CHAPTER X

DISCUSSION

The present chapter deals with discussion of main findings as given in the previous chapter of this manuscript with the introduction of co-operative system. There has been a breakthrough in milk supply rural area to city. Because this whole system governed by the member themselves. Thus the exploitation of milk producer is totally checked. Now more and more people or milk producers participating in the movement of co-operation.

After making a detailed study of economics of production and marketing of milk. On the basis of findings, following issues were raised for discussion.

1. To study the resource structure of sample households to work out cost and returns of milk production.

2. To work out marketable and marketed surplus of milk and its determinants.

3. To estimate the marketing costs, margins and price spread in different marketing channels.

4. To analyse the resource use efficiency of milk production.

5. To identify the constraints in milk production and to suggest policy measures.
According to findings it was found that 44.67 per cent marginal farmers, 3.93 per cent small farmers, 16.67 per cent medium farmers and 9.33 per cent large farmers respectively. According to the community wise membership classification. It was found that out of total membership in Ambedkar Nagar district in 2003-04, 18.5 per cent members were schedule caste and 34.02 per cent member were other than schedule caste and backward class. According to community wise classification, the scheduled caste member availing the advantage in comparison to backward class and other classes. Maximum advantage to co-operative was getting to higher classes, the reason for it may be educations, awareness, resourcefulness and caste system. The main green fodders were berseem, agola, oat, greenmustard, karbi sugarcane top etc. in summer season. Maize, jowar, bajra, lobia, grasses in rainy season. The main dry fodder was wheat bhusa, gram bhusa which was supplied in all seasons, while paddy straw was fed more in winter and less in summer season. The concentrates fed that were wheat chocker, dalia, oil cakes, arhar chunni, gram chunni and rice chunni (in small quantity) for all seasons. The amount concentrates, green fodder and dry fodder fed per days per local cow were 3.50 kg, 16 kg and 5.54 kg in all season. The respective amount of cross-bred cow 3.75 kg, 22.21 kg, 5.67 kg in all the seasons. The corresponding amounts for buffalo were 4.50 kg, 20.39 kg and 5.50 kg in all the seasons.

This revealed that consumption of dry fodder was approximately the same in all the season in all type of milch animals. In case of buffaloes green fodder
was approximately same as the case of cross-bred cows. Cross-bred cows were fed more concentrate in all the seasons as compared to buffaloes total maintenance cost for cross-bred cow per day was highest as compared to buffalo and local cow. The expenditure on concentrate was less in case of local cow and more in case of cross-bred cow. This revealed that contribution of concentrate to the total cost was nearly four times more in case of cross-bred cow as compared to local cow, this is due to better feeding of cross-bred cows. On an average the per day milk yield per milch cow in respective per day per milch animal of cross-bred cow were 6.32, 7.32, 7.48, 8.22 litre on marginal, small, medium and large households respectively. In corresponding per day per milch animal milk yield of buffalo were 76.89, 7.34, 7.52, 7.76 litres in the size group of marginal, small, medium and large households respectively.

The total cost of milk production for lactation were Rs. 11516.30, Rs. 12494.35 and Rs. 15303.32 for local cow, cross-bred cow and buffalo respectively. The cost of milk production per litre was much higher than that of cross-bred cow. The cost of milk production was higher in buffalo than local cow and cross-bred cow, while of milk production was in reverse order from cross-bred cow to local cow. The per litre cost of milk production was Rs. 7.56, Rs. 6.47 and Rs. 7.34 for local cow, cross-bred cow and buffalo respectively. However per litre cost of milk production was maximum in case of local cows and minimum (Rs. 6.44) for cross-bred cows during whole lactation due to lower and higher milk yields.
The total return per animal per lactation annually was Rs. 14005.67, Rs. 17533.45 and Rs. 21588.97 for local cow, Cross-bred cow and buffalo respectively. The net profit in case of buffalo was higher (Rs. 6285.65) as compared to local cow (Rs. 2489.37) and cross bred cow (Rs. 5039.098) respectively.

Therefore, it can be concluded from above results from profitability and economic viability was more in case of cross-bred cows compared to buffaloes. Where local cows were uneconomic due to their low productivity. To examine the marketing aspect of milk, economic analysis was performed on the marketing aspects.

The dominant players in milk marketing were the raw milk traders, followed by the traditional milk processors. A very small proportion of milk market agent were involved in both raw milk marketing and milk processing. On an average, a traditional milk market agent handless 66 litres of milk per day, it being 77 litres per day for raw milk traders, 52 litres per day for milk processors and 88 liters per day for market agents engaged in both activities. The dis aggregation of data has revealed that the traditional milk marketing in the state dominated by small traders, 32 per cent of the respondents handle only 8.33 litres milk per day 38 per cent handle 31.66 litres per day and the remaining 21 per cent handle more from 60 litres of milk per day. The traditional milk agents apparently operated on an individual basis, although with the help from hired
labourers in some cases. The involvement of family members in milk marketing was not significant. Milk trading provides off-farm employment to a large number of in the state, who derive a substantial portion of their households income from milk marketing. In this analysis, costs and returns were considered separately for raw milk traders and milk processors. Only variable cost considered for estimating the returns. Thus, the net return calculated by subtracting the variable cost from the gross return, represents the returns to labour and investment by the trader. The variable cost mainly consisted of transaction costs in the purchasing and selling of milk.

Milk marketing system in Ambedkar Nagar is fairly complex. A number of different marketing agents interact at various levels in carrying milk from producers to consumers. The producer's share in consumer's rupee is an assessment of the relative bargaining position in the market.

Analysis revealed that the total milk production was found 1522.20 litres, 1932.07 litres and 2083.65 litres for local cow, cross-bred cow and buffalo annually per lactation respectively. Larger milk production does not necessarily mean higher marketed surplus of milk. Thus, increase in milk production would be more beneficial from the consumer point of view if it is followed by proportionate increase in the marketed surplus of milk. Daily average production and marketed surplus of milk worked for different category of households enumerated. It can be seen that on an average, taking all the categories together,
the daily milk production per households was worked out 8.21 litres, out of which 5.76 litres was sold, representing marketed surplus 95.66 per cent in the study area. The inter category analysis revealed that, the average milk production per day was observed to be highest in case of 3 & above hectare size group of households (8.56 litres) out of which 5.51 liters sold, representing marketed surplus 93.23 per cent. Production at household level determines the total consumption by a household which affect the marketed surplus of milk. Therefore, it was felt necessary to study the utilization pattern of milk of the rural households. It may be observed that overall daily average/ milk retained for family consumption was observed to be 2.21 litres. Category wise analysis revealed that, the average quantity of milk retained increased with the increase with size of operational land holding. Average quantity retained for family consumption was the highest in case of the big farmers (2.65 litres) followed by medium farmers (2.47 litres), small farmers (2.18 litres) and marginal farmer (1.5 litres) respectively.

There are only channels involved in handling fluid milk from the milk producer to consumers.

Their channels are as follows:

(i) Milk producer – Consumer

(ii) Milk producer – Milk vendor – Consumer
(iii) Milk producer – Shopkeeper – Consumer

(iv) Milk producer – Co-operative – Consumer

It was observed that the mostly milk producer are supplying milk by channel IV followed by channel II and channel I.

It was observed that producer’s share consumer’s rupee was maximum in milk producer ➔ consumer channel. There was no middleman in this channel. Thus, this channel was most appropriate from the view point of the producer and consumer.

Among the various marketing channels, the cost of marketing (per litre of milk) in first channel was Rs. 0.25 and Rs. 0.23 for cow and buffalo respectively. In case of second channel the marketing cost incurred Rs. 0.18 and Rs. 0.17 for cow and buffalo. In third channel the marketing cost incurred by produce Rs. 0.33 and Rs. 0.30 for cow and buffalo and cash of fourth channel the marketing cost also incurred by producer Rs. 0.25 and Rs. 0.027 for both cow and buffalo respectively.

Leaving the channel I which is a direct channel, producer’s share in consumer’s rupee was 96.87 and 97.45 per cent for cow and buffalo in channel II, 81.10 and 83.75 per cent for cow and buffalo in channel III, 81.21 and 84.27 per cent in both cow & buffalo milch animal respectively. The producer’s received maximum share of the consumer’s rupee in Channel I and minimum in channel IV. The result showed that producer’s share in consumer’s rupee decrease with increase in the intermediaries.
A comparative at a glance on return from different species reveals that in the case of cross-bred cow, the net profit were found Rs. 5037.27 and Rs. 6285.92 in buffalo respectively.

It can be concluded that the profitability and economic viability was more in case of cross-bred cows, as compared to buffaloes, while local cows were in economic due to their low and poor productivity.

With the improvement of livestock through cross-breeding the sustainability of various contagious diseases may increase, so to reduce the mortality of livestock particularly the young stock efforts should be made to control measures. There is necessity to expand the network of the village level milk co-operative to all the villages falling under the jurisdiction of the government authority. The village level co-operative society should revise the milk procurement price at pre with the prevailing market rate as it is lined with the cost variation and due importance should be given to enhance the rate of milk procured by the milk co-operative societies this aspect. The state government should encourage establishment of compound feed will at private sources to exploit the non-conventional feed resources and for supply balance feed at the reasonable price to the dairy farmers households. There is needed to educate and assess the dairy farmers/households in respect of breeding, feeding animal management technique and marketing of milk. There are need to evolve a comprehensive livestock development policies for the state to active milestone of livestock and dairying development in the state.