APPENDIX

CONSTITUTION AND BYE-LAWS GOVERN CO-OPERATIVE MILK SOCIETIES.

Structure of the Milk Societies:

In the post independence period no special attention was paid towards dairy industry till 1962. In this year P.C.D.F. (Provincial Co-operative Dairy Federation) was established in Uttar Pradesh raise milk production and processing of milk and milk products, and its marketing. It also aimed at developing all the resources necessary for the development of dairy.

The federation helped in establishing dairies in the big cities in their respective milk unions. It also helped in starting infant milk food factory in the state in the year 1970-71. The 'Operation Flood' was launched in the state in the year, 1970-71 under the world food project 618, programme. It was aimed at creating a flood of rurally produced milk in the urban consuming centres. The first phase of the 'Operation Flood' programme had a prescribed duration of five years from 1970 to 1975, but it was concluded in 1981. The 'Operation Flood' was launched in October 1982. Both these programmes (Operation Flood I and II') were entrusted to provincial co-operative dairy federation for its better implementation.

The 'Operation Flood' programme is being implemented on the Anand (Gujrat) pattern with a strong co-operative base.
For better management of the organization a post of Milk Commissioner was created in the state in 1976 along with the functions of Secretary State Milk Board.

**Administrative Set up of Milk Board:**

At the state level in addition to Milk Commissioner there is one Deputy Milk Commissioner Administration, to look after the technical aspects. An Assistant Director along with Dairy Technologist, Dairy Development Officers are also available at the state level.

A Deputy Director Investigation and Statistical Analysis also functions at the state level to survey the production and marketing of milk in the state. The state has been divided into nine regions for administrative and financial purposes. Each regional office is manned by Dairy Development Officer who in turn is assisted by Deputy Dairy Development Officer, Dairy Managers, Senior Milk Inspectors, Milk Inspector and Milk Surveyors.

**Organization of Milk Co-operative in the State:**

Uttar Pradesh is the only state where all the dairy development programmes are now looked after by a co-operative organization. The Uttar Pradesh Co-operative Dairy Federation has a three tier structure.

1- Milk co-operative societies at village level.
2- Milk Unions at district level and
3- Federation at the state level.
The federation has following members.

1- All the Chairmen of the affiliated unions are members of the Board by virtue of the post.

2- Nominees of Indian Dairy Corporation and National Dairy Development Board.

3- Managing Director is the ex-Officio member.

Managing Director is appointed by the Board with prior approval of Indian Dairy corporation.

The Board elects the chairman who convenes the meeting etc. There is no provision of Vice-Chairman nor there is any provision for constitution of sub-committee.

The Managing Director has general control in the matter of finance, administration, management and business of federation.

District Milk Producer's co-operative Union:

These unions have been established at district level with the sole objective of socio-economic development of the member milk producers.

Functions:

1- Milk procurement, storage processing of milk products and marketing for the general benefit of the producers.
2. Erection of plants for chilling and processing of milk.

3. To organize and develop milk producers co-operative societies.

4. Supervision and inspection of village milk producers co-operative societies.

5. To provide better breeding, feeding, and management to the village milk producers societies.

6. To provide veterinary facilities.

7. To make provision for group insurance of the village milk producers co-operative societies.

8. To encourage formation of co-operative societies.

9. To provide training facilities to the members.

In addition, it does all such functions which directly or indirectly benefits the members of the societies and in increasing milk supply.

Area of Operation:

It is limited to the district.

Membership:

There are two types of members.

1. All the registered village milk producers co-operative societies, who are non-defaulters under the relevant acts, have right to vote. The government can also be included in this category.
Ordinary member—who will have no voting rights nor a right to get dividend.

General Body :-

The general body will consist of the board of directors and the president of the attached village milk producer's co-operative society.

Board of Directors :-

There are 17 members in the Board—12 elected by the village milk producer's society, one nominee of registrar co-operative societies, one nominee of provincial co-operative dairy federation and two representatives of financial institution. The executive director is the ex-officio secretary.

An advisory committee is also elected by the board of the union. District Magistrate/District Development Officer is the ex-officio president of the advisory committee.

Distribution of profits :-

The profit of the union is distributed as under :-

1- 25 percent goes to reserve funds.

2- 12 percent of the remaining profit is paid as interest to share capital.

3- Of the remaining balance -
   a- 80 percent is distributed as bonus to the members.
   b- 5 percent towards charitable endowment funds.
   c- 3 percent for development of co-operative societies and training.
   d- 3 percent towards research.
Administrative set up of District Milk Union:

Dairy Manager of the district level assisted by Deputy Dairy Manager, Area Supervisor and a team of Veterinary Doctors, manage the administrative affairs of the District Milk Board.


The organization of a village milk producer’s co-operative society is initiated by the union’s milk procurement staff. The state co-operative society Act and Rules form the basis for organization and registration of a society.

Organizing Gram Sabha:

Following steps are involved in organizing the gram Sabha.

1. A milk procurement Officer/Supervisor from the union lists the selected villages and arranges a meeting of villagers. This meeting is called as gram-sabha and the entire village participates in it.

2. A respectable person from the same village is requested to preside the meeting.

3. The Officer/Supervisor explains the purpose and advantages of organizing the milk producer’s co-operative society. The sabha is also told about principles and idea of co-operation and the functioning of the society.
4. Once the villagers have decided to form a milk co-operative society, an organizer is selected from amongst them.

5. The organizer is authorised to collect the share money. He collects @ Rs. 10.00 each towards share subscription along with Rs. 100 as entrance fee from all those milk producer's who are interested in becoming members of the society. Depending upon model bye-laws of a society, more than one person (husband or wife) from a Hindu undivided family can become member of the society. However, only one person from a family can be on the managing committee of a society.

Village Milk Producers Co-operative Society (V.M.P.C.S.):

The following steps are involved in organizing and registration of village milk producing co-operative society.

1. Survey for assessing the potentiality.
2. Enrolment of members and collection of share money.
3. Meeting of the enrolled members.
4. Adoption of bye-laws.
5. Constitution of an adhoc management committee and election of a Chairman.
6. Appointment of society staff and securing surety from them.
VIII.

To obtain tangible security from the Chairman and secretary for Rs.3000/-

Selection of a suitable building for starting milk collection.

Supply of milk testing equipments, chemicals, stationary etc.

Signing an application form by all enrolled members and submission to Assistant Registrar Co-operative Societies (ARCS) along with the required documents for registration of the Society.

Functioning of a Village Milk Producers' Co-operative Society:

The basic unit of the Anand pattern structure is the village milk producer's co-operative society.

The functioning of a society can be classified into the following categories:

(a) Managerial.
(b) Operational.
(c) Input Services.

Managerial:

A village milk producer's co-operative society is formed under the supervision of a field supervisor deputed by the union. The milk producers become members by paying an entrance fee of Rupee 1.00 and buying a share of Rs.10.00 each. All these members form the several of bodies of the society which has supreme power. The society
has a managing committee of nine members elected from amongst the member producer's. The committee elects a Chairman. All the members of committee are honorary workers. The committee employees paid staff to run the day to day affairs of the society. The number of such staff depends upon the size of business.

One third members of the committee retire every year by rotation. This rotational retirement helps bringing new faces and continuity in the management. The Chairman is elected every year in the managing committee meeting. The committee decides policy matters and frames guide lines for efficient running of the society.

(B)- Operational :-

The society operations can be classified in two groups : Milk trading and marketing of inputs. Milk trading involves reception, testing, payment, local and sample milk sale, despatch of milk and account keeping. Input services include animal health coverage, breeding programme, feed and fodder development programme and extension services to producer's members.

Receipt of Milk :-

Each society has milk collection centre either in an owned or hired building. Each morning and evening the milk producer's ( or their wives or children) bring Milk
in their own containers to the society. A representative sample of milk is drawn for testing the quality. The quantity is measured with the help of measures in a milk tray and collected in milk cans. Quantity of milk supplied by each individual along with the sample bottle milk is recorded against his name in the purchase register and his cards/pass book.

Testing of Milk:

When sufficient number of samples are collected, they are sent for testing. The sample are tested for fat percentage (or lactometre reading also if necessary) as by serial number. This ensures ignorance of the person who is conducting the test about the ownership of the sample. After testing is over, the records are compiled together and the left over sample milk is disposed off in a manner decided by the management committee. At members request retesting is also carried out before the samples are disposed off and the changes if any, are recorded.

After the entire milk has been collected, a general sample is drawn from the pooled milk after thorough mixing. This sample is then tested for fat and solid not fat, present in milk as per standard procedure and results recorded in the test register.
Despatch of Milk:

Each morning and evening a milk truck of the union comes to the society at a predetermined time. Filled milk cans are loaded on the truck and necessary entries are made in the truck-sheet.

Payment for the Milk:

The price of milk remains uniform throughout the district, irrespective of the villages distance from union head quarters. Both quality and quantity form the basis for the payment. For this, normally a price chart of ready-reckoner is prepared and supplied by the union to the societies. The society pays weekly. The entries of payment are made in both producer's pass book and society's records. A producer with good quality of milk gets better price. A society normally keeps cash equivalent to six shifts payment on the basis of expected milk collection.

On the other hand the union pays to society through bank advice which may be on weekly or 10 days depending upon the cash flow and requirements. However, the frequency once decided, remains the same for the whole district and is not changed frequently.

Accounting:

In a society, accounting starts from the time a producer enters with milk. There is a set of standard registers, most of which are to be completed twice daily.
The others are completed as and when the transaction takes place. It is the responsibility of individual employee of the society to complete the records on regular basis. There are separate records for different transactions. Each record is duly signed by the person who completes it. Important records are also counter signed by the secretary or the chairman of the society.

Distribution of profit :-

Besides regular payment of milk price, the society at the end of the year pays dividend on paid up share capital. Major portion of society’s net profit is paid in the form of bonus to the producer’s proportion to the value of milk supplied by them during the year. The provision in extent of these benefits is decided in accordance with the provision made in the bye-laws.

Miscellaneous :-

A part from above mentioned operations a society also performs,

I. Sample milk disposal.
II. Local sale of milk.
III. Commission on fat @ Rs. 1.50 per 1 Kg. fat.
IV. Standardization of testing equipment and chemicals.
V. Communication.
VI. Promotional activities.
The second important work of a society after milk trading is the marketing of technical inputs services to the producer's. As mentioned in the above study, the basic facilities are owned by the union but marketing is done through village societies.

The society keeps separate staff trained in artificial insemination and veterinary first aid services who look after the job on regular basis. The society purchases cattle feed from the union and sells it to the producer's in retails. The society also provides quality fodder seeds to the producers at cost price or subsidized rate. It also distributes news letters /educational material, organize ladies meetings and tours to dairy plants, cattle feed plant, etc. Besides all this, the society helps the producer's in getting their cattle insured.