CHAPTER – II

REVIEW OF LITERATURE

A review of literature is designed to identify related research, to set the current research work within a conceptual and theoretical context. Review of literature is the important step in a research work, which has to be done adequately in order to reveal the significance of the study. In this chapter a detailed review of literature has been done by reviewing the previous studies relating to the core area of the research. These studies have been taken from published journals, articles and Ph.D. thesis.

Termorshuizen, Meulenberg and Wierenga\(^1\) conducted a study on consumer behaviour in respect of milk in the Netherlands and their aim was to gain insight into the factors that influence buying and consumption behaviour with respect to milk and into the applicability of integrated models to consumer behaviour regarding generic products, such as liquid milk. They used a model based on the Engel, Kollat and Blackwell (EKB) model, a so-called integrated model of consumer behaviour for this purpose. It was found that liquid milk was perceived as a neutral drink: not ordinary or luxury, as a food not a drink for pleasure, and not as being refreshing. Liquid milk was perceived differently at varying times of consumption during the day. The most important socioeconomic variables explaining individual differences in consumer beliefs regarding milk are: age, level of education, and residential area. The results suggest that empirical models of the EKB type can contribute to the understanding of consumer behaviour in respect of generic food products.

Sukumaran Bhaskaran\(^2\) in his study attempted to analyze the market potential for the export of value-added dairy products to Malaysia and to compare the market entry and operations strategies of successful dairy companies operating
in Malaysia and also to analyze the strengths, weakness, opportunities and threats that characterize Malaysia as a market for the Australian dairy industry. The study revealed that the Australian dairy industry is not appropriately structured or focused nor has in place effective marketing strategies to maximize opportunities in this rapidly expanding market. The study also revealed that the macro environment is conducive for Australian exporters as there is substantial and growing demand for dairy products in Malaysia. Consumption has been forecasted to reach 330,000 tonnes by the year 2020 in Malaysia and it is been estimated that 95 per cent of demand would be imported. Therefore, imports have been forecasted to reach 315,000 tonnes in 2020. The growth in demand for dairy products in Malaysia should provide Australian exporters substantial opportunities. Australian dairy exports to Malaysia averaged 30,000 tonnes annually. If Australian exports do not increase substantially, market share in Malaysia is been forecasted to fall from current levels of approximately 20 per cent to less than 10 per cent by 2020.

Nagapani\textsuperscript{3} in his study on the marketing aspects with special reference to Coimbatore district co-operative milk producer union limited made an attempt to identify the reasons for low procurement of milk and to know about the demand in that area. The study found that the reason for low procurement in the areas of shanmugapuram and sultanpet chilling centers was due to the competition in procurement from private dairies. The sale of milk in 500 ml sachet was found to be high among the available size of sachets.

Radder and Natalie heather smith\textsuperscript{4} conducted a study on milk marketing by selected dairy companies in port Elizabeth. The objectives of the study were to determine consumers’ milk consumption patterns and factors which influence consumers’ milk consumption and to review the major competitors in the Port Elizabeth. The study found that most of the respondents used milk for whitening
of tea or coffee and they had the opinion that the milk was very healthy and it was an enjoyable tasting beverage and they felt that quality, availability and freshness were the most influencing factors. The study also found that the increasing competitiveness in the milk industry, including the no-name brand milk was forcing dairy companies to sell the milk at very low profit margins.

Jha and Debroy \(^5\) made a study on globalizing Indian dairy sector. The study found that the impressive growth of India's dairy sector during the last 3 decades has been possible through supportive trade policies. In light of the World Trade Organization (WTO) Agreement on Agriculture, pressures on India to liberalize imports have been increasing. Nations such as the USA and countries of the European Union continue to support their own dairy industry to the extent that it distorts the world dairy market. In India, dairy products are largely protected; skim milk powder (SMP) is, however, an exception. The Indian government decision to allow free import of SMP at zero duty can adversely affect the entire dairy sector. Trade restrictions on other dairy products would eventually be lifted following WTO agreements. The existing rate of import duty (around 38\%) will be sufficient to protect domestically manufactured dairy products. Therefore, removal of import restrictions on these products will have minimal effect. Indian milk products are not competitive in the world market despite the fact that milk price in India is one of the lowest in the world. This indicates inefficiency in processing of milk in India.

Vrontis and Vignali \(^6\) in their study made an attempt to investigate the impact of internal and external environmental forces and dairy products in France. The study revealed that the consumers of chocolate bars and confectionery are very price conscious, especially on basic items. The market is highly competitive and price-cutting is widespread. Retail prices and margins vary widely according to products outlet. Prices in large food stores, especially for products sold under
distributors brands, are much lower than those of products retailed by other miscellaneous shops and this has been an important factor in the growth of own labels in this market and consumption of chocolate bars varies regionally. Consumption of milk chocolate bars is relatively higher in east and south west regions of France.

Ashoke Kumar Ghosh and Keshav Lall Maharjan\(^7\) undertook a study on milk marketing channels in Bangladesh. The objective of the study was to understand general features of milk marketing in Bangladesh, price variations under different stages of marketing and selling spots and also identified the problem faced by farmers in milk marketing. The study revealed that the price fluctuation in marketing was one of the important constraints for the small dairy farmer. The seasonal price fluctuation was higher for both the villages of Labutalla and Tarabunia at local as well as at urban markets. However, the cooperative price was fixed and it varied according to the fat content of the milk. The average price of milk received by the dairy farmers was higher for the Potajia, with cooperative marketing system compared to other places. It means marketing channels of cooperative are more efficient than the other channels. The higher and fixed price of milk would help farmers to better dairy farm planning. Therefore, further development of dairy farming depends upon the organized marketing channel in which farmer can get fair price. Keeping in mind for mass of the small producer, cooperative milk marketing system can be developed for betterment of the rural dairy farmers.

Krup & Mittal\(^8\) found in their study that 65 percent of the milk produced entered the national exchange economy while the remaining 35 percent was retained within the producer household. Nearly 85 percent of the marketed milk was handled by the informal segment comprising middlemen, private milk traders and direct sale from producer to consumer. Moreover, nearly 85 percent of all the
milk that entered the exchange economy found its way into the urban areas. Thus, it is the urban demand that is the main source of cash for rural milk producers. It is further estimated that out of 3700 cities and towns in India, only 778 are served by organized milk distribution network. Only 15 percent of the milk marketed is packed, of which 94 percent is in pouches. It is evident that not only is the informal sector very large, it is the only channel available to about 80 percent of the towns in India.

Niamatullah, Hayat and Hussain khan \(^9\) conducted a study on quality and cost relationship of milk products. The objectives of the study was to develop and maintain the quality and cost relationships in terms of economic and market value of milk products/by products of local livestock breeds existing in District D.I.Khan. The study found that growth performance of local milk and level of milk consumption in terms of quality A, B and C is recorded as 123\%, 177\% and 200\% respectively. The result of the study further indicated that economic value of milk in terms high, medium and poor conditions is considered as as 170\%, 169\% and 170\% respectively. The study also suggested that existing socio economic conditions of local community are required to be improved through campaignment of community participation and involvement in productive and constructed activities, otherwise it results in low quality milk but at high cost trends.

Shantana Halder and Proloy Barua \(^{10}\) conducted a study on dairy production, consumption and marketing in Bangladesh. The objective of the study was to review the existing milk production, current pattern of milk consumption and marketing situation and constraints in Bangladesh. The study revealed that the lower dairy growth was due to lower milk productivity of the local breed which is predominant and consequently farmers are less interested in rearing dairy cows. The knowledge gap among the poor consumers who treat packaged and processed milk is of low quality because of lower fat contents is a constraint for slower
market growth. The import of milk powder and butter oil from the developed countries at subsidized prices also exposed the local producers to unfair competition and discouraged local production. Small and scattered animal holdings, shortage of feed and also limited availability of grazing are constraining factors in commercial growth of dairy sector. High incidence of parasitic animal diseases, inadequate institutional and infrastructural facilities, inadequate public and private investment in the sector, poor quality of animal health care and breeding services, lack of professional management and lack of well-defined national policy for dairy development are other constraining factors in rapid dairy sector growth.

Rajendran and Samarendra Mohanty in their study made an attempt to review the existing status of milk marketing and dairy co-operatives in India. The results of the study indicated that 80 percent of the milk produced by the rural producers is handled by an unorganized sector and the remaining 20 percent is handled by an organized sector. The major constraint in milk marketing is the involvement of the unorganized sector. Involvement of intermediaries, lack of bargaining power by the producers, lack of infrastructure facilities for collection, storage, transportation, and processing are the major constraints which affect the prices received by producers in milk marketing. Producers are not receiving a remunerative price for their produce because of the presence of middlemen in milk marketing. By reducing the number of middlemen between producer and consumer, the consumers’ share to the producer can be increased. Milk quality, product development, infrastructure support development, and global marketing are found to be future challenges of Indian milk marketing. These challenges could be overcome by strengthening the dairy co-operatives.

Akilulu woldu in his study agricultural commodity marketing system the existing dairy production systems, the domestic market structure, the performance, effectiveness and efficiency of dairy products marketing, the key policy issues
related to the promotion of the dairy products industry. The study revealed that the need is therefore for creating the necessary linkages and developing the nascent dairy markets into better working outlets for farmers’ produce. This will require the strengthening of the existing dairy marketing system. In other words, measures to enhance productivity and competitiveness of dairy production, which include supply of the genetic input, costs and quality of animal feeds and adoption of better management practices, become mandatory. Therefore, with regard to milk processing it is recommended that a stepwise approach to milk processing, ranging from household technologies to small scale, medium and large scale may be applied where over it may be appropriate.

Hempen, Unger, Münstermann, Seck and Niamy\textsuperscript{13} attempted to analyse the milk production, processing and market systems and the identification of bacterial contamination. Furthermore, the study intended to increase information about milking hygiene and to create baseline information for improvement of milk quality and the establishment of a quality control system. Their study revealed that to reduce the initial bacterial load in raw milk at farm level, it is necessary to introduce appropriate hygienic milking practices. Udders should be washed with chlorine solution and wiped dry before milking and milkers should also wash their hands prior to milking. More attention should also be given to clean clothes and a clean milking place. All equipment that gets in contact with milk should be washed with soap and be disinfected (e.g. with household bleach) afterwards. Efforts should also be put into reducing time to transport milk from the farms to the markets and in the cooling of milk throughout the marketing chain. The establishment of collection points, where producers can bring their milk to, would facilitate such a collection system. In places, where cooling can’t be done using refrigerators, cold water tanks could be used alternatively to reduce the temperature of the milk. All these changes of common practices can only be
achieved through practical training of all those who are involved in the production, collection, processing and sale of milk.

Abinesh 14 made a Comparative study on consumer behavior towards loose milk and packed milk. The objective of the study was to analyse the factors influencing consumer behavior and the government intervention to change consumers preference from loose milk to packed milk. The study found that the factors like quality, quantity, hygienic aspect and government intervention influence consumer behavior. Government agencies like, dairy development department, kerala co-operative milk marketing federation and the dairy cooperatives societies have to play an important role, to help the milk farmers on one hand and consumer on the other hand. Further the efforts of Dairy development department and MILMA have to go a long way in the days to come to develop quality milk procurement and marketing in kerala.

Shanthi 15 in her doctoral research attempted to study on buyer behaviour of urban household in fluid milk market with reference to Coimbatore district and attempted to identify the fluid milk consumption and pattern of utilization by the households with respect to price, promotion and distribution of fluid milk. The study found that the higher attitudinal strength was based on the selection of the brand of milk on fat content and other nutritional facts, the lower attitudinal strength had resulted towards lack of assurance on continuous purchase of the same brand in the future. It was also found that the organized sector dairies concentrate in marketing pasteurized branded fluid milk.

Kubendran, Vanniarajan. 16 under took a study on the comparative analysis of rural and urban consumers on milk consumption. The objective of the study was to identify the consumption pattern in milk consumption and its correlation with the same. The study revealed that in view of constant increase in disposable incomes among the strong middle-income class, the scope of marketing of milk
become wider. It was noted that the demand for milk and milk products depends on consumers’ willingness and the capacity to buy. Since the consumers are not homogeneous, the consumption pattern of milk like quantum of purchase, mode of purchase, source of purchase, brand preference etc are changing from consumer to consumer. The socio-economic profile of the consumers namely income status, occupational position, educational level, sex, age and region are the major determinants of the consumption pattern of milk.

Ana kapaj, Catherine Chan halbrend and Eda Deci in their study made an attempt to analyze the differences in the consumers’ preferences in choosing milk in the market, especially to differentiate consumers’ behavior towards fresh and Ultra high temperature (UHT) milk. To reach these objectives, this study designed a conjoint choice experiment survey and collected primary data in the most populated cities of Albania. Then the data were analyzed using Latent class approach to determine milk consumer classes based on the product attributes. The study identified that the Milk producers must meet consumers' demand for milk when there is demand in order to remain competitive. The study also identified four milk consumers groups according to their preferences on the product attributes. All these groups represent different potential market segments with specific characteristics. Conjoint choice experiment with latent class analysis indicated that the most important attribute for Albania consumer is “fat level”.

Demetris vrontis and hurry kogetsidis and andreas stavrou undertook a study on strategic marketing planning for a supplier of liquid food packaging products in Cyprus. The study aimed to provide a strategic review of the marketing functions for a cypiot company operating in the liquid food packaging industry. The study revealed that by undertaking to rectify its weak marketing function the company can develop capabilities that lead to a fully integrated relationship with all its customers and significantly improve its market share.
Karmakar and Banerjee \(^1\) conducted a study on Opportunities and challenges in the Indian dairy industry. The study found that with the emergence of World Trade Organization (WTO) and the imports and exports getting liberalized in the global economy, the dairy industry faces both an opportunity for growth as well as a threat for its growth. There is no doubt that there is tremendous scope for the growth of the dairy industry in the new millennium. As standards of living in the importing country rises, exporting countries will increasingly concentrate on whole milk powder and cheese with the assistance of butter and skimmed milk powder. As the cost of milk production in India is low, there is vast potential for the export of dairy products. Since the world is getting integrated into one market, quality certification like Indian standard organisation (ISO), Hazard analysis and critical control point (HACCP) is becoming essential and very few plants in the market have successfully obtained it. There is scope for introducing newer plants adopting newer processes by the dairy industry in the country. Packaging of dairy products is also another very promising area. Most of the dairy plants in the Government, Cooperatives and Private Sector produce almost similar dairy products like varieties of milk, butter, ghee, skimmed milk powder and whole milk powder. There is immense scope for the broadening of the products range and some of the products, which are likely to have considerable demand in the coming decade, have been identified.

Donkor Aning, Omore, Nurah, Osafo and Staal \(^2\) conducted a study on risk factors in the hygienic quality of milk in Ghana. The study was carried out to identify risk factors associated with bacterial contamination of locally produced raw milk and its adulteration with water. The study revealed that the proportion of milk samples adulterated was 18\%, while 23.5\% of the milk samples had unacceptably high total plate count (>6.3 log\(10\) cfu/ml), all the samples had unacceptably high coliform plate count (>0.7 log\(10\) cfu/ml). Risk factors
associated with high bacterial counts were related to milk marketing channels (p<0.05), milk market agents (p<0.01), and milk containers (p=0.06) as well as their mode of cleaning (p=0.06). The only risk factor identified for adulteration of milk was related to season (p=0.04).

Mangaleswaran Thampoe in his study aimed to find out the potentials, opportunities and challenges of dairy market in Vavuniya district. The study identified that there exists considerable demand for fresh milk. However, the lack of availability, accessibility, and quality of local fresh milk, and locally processed milk based products have made the consumers resort to seeking more imported powdered milk and milk based products. The study also found that there is considerable willingness to buy or switch to local products when these constraints are addressed.

Srikanth in his thesis analyzed the performance, working of dairy cooperatives, the cost return structure of milk production of dairy farmers and opinions of member producers on the problems of production and marketing of milk. He revealed that the performance and working of dairy co-operatives was satisfactory but the farmer’s beneficiaries were not satisfied since they had the problem of maintenance cost of milk animals, delayed payment, transportation and unavailability of loan for purchasing milk animals.

Denford Chimboza and Edward Mutandwa in their research aimed to access the level of brand awareness and factors underlying brand preference of dairy brands in Chitungwiza and Harare urban markets in Zimbabwe. The study revealed that 52% of the consumers were aware of dairy brands despite having come across few Dairy development programme (DDP) advertisements and the choice of a given dairy product or brand can be made in terms of four factors namely promotion, price and availability, packaging and product quality. So there
is a need to increase brand visibility through promotion and ensuring that brands are priced competitively. Promotional vehicles such as radios, TVs, newspapers, road shows and also e-commerce etc can be used to increase the awareness level. In addition, the program should focus on ensuring product availability at strategically located markets to increase convenience to local consumers.

Bytyqi Hysen, Vegara Mensur and Gjonbalaj Muje in their study made an attempt to identify the effect of different variables on consumer purchase decision of dairy products. The study revealed that dairy products were perceived differently at various types of purchasing places. The most important socio-economic variables like trust, gender of consumer, quality and price of the product show individual differences in consumer purchase behaviors of dairy products.

Vijay Paul Sharma, Alejandro Nin Pratt, Anjan Kumar, Raj Vir Singh and Steven Staa in their study importance of the development of the cooperative sector on dairy development attempted to identify the importance of co-operatives and the labour market in the dairy sector. Their study found that they adopted two strategies to expand output per worker of the dairy sector, one based on increasing the number of milking buffaloes and a second based on the expansion of cross-bred cows and technical change associated with this expansion. The effect of co-operatives on the index of milking buffaloes and crossbred cows per worker is positive but not significant. However, there is a positive and significant relationship between milk procured by co-operatives and the number of cross-bred cows per worker, while the number of milking buffaloes per worker and milk received by co-operatives is positive but not significant. This shows the evidence that co-operatives are important in those districts where the dairy sector is expanding through the use of improved technology in milk production.
Rangasamy and Dhaka \(^{26}\) made a comparative on marketing efficiency of Dairy Products for Co-operative and Private Dairy Plants in Tamil Nadu. Their study aimed at comparing the marketing of milk and milk products by dairy plants of co-operative and private sectors in Tamil Nadu. The study is based on the data collected for toned milk, standardized milk, full cream milk, flavoured milk, butter and ghee from the selected co-operative and private dairy plants of the Coimbatore district for the financial year 2001-2002. It was found that the marketing cost for toned milk was same in both the dairy plants, whereas it was higher for standardized milk, full cream milk and flavoured milk in the co-operative dairy plant. All the dairy products earn more marketing margins in the private than co-operative dairy plant, except for toned milk. Hence, the marketing efficiency of cooperative dairy plant for all dairy products has been observed relatively less than that of private dairy plant, except toned milk. The study also found that value addition in dairy products should be done without compromising the quality and consumer-oriented market research and development should be accorded greater attention.

Sintayehu Yigrem, Fekadu Beyene, Azage Tegegne and Berhanu Gebremedhin\(^{27}\) conducted a study on dairy production, processing and marketing systems of Shashemene – Dilla area, South Ethiopia. The study focused on characterizing dairy production, processing/handling, and marketing systems for dairy development in the area. The study found that the development of dairy production and marketing in the studied areas could be achieved with the contribution and integration of different stakeholders in a sustainable way. The urban producers have permanent buyers through informal marketing channel but the rural dairy producers do not have reliable market for milk. As market is the deriving force to the development of this sector, responsible stakeholders should not only work towards dairy production and productivity of cattle but also towards dairy marketing options.
Bais Santosh Singh\textsuperscript{28} in his study on marketing of branded dairy milk products found that the consumers play a vital role in the marketing of dairy milk. Several factors like quality, quantity, availability, price, taste etc influence the consumers in buying the milk and milk products. In India, there are more than 75,000 dairy co-operative societies which are spread all over the country and their membership is more than 10 million. Based on the experience, it was realized that there was need for an organized dairy. It was recommended that a suitable infrastructure must be evolved to help increasing milk production and its availability.

Celile Dolekoglu, Mevhibe Albayrak, Ali Kara & Gulsen Keskin\textsuperscript{29} conducted a study on consumer perceptions and preferences of store brands versus national brands. The objective of the study was to investigate Turkish consumers' perceptions and preferences of store brands of dairy products versus national brands. The study found that Turkish consumers have strong preferences toward national brands across all factors of purchase reasons investigated. It was also found that national brands were perceived as high in quality, distributed widely, healthy, fresh, and offering more product choices, whereas store brands were perceived as low-priced alternatives. Also, habitual buying and brand image played important roles in their purchase decisions. The study further revealed that there are two distinct store brand preference segments among Turkish consumers, which were nicknamed “Product Attribute Sensitive” and “Price Sensitive,” and these segments differed in terms of demographics and socioeconomic profiles as well as the reasons for purchase.

Lokanathan\textsuperscript{30} undertook as study on customer satisfaction towards mothers dairy products. The objective of the study was to know the customers ideas, opinion and the satisfaction level towards mother’s dairy production. The study found that mother’s dairy is a big organization and the market leader in dairy
products and has maximum market in milk. The study also found that customers are mostly satisfied with the overall quality of mother’s dairy products.

Rangasamy and Dhaka \(^{31}\) conducted a study on marketing efficiency of dairy products of co-operative and private dairy plants in Tamil Nadu. The objective of the study was to compare the marketing of milk and milk products by dairy plants of co-operatives and private sectors in Tamil Nadu. The study was based on the data collected for toned milk, standardized milk, full cream milk, flavoured milk, butter and ghee from the selected co-operative and private dairy plants of the Coimbatore district for the financial year 2001-2002. Their study revealed that the marketing cost for toned milk is same in both the dairy plants, whereas it is higher for standardized milk, full cream milk and flavoured milk in the co-operative dairy plant. The marketing cost has been found less in the cooperative plant for products like butter and ghee. All the dairy products were able to earn more marketing margins in the private than co-operative dairy plant, except for toned milk. The marketing efficiency of cooperative dairy plant for all dairy products has been observed relatively less than that of private dairy plant, except toned milk. The study has suggested that the co-operative dairy industry should be developed in a sustainable manner.

Saiyed Sohelahmed \(^{32}\) in his study customer bonding towards amul milk & milk products in Anand district made an attempt to know the customer behavior, satisfaction and the influence of various marketing mix towards Amul. It was found from the study that the factors considered by the customer before purchasing milk were freshness, taste, thickness and easy availability. Further the study found that majority of the customers is satisfied with the Amul milk and Milk products because of its good quality, reputation and easy availabilities. Some customers are not satisfied with the Amul because of high price, lack of dealer services, spoilage and low shelf life etc.
Subhani in her research paper a study on the association between brand awareness and consumer/brand loyalty for the packaged milk industry in Pakistan aims at identifying the relationship of brand awareness on consumer/brand loyalty in the packaged milk brands in the urban Pakistan. The study revealed that in Pakistan among the packaged milk brands there is no relationship between brand awareness and consumer/brand loyalty. In addition, testing relationship by setting perceptions as the mediating variable between brand awareness and consumer/brand loyalty results the same. For practicing managers and marketers it is important to note that there is a need to update their understanding of the nature and role of brand awareness on convenience products which has random switch purchase behavior and low-involvement. The study also found that in the current era, marketers must develop branding strategies for commodity such as milk to build consumer/brand loyalty than trying to directly build consumer/brand loyalty by heavy spending on promotional tools.

Radhakrishnan undertook a study on the performance of dairy cooperatives in the Erode district of TamilNadu with the objective to identify the performance of Erode district Co-operative milk producers union and the problems faced by milk suppliers in the erode district. The study revealed that the cooperative sectors would survive only if its leader serves it with honesty and the instruments of developments are kept in the hands of the farmers themselves. The study also revealed that the cost of storage and the credit given to the customers are the main problem faced by them.

Hamid Jalil, Hafeez Rehman, Maqbool and Syed shahid hussain conducted a study on analysis of milk production system in peri urban areas of Lahore (Pakistan). They attempted to investigate the market structure, sources of milk production and average unit of productivity in peri-urban areas of Lahore.
The study revealed that dairy industry was a labor-intensive business with lot of hygienic considerations in milk transportation and also it showed that the demand of the raw and unprocessed milk in Lahore was higher than its supply. This lead to a lot of malpractices in the supply of milk making it equal to its demand. Furthermore, the proportion of small milk producers is quite high in Pakistan which hinders the economies of scale and profitability in the dairy industry. It calls for effective decision making in the operations of dairy industry from planning department, key stakeholders, and policy makers. These measures may include extensive training in the area of marketing, management, supply chain, and credit schemes for small farmers.

Vardan Urutyan\textsuperscript{36} in his study on the role of milk marketing cooperatives in the recovery of the Armenian Dairy Sector found that the Centre for Agriculture and Rural Development (CARD) and other organizations and NGOs active in the development of the cooperative movement in Armenia should regularly conduct trainings and consulting for both member and non-member farmers on “Cooperative Principles and Identity”, “Cooperative Management”, “Members’ Roles and Responsibilities” and similar topics. In parallel, a lobbying campaign must be formulated by farmer organizations and cooperatives towards developing a “Law on Agricultural Cooperatives” which does not exist in Armenia. The study also found that being a member of cooperative, farmers became more motivated to invest more in their farms. In particular, about 42\% of the coop members stated that they have invested in new shed for cattle, about 65\% have enlarged their cattle sheds and 39\% have purchased new milking cows. More than 20\% of the member farmers have bought calves, modernized the cattle stall and purchased agricultural equipments. The same indicators for non-member farmers were only the half of what cooperative members have invested.
Urassa and Raphael\textsuperscript{37} conducted a study on the contribution of small scale dairy farming to community welfare. The objective of the study was to assess the contribution of small-scale dairy farming to community in Morogoro Municipality. It was identified that small-scale dairy farming in Morogoro Municipality contributes a great deal to the household welfare in terms of food security, shelter, income generation and other social services. It was also revealed that the small-scale dairy farming in Morogoro municipality is mainly carried out as an income supplementing activity rather than as a main source of income and is mostly a male domain in Morogoro Municipality. In order to protect, promote and develop the smallholder dairy enterprise, they recommended for Improvement or modernization of the existing government veterinary clinics/extension services and to establish co-operative unions through which they could establish milk collecting centers and also provide the inputs such as supplementary feeds, drugs, extension services at affordable costs to its members.

Iliriana miftari\textsuperscript{38} in his study made an attempt to analyze consumer buying behaviour, preferences and attitudes towards dairy products. The study found that milk, yoghurt, cream, curd, and cheese were the main dairy products consumed by majority of Kosovo consumers. Supermarkets and grocery stores were the most preferred market places by the consumers when buying milk and other dairy products. The consumer attitude towards product features such as nutritive content, taste, product safety, price, brand, wrapping, package size, and the origin of product were significantly dependent on demographic and socioeconomic factors. Dairy products with shorter shelf life were bought more frequently by the consumers compared to those with longer shelf life. Apart from product life, other demographic and socioeconomic factors had significant impact on the frequencies of buying milk and other dairy products. The consumers’ demand for milk and other dairy products was quite stable throughout the year. It was also found that majority of the Kosovo consumers had favorable bias towards domestic versus
foreign dairy products. Product attributes such as quality, safety, taste, and price were the main features motivating Kosovo consumers to purchase domestic dairy products.

Hindustan Studies & Services Ltd. and Infolitics\textsuperscript{39} conducted a study on Milk and Dairy Products in India. The study made an attempt to identify the drivers and impediments of growth of dairy sector in India. The study found that growth of milk production was at 3\% p.a., Per capita milk availability is growing at only 1.5\% p.a., Ghee consumption growing at 9\%, Table Butter & cheese consumption growing at 10\% and also demand for dairy products will soon exceed supply so India will find it difficult to sustain dairy exports this in turn will lead India as a net importer of dairy products. The study also found that though greater efforts have been made in producing high grade processed milks or manufactured dairy products, unless they are delivered in a fresh, sound and suitable form to the consumer, they are likely to be rejected, thus causing enormous wastage. The loss can be offset to a great extent by providing adequate protective packaging to withstand the hazards of climatic changes, transportation, handling etc.

Selvamurugan\textsuperscript{40} conducted a study on the marketing practices of the Kovilpatti co-operative milk supply society ltd. The objectives of the study was to review the structure, functions, the existing marketing practices, and to analyze the cost structure involved in the pricing of milk of the Co-operative milk supply society. The study revealed that as far as the Kovilpatti Co-operative milk supply society is concerned, the management is vested with a board, which consists of nine members elected by the general body as per the election procedures. The functions of the society are procurement and sale of milk, making arrangements with the nationalized banks for issuing loans to members, selling green fodder to its members at subsidized prices and providing employment etc. At present, the society procures milk both from its members and the chilling centre in order to
meet the demand and requirements of the consumers in Kovilpatti. A careful analysis of the selling price shows that the price has increased from Rs. 12.00 in 2005-2007 to Rs 19.00 in 2007-2008, thus representing an increase of Rs 7.00. On personal enquiry, it was found that it is due to the fact that the rate charged by the chilling centers has considerably increased during that period.

Wani and Wani 41 undertook a study on marketing of milk in various agro-climatic zones of Jammu and Kashmir. The objective of the study was to examine the prevailing marketing system, utilization and marketed surplus/consumption, processing/demand and supply scenario of milk in Jammu and Kashmir. The study revealed that the crossbreed cows have been found to have higher productivity than of buffaloes and indigenous cows. The dairy cooperative a most significant market functionary in milk trade, is either missing or handles meager quantity of milk. The study of milk processing revealed that profit per litre in packaged milk was encouraging. Also, organized sector meets only 21.76 per cent and 16.32 per cent demand of the cities and towns of Kashmir and Jammu divisions, respectively. The study suggested that an integrated dairy development project should be implemented in the state to boost milk production with regular/remunerative market to the milk producers and to capture a major share of urban milk markets with regular supply of quality milk.

Rubaina 42 undertook a research on the customer preference towards dairy products. The objective of the study was to identify the customer’s preference towards dairy products and to know about the factors which influence the selection of different brands of dairy products. The study revealed that the company should make survey to know the expectations of the consumers and produce that product in the manner so as to attract more customers towards their brand and advertisement can be done through mass media to increase sales and to educate customers about the product.
Jinesh shah and Meena\textsuperscript{43} conducted a study on social transition in dairying. The objective of the study was to identify the reason for the withdrawal of patel community in the milk production system and to identify the key factors in pursuing dairying. It was found that the dairying households in the rural areas have been dwindling. However, the highest withdrawals from dairying were noticed among the forward community while the darbars and backward community pursue dairy in a traditional way. The dairy animal owners in forward community have shown signs of up scaling and consolidation of diary animals with better herd management. The economic status of the family, ownership of agricultural land, education, occupation and social group are the key factors for pursuing dairying. At the same time, economic wellness of the dairy households and social class are important determinants of dairy herd size.

Uma\textsuperscript{44} undertook a study on dairy industry where it was stated that dairy farming and cattle rearing are becoming a main occupation of the farmers and village people. It was also stated that India continued to be the largest milk producing nation in the world. It was estimated that within the year 2011 our countries urban population will exceed 40 crores at the same time demand for milk and milk products will also increase. In India market value of milk and milk products were Rs 2.5 lakh crores during 2009-2010. It was estimated that it will cross Rs 5.20 lakh crores in 2010-2011. It was concluded that dairy industry plays a vital role in the countries economic growth. Successful procedures should be developed for aggressive milk production and marketing as in the white revolution.

Shankar Ambhore\textsuperscript{45} in his research paper made an attempt to study the functions of dairy co-operatives in India. The study revealed that co-operative movement has been recognized as an effective instrument for the economic development of the rural masses and for improvement in the socioeconomic
condition of the under privileged. Cooperative movement plays a pivotal role in safeguarding interests of the vulnerable people engaged in various economic and social activities. In developing countries, it is one of the income sources of their rural economy whereas in developed countries it takes as a sustainable business. It was also found that the co-operatives have entered into all spheres of socio-economic activities viz. production, marketing, credit & banking, processing, sales, dairying, storage, housing, farming, fishing, etc.. Dairy cooperatives have been getting various opportunities as well as facing different challenges. The dairy co-operative movement has not only improved the lives of the people here but has made significant contribution to the economy of the State itself. This is a success of not only the people of India but also of the co-operative movement itself.

Bankar, Pawar, Kakde\(^{46}\) in their study made an attempt to know the efficient marketing channel for benefit of women in Self Help Group (SHG) and to know the marketing cost, margin and price spread in marketing channels of buffalo milk in Ahmednagar district of Maharashtra. The study revealed that in channel I (producer-local consumer) price paid by consumer was Rs 22.50 per litre of milk. Producers share in consumer’s rupee was 93.68 percent and price spread was found to be Rs 1.42. In channel II (producer-processor-sweetshop owner-urban consumer) producers share in consumers rupee was 85.84 percent, purchase price of consumer was Rs 25.00 while price spread was found to be Rs 3.34. In channel III (producer-milk co-operative society-chilling plant-distributor consumers) price paid by consumer was Rs 36.00 per litre of milk producers share in consumers rupee was 60.83 percent and price spread was found to be Rs 14.10. It implied that not price received by producer was higher in channel-III but producers share in consumers rupee was higher in channel –I than channel II and channel III and hence channel I is efficient.
Pratibha goyal, gagandeepabanga, babita kumar and haripal chahal\textsuperscript{47} undertook a study on preferences for packaged and unpackaged milk. The objective of the study was to understand the consumer preferences and satisfaction towards packaged and unpackaged milk and milk products. The study found that the income level was the important factor for the consumption of packaged milk and it increased the preference of packaged milk. It was also found that the packaged milk users were highly satisfied with the quality of the milk and they were dissatisfied with the mode of payment. The study suggested that the dairy companies are required to increase the quality of milk and concentrate on making the home delivery in all areas for making consumers to prefer packaged milk.

Anjani kumar and steven staal\textsuperscript{48} in their study identified that most of the informal milk market agents in the state of Assam are small traders. The scale of their business continues to be low, though the returns from the milk marketing seem to be comparable with or higher than the prevailing wages for an unskilled worker. Thus milk marketing (Fresh or processed) provides more lucrative returns. The net returns from milk processing and value addition were significantly higher than fresh milk marketing. However, the value addition to milk being capital intensive is often beyond the reach of the small milk market agents even though the small traders are more efficient. This indicate the need for increasing access to formal micro or small scale credit through appropriate policy formulation of the financial institutions and Dairy development policies take in to cognizance the needs of small scale traditional milk marketing agents. Efforts should be made to evolve some sort of licensing, regulation and legal control to link traditional milk market agents with formal market agents without disturbing their enterprise in the state. So that it will help to maintain the quality and safety of milk and milk products.
Sengottaiyan\textsuperscript{49} in his study on growth and development of milk production found that India is the largest producer of milk in the world with an estimated production of 82 million tones followed by USA, although in terms of milk yield, the performance of Indian dairy sector is dismal. India has rapidly pointed itself as the world’s largest producer of milk. Producing milk in rural areas through producer co-operatives and moving processed milk to urban demand centers have become the corner stone of government dairy development policy. One of the major factors contributing to increase in milk production is adoption of cross breeding programs by the Indian farmers. The study concluded that the dairy is an important subsector of the Indian agriculture and it was considered as an important source of additional employment and income to small, marginal farmers and landless in rural areas.

Thakur\textsuperscript{50} in his study on organizational communication vis–a–vis effectiveness of institutions engaged in dairy sector made an attempt to ascertain the prevalent system of communication in organizations like Pradeshik Coperative Dairy Federation (PCDF) and State Milk Board (SMB). The study revealed that the extent of use of vertical communication was more than that of horizontal communication in both the organizations. In vertical communication, the amount of downward communication was higher than that of upward communication at all levels in both the organizations; however, the upward communication had positive and significant relationship with the organizational effectiveness. As far as channels of communication were concerned, visual channels and audio-visual channels were found to be positively and highly significantly correlated with the organizational effectiveness.

Cengiz Sayin, Nisa Mencet and Suleyman Karaman\textsuperscript{51} in their study aimed to identify the factors affecting the milk collection centers role in assuring safe distribution channel in Antalya, Turkey. The research was based on the original
data obtained by face to face interviews in 2007 in Antalya province. Under random sampling method, 82 milk farms which sell milk to milk collection centers and 74 farms which did not sell to milk collection centers were selected. The empirical (Logit) model was used for evaluating the factors which affect milk selling decisions to milk collection centers. The study revealed that milk selling decisions were significantly affected by income and demographic characteristics. Empirical findings also showed that milk producers who receive milk incentive premiums were affected by the price level of milk incentive support.

Thammi raju and Deepa\textsuperscript{52} undertook a study on capacity building of women self-help groups in dairying. The objective of the study was to identify the knowledge level and training needs of women SHG members in the areas of breeding, feeding, management and health care and marketing of dairy products. The study found that majority of the respondents preferred short duration training (2.-3 days) programme at their village/mandal level particularly in the months of May and June. Group discussions, lecture, television followed by exposure visits were the most preferred training methods. Combinations of different teaching methods (TV + Flip book + Lecture method + exposure visit) were effective in imparting the knowledge to the women. The study also found that the overall effectiveness of the training programmes were very good, especially on the second day because of exposure visit. Meticulous planning, consideration of knowledge level and training needs and proper combination of teaching methods led to more effective capacity building programme which ultimately led to improved adoption of practices.

Thilagaraj and Natta\textsuperscript{53} made an attempt find an overview about milk production in India. In their study it was stated that India is the largest producer of milk and one of the world’s largest and fastest growing markets for milk and milk products and is getting almost 7.5% growth annually in terms of milk and milk
products. It was also found that India seems to be self sufficient in meeting the requirement of milk and milk products. It has got significant share of the global dairy trade. Further the study revealed that private players have mainly focused on milk products other than packed liquid milk. It was concluded that as long as small dairy producers are not organized, dairy and dairy related sector will be driven by other actors who may have conflicting interests.

California Milk Advisory Board (CMAB) conducted a study on consumer preference for higher solids milk. The study attempted to know about the preference of the customers towards fluid milk with enhanced nutrients. The study found that 86% of the customers reported that they would choose the milk with enhanced nutrition option. Adults reported that they were willing to pay an average of 1.74 dollars more than what they currently pay for milk with enhanced nutrition. Even many new channels have been brought to explore consumer’s nutritional dairy products and retailers also play an enormous role in the overall process. The study also reveals that not only the consumers generally like milk with enhanced nutrition, but also would be inclined to buy it regardless of price. For retail dairy cases, milk with enhanced nutrition is a new channel for potential revenue growth. It is a win win situation for retailers and consumers.

Brajesh kumar and Mintu gogo in their study made an attempt to identity the brand preference and buying behaviour of the consumers and also the brand loyalty of the consumers with respect to processed liquid milk in guwahati, assam. Their study revealed that the consumers in guwahati were well aware of the use of their milk brands among the available alternatives. The different milk brands ie, Amul taaza, central dairy, dairy fresh, prithvi dairy, purabi dairy, nandhini were available in guwahati market. Out of the six brands purabi was dominating one and the most of the consumers (ie 74%) relied on this brands. The study also revealed that milk consumers in guwahat were also found to be brands loyal. Thus
there is a little tendency amongst the consumer for brand preference switch over unless there is some great motivation from other competing brands.

Dayanandan\textsuperscript{56} in his study attempted to analyze and evaluate the efficiency of inputs use and analyze the efficiency differentials of modern (cross breed) and traditional (local breed) dairy farms. Cobb-Douglas production, cost-benefit and break-even ratios are employed to assess resource use efficiency, profitability and financial efficiency of both cross and local breed dairy farms. For this purpose 168 dairy farms (85 cross breed and 83 local breed) in a town (Mekelle) of northern Ethiopia was taken. A two stage stratified random sampling procedure was used to select the specific farm households. Farms owning 1-3, 4-10 and greater than 10 dairy cows were classified as small, medium and large farms, respectively and only small and medium size farms were considered for further data collection. The study identified that dairy cow owners should be advised to use the optimum levels inputs and replace their indigenous cow with cross breed cow. Moreover, the herds should be medium size and feeding mainly depends on concentrate.

Kalaiselvi and Somasundaram\textsuperscript{57} undertook a study on worldwide dairy development. It was stated in the study that milk is an ancient as mankind itself, as it is the substance created to feed the infant. It was also stated that the role of milk in the traditional diet has varied greatly in different regions of the world. Technological advances have come about very recently in the history of milk consumption. The total milk consumption per person varies widely from high in Europe and north America and very low in Asia. It was also found that India has attained and retained first rank in milk production in the world. India is the oyster of the global dairy industry. Indian milk production increased from 17 million tones to 88 million tones. It was also stated that the performance of Indian dairy sector during the past three decades has been very impressive. This growth was achieved through extensive intervention by the Indian government as well as
through increased demand driven by population growth, higher incomes and urbanization. It was concluded that the international dairy industry is highly protected through domestic support and export subsidies and does not provide an easy market access.

Jignesh shah and darshana dave in their study on a shift from crop mixed traditional dairying to market oriented dairy farming made an attempt to identify the plausible factors responsible for structural transformation in Indian dairy sector. It was identified from their study that In India, livestock demand in general and demand of milk and milk products in particular is on the rise due to rise in income, changes in the life style and food habits, socio-cultural changes and increased urbanization. The milk demand would grow at a higher rate than that of the growth in milk production offering ample scope for structural transformation in milk production system. Decline or marginal increase in milch animal holding in lower bracket of land holding groups indicates reduction in agriculture support for dairy activity due to diminishing operational holding. This would lead to structural changes at milk producers level from crop-mixed dairy farming to moderately organized dairy farming, with a commercial focus.

Allen Rosenfeld undertook a study on impacts of eliminating federal milk marketing orders on Federal Nutrition Programs. The objective of the study was to analyzes how the elimination of Federal Milk Marketing Orders (FMMOs) would affect the federal nutrition assistance programs, from the taxpayer and program-purchasing power perspectives. The analysis in this report examined FMMO elimination in two time frames: a look backward to what would have happened had FMMOs been eliminated in 2009; and a look forward to the impacts of program elimination for the ten years period between 2012-2021. The study found that elimination of FMMOs would have resulted in more than $400 million in cost savings for taxpayers and nutrition program participants in 2009. For the
ten-year period between 2012 and 2021, total costs to the nutrition programs would be reduced by nearly $5 billion if the FMMOs did not exist during that time frame. The study also revealed that taxpayer costs would be reduced by just under $3.2 billion while net program purchasing power would be enhanced by just under $1.5 billion, the elimination of the FMMOs would provide substantial benefits to taxpayers and the nutrition assistance programs by reducing program costs.

Chennakrishnan\textsuperscript{60} undertook a study on dairy industry and rural India. The study found that the dairy farming is the major livelihood for many households in the rural areas. Dairy farming includes rearing milk cattle, buffaloes, cows, goats and sheep. Dairying has been considered as one of the activities aimed at alleviating the poverty and unemployment especially in the rural areas. It was stated in the study that the requirement of milk in 2021-22 is expected to be 180 million tones and the current level of milk production is 112 million tones. In future, India may need to resort to imports from the world market. The study concludes that the dairy industry not only has an important role to play in increasing the milk production but also in bringing about social and economic changes at the village level.

Ayenew, Wurzinger, Tegegne and Zollitsch \textsuperscript{61} undertook a study on handling, processing and marketing of milk in the North western Ethiopian highlands. The study revealed that due to poor market access and high transaction costs and the perishable nature of raw milk, the amount of sold milk and prices were significantly lower for peri-urban producers. Traditional ways of milk processing at household level include practices which might contain risks for product quality affecting consumers’ health. Providing basic handling and health education for producers therefore is likely to result in improved milk quality on the markets. Direct delivery to the nearby consumers was the largest primary milk outlet for producers of both systems, while retailers and milk cooperatives were
the second most common outlets for the urban and the peri-urban system, respectively. Therefore, to enhance dairy production and marketing, milk cooperatives that could be able to market larger volumes and sufficiently reduce transaction costs should be supported by governmental and non-governmental organisations through providing technical and infrastructural support.

Kumar and Staal in their study Is traditional milk marketing and processing viable and efficient? Attempted to estimate the costs and returns of traditional milk marketing and processing. The study found that raw milk trading and processing offers good opportunities for income generation to small scale milk traders and processors. The study also revealed raw milk marketing and trading is reasonably efficient and has the potential for continued dominance in spite of emerging integrated food supply chains.

Syahlani, Rahmadi, and Haryadi in their study attempted to identify brand recall as well as to analyze consumers’ attitude and consumers’ preference towards pioneer and follower brands on processed dairy product. 150 housewives were engaged as respondents in this study. The study revealed that pioneer brand is easier to be retrieved, recalled, liked and preferred by consumers rather than follower brand product. The consumer’s memory was consistent in terms of brand retrieval and brand recall measurement on four product categories namely UHT milk, pro-biotic milk, high-calcium milk and cheese. Consumers were able to recall pioneer brand rather than follower brand. The study also revealed that the consumer’s attitude was positive towards pioneer brand and consumers also had higher preference to select pioneer brand products than follower brand products.

Thirunavukkarasu and Sudeepkumar in their study attempted to identify the various milk marketing options for dairy farmers and to compare the cooperative system with the integrated contract system. The study found that there
are many milk marketing options like informal system, co-operative and contract system etc.. A majority of dairy farmers around 57.3 percent had shifted from one marketing option to another. The rest 42.7 per cent of dairy farmers remained in the same marketing option from the day they began commercial milk production. Irregularity in payment and stoppage of procurement by vendor system made dairy farmers shift from vendor system to contract (39.5 per cent). After the weakening of vendor- farmer relationship and initiation of Milk Producer Cooperatives at the village level, there has been a shift from vendor to co-operative system (24.4 per cent) and When the dairy sector opened for private investment coupled with poor performance of cooperatives, farmers shifted towards new marketing option the 'integrated contract system'. On a major scale, the shortcomings of the cooperative system were converted to advantages for the integrated contract system. The farmers appreciated the payment pattern in the contract system. Hence, it is concluded that the contract system is the best marketing option for the dairy farmers to sell their milk.

Anjani kumar, Rai, khyliram choudhary 65 in their study made an attempt to examine the issues of trade possibilities for India, in view of growing domestic consumption, augmented supply and growing international market for dairy products. The study found that growth in Indian dairy sector has been impressive and if the existing growth rate can be sustained, India can pursue export of dairy products more vigorously. The projected demand scenarios for domestic requirement of dairy products lend credence to this optimism. It has been clearly brought out that the dairy production is competitive in comparison with other countries. India further has a geographical advantage to serve milk deficit areas in neighboring countries. The demand for milk products in these deficit countries is expected to be growing. India needs to capitalize on these advantages by improving quality and hygiene standards of the dairy products and bringing more efficiency in milk production and processing. India needs to develop more
competitiveness in products which are being imported in countries like Sri Lanka, Bangladesh and Nepal from other developed countries.

Net scribes (India) Pvt. Ltd,\textsuperscript{66} in its report on consumer preference towards processed dairy products in India to boost demand found that the increase in per capita availability of milk due to several key steps of the Government like vision 2030 which gives the ways to meet the increasing domestic demand for milk. Various foreign and Indian companies are waiting to enter the lucrative Indian market which is characterized by high growth rate. The study also found that Ultra high temperature processing (UHT) milk has caught the fancy of the Indian customers as it is safer and has prolonged shelf life. The major barrier identified in this study include unavailability of fodder and exponential price rise of the same added to the price increase of milk in the domestic market which might offset the retail consumption of milk and push the prices of dairy products to a higher level.

RNCOS \textsuperscript{67} made a study on Indian Dairy Industry. The study found that India is the world's largest milk producer, accounting for around 17\% of the global milk production. Besides the above it is one of the largest producers as well as consumers of dairy products. Due to their rich nutritional qualities, the consumption of dairy products has been growing exponentially in the country and also the packaging dairy products creating demand among urban consumers. The study also found that the milk production in India will grow at a Compound Annual Growth Rate (CAGR) of around 4\% during 2011-2015. With the rising use of dairy products, the secondary market for dairy products has also been flourishing. The government is taking several initiatives and running plans and programs like National Diary Plan and Intensive Dairy Development Program to meet the growing demand for milk in the country.
Asthana made a study with the objectives of tracing the attributes and processes of transformation of amul from being a regional brand to being an international brand and trace its legacy in this marvelous journey. The study found that in the initial phase of brand building amul emerged as a regional brand in Gujarat and Bombay. During 1955 until 1973, amul was regional brands with six brand elements like memorability, likeability, transferability, adaptability, protect ability and meaning fullness. In 1973, the amul brand was handed over by amul dairy to Gujarat Co-operative Milk Marketing Federation (GCMMF) under a mutual trust of the sole purpose of safeguarding the interest of millions of milk producers. The sequence of brand building and evaluation of amul as a national brand is identified with the help of consumer based brand equity pyramid blocks like salience of manufactures brand, imagery, performance, feelings judgment and resonance. The brand awareness of amul was so strong that amul was able to fight with major multinational brand in the food category. Amul created an internet brand to reach the overseas customer using internet marketing. It was found that Amul maintained its leverage and philosophy of delivering high quality- low price products in the international market and due to this marketing strategy, amul emerged as a strong brand in the international market too.

Njarui, Gatheru, Wambua, Nguluu, Mwangi and Keya in their study on challenges in milk processing and marketing among dairies in the semi-arid tropical Kenya made an attempt to identify the functioning of the milk processing and marketing systems and identify appropriate interventions to enhance growth of dairy industry. The study found that three categories of processing and marketing channels were identified such as dairy cooperatives (17.7%), farmers Self-help groups (23.5%) and individually owned milk shops (58.8%). Smallholder farmers were the only suppliers of raw milk to the dairies. The capacity of the dairies was relatively low. Dairies are only limited to processing a few products line which have a short shelf-life and these are primarily fermented milk and boiled milk. On
average each of the self-help groups’ dairy and individually owned milk bars or shops handled 105 litres of milk daily while each of the two of largest co-operatives received an average of 1700 litres daily. The largest markets outlets are individual households who absorbed over 80% of total dairy products marketed. Lack of equipments and inadequate human skills are greatest impediment in processing of milk while competition for market from other dairies and poor road infrastructure is the greatest threat to growth of the industry in the region. For the dairies to remain competitive in the market, they need to diversify their product through value addition using simple and cost effective methods.

Deepa Ingaval and Thakar\textsuperscript{70} made a study on customer preference for milk and milk products. The objectives of their study is to identify the customer preference towards the milk and milk products, to identify the reasons for change in the purchase decision and to find out the most preferred place for product purchase. The study revealed that the customers preferred packaged branded milk and milk products over a period of time from 1991 to 2006. The change in purchase decision was due to marketing factors such as availability, advertisement, product quality and price of the products. It was also revealed that grocery shops, bakeries and sweet markets were the preferred place of purchase of dairy products, some of them preferred to purchase form company outlets and milk shoppers.

The review presented above indicates a gap of not studying the existing purchase pattern and the perception of customers and retailers towards the same. An attempt is made to fill the above gap covering the relevant objectives through conducting of this study.
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