Indian agriculture is an economic symbiosis of crop and cattle production, small and marginal farmers own almost 80 per cent of the total land holidays. About 67 per cent of the work force of 280 million is engaged in agriculture either as cultivations or as farm labour. In a normal year, crop production can generate employment for this workforce for only 90 to 120 days. For the remaining period, they are virtually unemployed. Indian dairying is emerging as a sunrise industry. The growth in milk production has been truly phenomenal, having trebled to 66.3 million tonnes between 1970 and 1995.

The present study has identified two categories of dairy farmers vize; dairy cooperative beneficiaries and non-beneficiaries have been carried out in three selected blocks of Dindigul District. The specific objectives of the study are: i. to study the growth and performance of dairy cooperatives in Dindigul district; ii. to analyse the role of dairy cooperatives for the benefits of cooperative members; iii. to find out the level of annual employment and income by the cooperative beneficiaries during the study period; iv. to analyse the expenditure and income pattern of the dairy farming in study area; v. to study the knowledge level of beneficiaries about dairy cooperatives system and dairy cattle rearing technology, vi. to review the problem faced by the dairy cooperative beneficiaries; and vii. to suggest the concrete measures for development of dairy cooperatives and beneficiaries. The study used both primary and secondary data. The secondary data were collected from various sources such as records of Dindigul District Collectorate, District Cooperative office, Dindigul District Cooperative Milk Producer's Union, Office of the Deputy Registrar of Dairying, Office of the Joint Director of Animal Husbandry, Cooperative Banks and other related organisation. The secondary data collected for the period of 10 years (1990–1991 to 1999–2000) for the present study. Primary data was collected from the beneficiaries and non-beneficiaries of dairy cooperatives through interview schedule during the period of 2000–2001. The Dindigul District is purposively selected for the study. Out of 14 blocks in Dindigul District, three blocks were selected based upon the criteria of milk production. The total size of the sample is 300 consisting of 150 beneficiaries and 150 non-beneficiaries from three blocks.
The findings of the present work on dairy development through cooperatives and economic analysis of the dairy cooperative beneficiaries has been highlighted herein under. In the year 1951, the milch animal population was 46.37 million and increased to 57.32 million in the year of 1991. In India, annual milk production was 53.9 million tonnes during the year 1990-91 and 81.9 million tonnes during the period of 1999-2000. The procurement of milk through cooperatives in India in the year 1975-76 is 11.5 lakh Kg and increased to 128.94 lakh Kg during the period of 1997-98. The Tamil Nadu share of milk procurement through cooperatives are 4,21,940 metric tonnes 40,00,000 metric tonnes total production in the year of 1997–98. As per the profit statement, average net profit was Rs. 11474.01 and Rs.8387.30 for beneficiaries and non-beneficiaries respectively. The majority per cent of beneficiaries who were identified as having medium level (9-16) knowledge about dairy cooperative system was 40.67 per cent and among the majority respondents of 52 67 per cent of beneficiaries and 47.67 of non-beneficiaries were the high level knowledge about cattle rearing technology. The majority of beneficiaries (41.33 per cent) are 50 to 75 per cent of dairy income contributed in the total family income. Among the number of problems faced by the beneficiaries, the first problem faced by them was price of milk, which followed by second, third problems and so on, payment; breeding, borrowing loan, veterinary health care, cattle feed, purchase of milch animal and grazing whereas for non-beneficiaries marketing of milk was the first problem followed with other problem in order were price of milk, veterinary health care, breeding payment of milk, purchase of feed and fodder, purchase of milch animals and grazing. The overall economic conditions of the farmers should be improved through diversification of other agriculture dairy farming should be implemented as a major components. Necessary incentives like remunerative price, price difference, input facilities at cost price and other extension work must be done by the society to encourage the milk producers to increase their utilization of heir societies. Delay in making payment to the societies is to be reduced, as it is main factor affecting the milk procurement of the union. Dairy cooperative beneficiaries are able to get more profit compared to non-beneficiaries. Thus the study reveals that dairy cooperative beneficiaries as they are organised under cooperative movement or cooperative system.