insufficient amount of money. Creditors were less protected lawfully. Under Britishers period cooperative lapsed. In Britishers period protection of property increased, Sahukar’s were provided protection of low. There was more pressure on land when lamentation for foodgrains committed because of natural
impediments like flood, famine and dry other than risk created by humans. But in front of human needs animal needs were abstracted because of which India’s animal husbandry was kept aside. For development of milk industries in country National Dairy Development Board was establish. This board worked under supervision of Agriculture and Irrigation Ministerial. Its Board of Directors and Chairmen’s are appointed by President of India. Secretary of National Dairy Development Board is the main effective authority of this organization. Except this, professional authorities work for cooperation of Board. This Board was established by Past Prime Minister Lae Shri Lal Bahadur Shastry. National Dairy Development Board works done under seven incharges – Planning Engineering, Sales, Public Development, Usual Research an Development, Farmer Organization and Animal Husbandry and Computer Service.

Indian Government decided to keep Chairman and one Board of Indian Dairy Corporation and National Dairy Development Board to implement the objective of smooth and better way development of Dairy Development Project in India. National Dairy Development Board’s headquarter is established in Baroda and work through regional offices in Delhi, Calcutta, Mumbai, Madras and Bangalore. Like other state, Uttar Pradesh was prominent in milk production. In Uttar Pradesh also some efforts has been given time to time for Dairy Development. In the year 1917 Co-operative Dairy Committee was established in Allahabad. Again in 1938, a Dairy Co-operative Committee was established in Lucknow. In present time, this
Federation sells milk and milk products to the consumers in the brand name called ‘Parag’.

To encourage Dairy Industry Operation Flood-I was started in the State in the year 1970-71. In November, 1982 Operation Flood-II was implemented to achieve the objective for running of Dairy Development Programmes in a proper planned way in state. After 5 years of Operation Flood-II that means in the year 1987 Operation Flood-III was started.

In state milk are procured highest by buffalo and then second position is of cow and at third position comes goat. These milk giving animals gives different quantity of milk form different districts of state. The milk production was 1.75 kilogram and 1.13 kilogram of cow and buffalo increased to 2.1 kilogram and 2.79 kilogram of cow and buffalo respectively in 2003-2004. In between the year 1990-91 to 2003-2004 Cooperative Milk committee increased to 2 times approximately because in 1990-91 it was 5875 which came to 11645 in 2003-2004 with the increase/decrease in different rates. In this way under the study period the membership of cooperative committee has increased to 1.36 times. Because in the year 1990-91 it was 391.70 and came to 532.29 in the year 2003-2004.

In modern age marketing is based on customer satisfaction. Hence, all marketing activities are consumers oriented. For this product is transferred from production place to consumption place. From the media through which work is performed is called
marketing process. There are three methods of marketing functions – Embodiment, Distribution and equalization. Marketing function under Pradeshik Cooperative Dairy Federation is procurement and assembling, Selling and distribution, physical distribution and other ancillary functions. Pradeshik Cooperative Dairy Federation’s is an cooperative marketing institution. This institution is functioning for development and promotion of cooperative in the field of milk industry in state. Main element of Federations marketing functions are satisfaction of consumers, secure the interest of consumers. Secure the interest of institutions and to encourage long term social welfare. Marketing functions are subsumed by Federation. Procurement and assembling is one of the main function of marketing. This work is performed to satisfy customers. Selling and distribution is called as heart of marketing. The basic objective of marketing is to provide necessary product at reasonable price and quantity of better quality to the consumers. Transportation expands market, increases production functions, mobility in capital and labour, helpful for distribution of money and encourages specialization and labour division. Warehousing and storage helps in securing produced products from spoilage. And at the time of scarcity it helps in fulfilling the demand. And different ancillary functions includes, marketing finance system, marketing risk, market information, standardization and grading, which are called an ancillary functions.

Pradeshik Cooperative Dairy Federation is an marketing institution who works for milk business. Through the help of this
Federation efforts were being made to bring whit revolution in the state with the help of this institution only Operation Flood-I, II and III was implemented. In this way, this Federation also encourages farmers to do business in milk along with agriculture. For this many programmes were applied. Federation’s organization structure is based on functional organization structure. Federation work are divided on the basis of its nature and each work is performed by the authority in charge.

Under the study period its share capital increased to 0.84 times. Its share capital includes state Government Financial Institution, Dairy Federation and primary Co-operative Dairy Federation. The highest share is contributed by Government which is approximately about 90% and in second place comes Dairy Federation whose contribution in total share capital is about 9.33. Federation has broadly maintained its Reserve and Surplus also. And also maintained different funds for different objective. Federation also gets Grants and Assistance from different sources. Through which it encourages Dairy business. But under study period its Grants and Assistance has decreased. Along with this Federation has also received Deposit and Securities under study period federation deposit and securities are increased only to 0.12 times because in the year 1990-91 its amount was Rs. 818 lakh and which reduced to 2002-2003 upto Rs. 100 lakh. Like other institution Federation also receives loans on Securities and Advances. Under the study period it increased to 0.44 times. In this way federation’s fixed assets are also increased. Under the study
period it increased to less than 1 time. Because under the study period fixed asset was Rs. 350 lakh in the beginning and in last it was about Rs. 224 lakh. Federation’s current assets are also decreased in the same way. Under the study period it has increased to less than 1 times (0.58).

Like other business institutions Cooperative Dairy Federation also invests its finance and deposits in different profitable sources. It increased to 0.086 under the study period. Because in the year 1990-91 the total investment and deposits was Rs. 53 lakh but in 2002-2003 it was only Rs. 5 lakh. Where Federation’s assets were decreased in same way its liabilities had also decreased. As between the study period it incrcased to 0.54. Current liabilities are divided into three pars sundry creditors, deposits and securities and current liabilities and provision. Sundry creditors amount was highest in total current liability. In the year 2002-2003 Federation’s total turn was Rs. 3838 lakh. And it started from Rs. 6334.32 lakh in the year 1990-91. So, it is clear by this table that it increased only 0.16 times. Under the study period of 1990-91 to 2002-2003, Opening stock increased to 0.26 times. Among with opening stock, closing stock is also increased to 0.27 times. Under the study period Federation is expanding its working are. Federation is earning profit because in the year 1990-91 the Federation was bearing loss of Rs.71 lakh but in the year 2002-2003 they earned profit of Rs. 99 lakh.

Procurement and assembling is one of the important function of Pradeshik Cooperative Dairy Federation. Dairy Federation. Dairy
Federation procure milk and milk product from many different source. Under these sources main sources are milk unions. But main or most important source of Federation is milk committee. To reduce the fluctuation in milk demand. Milk are procured from other Dairy Unions of state. In few years Federations milk procurement is increased. Because in the year 1990-91 total quantity of milk procurement was only Rs.140 thousand kilogram but it increased to Rs. 295 thousand in the last year under the study period that is 2003-2004.

It means in between the study period from 1990-91 to 2003-2004 there are fluctuations in the total procurement of milk and at last it increased to more than 2 times. But in the years 2001-2002 it increased to Rs. 305 thousand kilogram but again in the next year it reduced to Rs. 244 thousand liter But again in the next and the last period of study it increased to Rs. 295 thousand liter and under study period milk procurement annually percentage has increased/decreased. In the year 1992-93 it was highest that was 30%. And in the next year only it shows the least increase that was in the year, 1993-94 it increased to more than 0.26%. Federation totally depend on Daily procurement of milk for total procurement. Under the study period daily milk procurement capacity has increased. In between the year 1990-91 to 2003-2004 per day milk procurement has increased to more than 2 times. It is clear by total that in the year 1990-91 per day milk procurement was Rs. 383 thousand liter per day.
Federation has procured milk from different district of state in different quantity, which Bulandshaher comes on first position. And Meerut, Moradabad, Aligarh, Kanpur, Bodayum are on second, third, fourth, fifth and sixth position respectively. Pradeshik Cooperative Dairy Federation does not only liquid milk business but also milk product business. Which includes Ghee, Skimmed milk powder, whole milk powder, butter, cattle feed etc. But first priority is given to the business of liquid milk. The cost of production has increased to 0.41 times under the study period because in the year 1990-91 it was Rs. 337 lakh but it started reducing in different rates until the year 1995-96 that was Rs. 281 lakh. But again it started increasing. This way the data shows fluctuating trend but it reduced to Rs. 137 lakh in the year 2002-2003. It is clear from the study that cost of production includes production establishment expenses, power, energy consumption, plant and machinery maintenance expenses are the main expenses.

Pradeshik Cooperative Dairy Federation faces many problems relating to milk procurement and assembling. The first problem faced by Federation are private milk business men’s because if necessary they pay more price for milk to the farmers. As a result the farmers sells their milk to private business men’s. Second problem faced by Federation is that the milk Committee don’t get money in proper time by the Dairy Unions. And third problem faced by Federation is irregularity in availability of milk. It is the complain of Dairy Federation that is every season they don’t get equal amount of milk. In summer supply of milk is the lowest because
many marriage functions or special functions increases the demand of milk. Milk committee sells their milk in village and towns at higher price. So milk committee sells less quantity of milk to unions.

Cooperative Dairy Federation’s main objective is to provide milk and milk products in urban areas. Besides this from other sources also Federation sells the product. Those are general consumer of state, one another milk unions of state, consumer outside the state, Government institutions are the main. In the year 1990-91 total sales amounts to Rs. 7211 lakh which came to Rs. 3838 lakh by fluctuating trends of increase or decrease. It is clear by this that from the year 1990-91 to 2002-2003 the total sale reduced to more than 1 times. Study period has experienced of different rate of increase and decrease. Average per day sale also shows the increasing trend. Between study period from 1990-91 upto December 2004-2005 it increased to 1.5 times. Average per day sale also shows the disparity increasing rate under the study period Federation also sells milk products other than liquid milk too which includes Ghee, Skimmed milk powder and Butter are main. These products are sold in different packets of different weight. Besides this many cooperative dairy units sales milk cake, cheese, butter, curd, sweet and saulty lussi etc.

Sale of Ghee has increased the most among the sale of mil and milk product under the study period of Federation. There is a increase of 1 times in sale of Ghee. In second place, sale of butter which has reduced in comparison to the previous year that was
upto 74 times men’s reduction. Then on third place liquid milk sale. But there are lots of fluctuations in other products sale. There are difference in share of total sale of milk and milk product. Liquid milk share in total sale was 0.08% but in year 1990-91 its share was about 48% in total sale. Ghee share in total sale was 40% in 2002-2003. Its share in the year 1990-91 was 19%. And in other side butter share was 23% but in the year 1990-91 its share was 17% and other products like skimmed milk powder, whole milk powder lowered milk, cheese and cream was nil. Selling and distribution system of Pradeshik Cooperative Dairy Federation’s can be divided in two parts - firstly, liquid milk sale, secondly, milk product sale. Sale of liquid milk is done on the basis of different quality which is classified as follows complete milk, toned milk, double toned milk and fit milk. Classification of liquid milk is done on the basis of fat and S.N.F. (solid not fat). Milk product are also sold in different forms. Like Ghee, Butter, Cheese, Milk powder and milk cake etc.

It is clear that Federation is following the market diversification policy. Firstly, income is the main base. Federation had done broad management for marketing system of milk and milk product. This work is done by 6 regional marketing officer. Federation had prepared marketing organization and marketing management plan to make soundful marketing. Through this plan – Allocation of sale territory, facility of towns sellers, outline of basis cities, marketing process etc. is prepared. From this study it is clear that there is lot of increase in selling and distribution expenses.
Under the study period of 1990-91 upto 2002-2003 it reduced to 24 times. Discount and commission is an important expenses of Pradeshik Cooperative Dairy Federation. To complete the work of selling and distribution Pradeshik Cooperative has to face many problems under which competition, lakh of supply of milk in every cities, non availability of agents, spoilage of milk, leakage of packets competition is the main problems in which private milk business men’s are the main.

Physical distribution, transportation and storage are one of the important work of Pradeshik Cooperative Dairy Federation. With the help of these works only Federation convey its product safely to the customers. Federation has divided its distribution work into two parts, Firstly, liquid milk distribution, secondly milk product distribution. Direct distribution system, indirect distribution system and double distribution system is used by Federation to convey its products to the customers. Under direct distribution system producers himself sells its products to customers by their own middlemen’s. In this uses mail order houses, automatic vending machines, door-to-door selling, by telephone system, sale by opening retail shops and sale at the manufacturer’s plant. Under indirect distribution system producers uses middlemen’s. In this system representatives. Wholesales, retailers are included. Under this, producers sells its products to representatives, representative sells it to wholesalers, wholesaler sells it to retailer and at last retailer sells it to customers.
When both direct distribution system and indirect distribution system are used then this type of distribution system is called double distribution system. Pradeshik Cooperative Dairy Federation’s uses double distribution system. Distribution of liquid milk is done under the direction of Federation in Uttar Pradesh cities, all metro-cities and in Delhi also. This work is performed by local Dairy Units and Dairy Unions. Agents are used by Federations to convey milk and milk products to the consumers. And for this Dairy union appoints an agent, and also gives them commission on determined rate on sale of milk and milk products. Any type of reactions of customers towards the milk and milk products are known to Dairy union by agents. Liquid milk is sold at the rate which is determined by the federation which avoids consumer exploitation. Besides this, if any other distributions system is used then consumers exploitation possibilities increases. Under this distribution system it is also seen that sometime and in some place agents takes unsuitable rate for sale of liquid milk by customers, stockiest, commission sale and forwarding and clearing agents are used to sale the milk products.

Pradeshik Cooperative Dairy Federation’s also uses physical distribution which includes transportation storage and warehousing. Transportation is an part of physical distribution and also plays an important role in marketing field of Pradeshik Cooperative Dairy Federation. Land transport, water transport and airways transport comes under modes of transportation. Road transportation includes, head loads, pack animals, the lass bullock
carts, tongas, rickshaws, moter-car, tramways and railways. Water transportation includes inland water transportation, overseas shipping of liner etc. In India under air transport includes International Air Corporation, Foreign Air Service and Indian Air Corporation Works. Like other products Federation also need two ways transportation. Firstly, to convey liquid milk from milk committee to pant secondly, to convey milk and milk product to agents.

Working area of unions are divided on the basis of two parts first, liquid milk sale generally to local customers. Second from milk committee to Dairy plant. Both of these works are performed by mini truck and trucks. Road transport at is also necessary for this work. Mini trucks and trucks are hired. Charge of trucks are given on the basis of size. If the staff of Dairy Union or Federation has to go for any type of work relating to the Union or Federation then they use Railway transport and Airways transport facilities. Airways transport facility are used by only higher authorities. There was frequent fluctuations under the study period of transportation cost of Pradeshik Cooperative Dairy Federation Under the study period from 1990-91 to upto 2002-2003 transportation cost has been increased to 0.24 times only. Because in the year 1990-91 total transportation cost was Rs. 15 lakh out it reduced in the year 2002-2003 upto Rs. 4 lakh.

Storage also plays an important role in marketing function. Storage means the collection of goods or products which can be secured and also can be utilized whenever needed in future. Now a
days irregularity of availability of products are reduced by storage. Even perishable goods are stored on the basis of scientific methods. Importance of storage is to maintain balance between the demand and supply. This helps in reducing fluctuation in prices of the products and consumers are being saved by exploitation. Some products are produced only in some specific season but are utilized in every season. So, that type of products should be stored. Like wheat, rice, cereals. So, that type of products should be stored. Like wheat, rice, cereals etc. Some products are produced in every season but are consumed in specific season like cooler, fan, heater, woolen clothes etc. so they should also be stored. Storage are also done to earn more profit in future, when goods are not in demand it is purchased in aboundance and are stored. But when its demand increases, then products are sold at higher cost.

Storage also helps in reducing transportation cost. Rate of transportation cost reduces when products are send in less quantity. Warehouse is necessary to store goods. Public warehousing, private warehousing, bonded warehousing, refrigerated warehousing and household warehousing are used for storing and these are the kinds of warehouses. Storage is a part of warehousing. Private warehouses are those which are owned by large business houses or wholesaler for the storage of their own stocks. They are privately owned. Public goods and cooperatives goods are not stored in private warehouses.

A public warehouses is one which operates to store goods of any number of the public in return for a storage fee or charge.
These are held to be public utilities. They are licensed by the government. Bonded warehouses are those warehouses which are licensed by the government to accept imported goods for storage before the payment of customs duties by the importers of such goods. But goods stored in these warehouses cannot be removed before the payment of import duties has been made. Without giving payment of duties they cannot remove these goods from the dock. Refrigerated warehouses are those which provide cold storage facilities and thus specialize in storing perishable products such as apples, eggs, poultry and fresh meat, fresh and frozen fruits and vegetables and butter, cheese and other dairy products. All these products are highly perishable and may easily deteriorate in quality if exposed to varying temperatures in ordinary warehouses. Cold storage is the art of keeping perishable goods for a longer time in refrigerated space which is artificially cooled. Household warehouses is temporary in nature and used for the safety of furniture, rugs, furs, paintings, tapestry etc. which may be spoiled by dust, rust, sats mice or from other miscellaneous causes.

Along with other important marketing functions Pradeshik Cooperative Dairy Federation also performs the ancillary functions also. Besides this, Federation also use the resources to increase the sale. Along with this, Federation also performs Research and Development, Quality Control, Standardization and Grading etc. with the help of Advertisement and Publicity and Trade Promotion’s methods Federation profitably increases the sale. Federation’s main objective is to provide maximum satisfaction to farmers and other
consumers, not to earn profit. On one hand Federation fulfills the demand of towns customer and in other hand Federation encourages farmers to do milk business along with their agriculture business. To give knowledge of its different products Federation use the advertisement and publicity help. So that customers and consumers can use or purchase Federations products. As Federation’s advertising expenses related it shows fluctuating trend. As it has increased 10 times under the study period. That means in the year 1994-95 it was more than Rs. 2 lakh and in the last year 2002-2003 it was Rs. 25 lakh.

The objective of Cooperative Dairy Federation’s trade promotion is to attract the attention and interest of the people towards the products. Federation does, trade promotion by oil painting and other medias. Under the study period of trade promotion it shows the fluctuating trend. In the year 1990-91 it was Rs. 7 lakh which reduced in the year 2002-2003 that was more than Rs. 5 lakh. Besides trade promotion Federation also performs quality control work too. Dairy Federation does the work on the basis of Annand method. Inspection of fats and S.N.F. of procured milk is done in factory which helps in knowing the quality of milk. For inspecting quality of powdered milk Federation provides machine. Inspite of this all inspection relating to quality control there is a group of customers who are not satisfied with Federation’s milk and milk products. New form of milk products are brought to market by Research and Development. Fit milk, Dairy whitener etc. are the invention of Research and Development.
Federation’s also face the marketing risk. For this Federation gets Grants and Assistance from different sources. Standard and Grade are maintained milk and milk products according to the needs of consumers. Liquid milk is divided into five grades. This grading is done on the base of fat and S.N.F. Under liquid milk, complete milk, standard milk, toned milk, double toned milk, and fit milk are graded. Under all these graded milk different level of fats and S.N.F. is found other than liquid milk, milk products marketing is also done by Federation. Under milk products they includes mainly Butter, Ghee and Skimmed milk powder. Some other products other than main products are cheese, baby food etc. Milk products are graded on the base of weight but quality of products remains same.

Marketing Finance plays an very important role in marketing functions whether they are producer middlemen or consumer. Marketing finance is needed by all the groups. Marketing finance work is to manage the business finance and to manage consumers finance. Nee of finance is for both short term and long term. But for consumers it is only need for short period. Source of marketing finance of Pradeshik Cooperative Dairy Federation are state government, top level institutions, Dairy Federation and Primary Cooperative Committees. Government participation in marketing finance is the higher.

**Suggestions:**
While analyzing the study period different aspects there are many limitations which is cleared. Therefore to improve it few effective treatment suggestions are given. Some important suggestions given on the bases of above chapters.

1. Unavoidable, effective procurement and assembling policy for increasing milk procurement or purchases. This policy should be determined while paying attention towards the interest of milk providing farmers and customers. Again time to time this policy should be well organized in modern age. Hence, farmers providing milk are given some incentives but it is not effective according to the private milk businessmen’s competition how much it should be. Therefore clear and effective financial and non-financial incentives should be provided. Along with the direct and indirect motivation facility should be equality behave should be done to encourage farmer. For this farmers providing milk can be divided into three parts, firstly the farmer who providing milk can be divided into three parts, firstly the farmers who provide milk regularly to milk committee due to some reason. In other hand, under third grading, farmers are those farmers who should be given motivation relating to milk transaction analysis and inspection.

2. Complete milk area can be divided into three parts. It will be better to apply segmentation strategy. First area can be that area from where liquid milk is available in more quantity. Second area can cover those area from where complete milk
quantity is not collected. Except these two area third area covers those area from where availability of milk is nil or it is limited. While segmenting the area following points should be kept in mind those are economic condition of farmers, availability of milk giving animals, nature of ilk giving animal and special attention should be paid on private competitors. Along with this National Dairy Policy should be kept in mind.

3. Dairy Unions should be established in regional or local level for milk procurement. Effective cooperation should be maintained in different Dairy Unions. Felling of mutual cooperation and cooperative should be developed. This way milk procurement capacity can be increased. Plans should be made for development of animal husbandry.

4. Unbiased evaluation should be done timely or in fixed turnover for liquid milk and milk products. As we know that milk and milk products are sold in towns. Where Federation has to face competition with private milk businessmen’s. For this it is necessary to focus light on quality of ‘Parag’ milk by effective advertisement and publicity to customers. Light should be thrown on different milk product quality also by time to time advertisement and publicity. This way efforts should be made to remove the wrong image of ‘Parag’ milk and milk products from the mind of customers. To fulfill the lakh of supply of milk in towns can be solved by increasing the milk production and for increasing the milk production farmers should be provided any type of facility needed by the
farmers and should increase the number of membership in committee unions. So that Dairy Union can Purchase or procure milk in sufficient quantity to increase number of agents in Dairy Unions they should be given facilities and commission type awards should be given to agents who sells more quantity of milk. Union should provide some help to agents to open selling centers shop etc. To save the spoilage of milk and milk product. Union should provide cold storage milk boxes to agents and should improve the packing system. So that, milk is not spoiled easily or in few hours. For this survey should be done for packaging system of other Dairy Unions in country and research should be done. Packet leakage also creates problem to unions agents and along with them customers and to stop packet leakage. Better quality poly pack should be used. Hence, Federation should prepare a sound selling policy and programmes while seeing the external conditions. Some financial help should be provided to the farmers to purchase milk giving animals and cattle feeds facilities should be more soundful. So that quantity of milk can be increased and sufficient quantity of milk should be received to consumers.

5. Distribution, transportation and storage facility should be more efficiently done. For this efforts should be done collectively. Evaluation should be done for different elements of cost of distribution, transportation and storage. So that total expenses can be maintained to a limit. Effective steps
product at the time of transportation and distribution. And for this effective incentives should be provided to maintain the quality of liquid milk.

6. Advertisement, trade promotion, quality control, production and marketing of new produce, gradation and research and development efforts should be done to maintain the coordination among demand and supply for this proper strategy should be prepared.

7. Pradeshik Cooperative Dairy Federation should be possess management process view in marketing function which helps in inspecting all works of Federation collectively and performance of marketing functions can be made better. This point should be noted that marketing and other functions are mutually related and mutually dependent on each other. So one cannot be effective if other or one of the functions are neglected. Along with this, feelings of co-operations among the farmers, milk of committee, Dairy Union and Dairy Associations should be made powerful. This point should be noted that if a institution wants to achieve its determined objective then that institution can achieve it only if, it's all the units are effectively cooperative.