PREFACE

With great pleasure I hereby present my thesis entitled, "A Comparative study of profitability vis-à-vis liquidity of co-operative milk producer's unions of Gujarat State" to the students of commerce and business management. Profitability and liquidity are the basic requirements for the survival of an enterprise and for the prosperity of employees and for the welfare of the customers and the society at large and also for the development of the economy so I was encouraged to make research on profitability and liquidity of co-operative milk dairies.

Research is not an existing bag of techniques. Research is not a fishing expedition or an encyclopedic gathering of assorted facts. Research is a purposeful investigation providing a structure for diagnosis of the problem. There are three parts involved in any investigation (1) The implicit question posed or the problem raised. (2) The explicit answer or the solution proposed. (3) Collection, analysis and interpretation of the information leading from the question (problem) to the answer (solution). This third part is the defense that justifies the recommendation and is viewed as research.

Through research a research maker can quickly get a synopsis of the current scenario indicating for future action and decisions.

In the context of co-operative milk dairies and their profitability cum liquidity which is the subject chosen for research by the researcher. The implicit question posed or the problem raised is: Are the
co-operative dairies capable enough by the required profitability cum liquidity to survive against the encroachment of private dairies at present and in future under the delicensing policy of government for dairy industry which has come into existence after 1991 due to New Industrial and Economic policy of 1991 granting to the industries liberalization, privatization and globalization.

To find out the answer to this problem of survival of co-operative dairies the researcher has collected information regarding present problems faced by co-operative dairies and to find profitability and liquidity position of the some co-operative dairies of Gujarat. Information & data of last eight years have been collected and treated under Ratio Analysis method to highlight present profitability and liquidity condition of the co-operative dairies and to get a synopsis of the current scenario indicating for future actions and decisions.

India is basically, an agricultural country, and mostly depends upon the weather. Animal Husbandry is one of the branches of the agriculture moreover, the Indian culture is self – reliant, self sufficient and contended. In it’s past, every family domesticated cows to fulfill their own need but dairy industry was not developed as a business, or as a profession. With the advent of the 19th century, the condition was getting changed and in real sense, the people of India adopted Dairy industry professionally.

“Amul” is the pioneer of the Dairy co-operative in Gujarat and in India also. Before the birth of Amul Dairy Anand, there was no systematic marketing for milk in India. As milk is perishable item, milk
producer’s farmers had to sell their milk to the middlemen for whatever they were offered. Middlemen bought the milk from milk producers at a lower price and sold it to cities with the huge margin of profit. Many times, milk producers were compelled to sell cream and ghee at throw away prices. Thus, the middlemen exploited the milk producers, farmers.

Eventually, the Kaira District co-operatives milk producers, Union Ltd. Which is known as “Amul Dairy” – Anand was started in 1946. In the starting, the Amul Dairy collected just 250 liters of milk per day with the help of two co-operative societies of the union. Due to Amul Dairy, farmers were obtaining fair and sufficient reward on the basis of fat content of the milk. They were paid promptly also. So, more and more farmers jointed the union, and the union got much strength. It turned today into 11,00,540 litres of milk per day in the year 2007-08, being collected from 1113 village co-operative societies with the help of 6,31,633 farmer members Late Tribhuvandas Patel and Dr.V. Kurien have given the name of “Amul” as excellence in Asia and have brought the ‘White Revolution” in Gujarat as well as in India. And the milk producers also supported and co-operated their efforts nicely and realized the spirit of co-operation in a real sense.

This research study has total nine chapters. This research study is aimed for the finding out the performance and efficient level of the co-operative dairy and milk supply units in Gujarat State. Economic development based on the growth of basic industries which includes co-operative milk dairy industry. The main objective of the research is to find out; whether profitability and liquidity of cooperative dairy and
milk supply units working in Gujarat has improved during the period of the study. The efficient level of co-operative dairy and milk supply unit is determined with the help of published accounting data in this research work.

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