Chapter-III
(i) **History and Growth of AMUL**

Over six decades ago the life of a farmer in Kaira was very much like that of farmers anywhere else in India. This income was derived almost entirely from seasonal crops. Many poor farmers faced starvation during off-seasons. Their income from milch buffaloes was undependable. The milk marketing system was controlled by contractors and middlemen. As milk is perishable, farmers were compelled to sell their milk for whatever they were offered. Often they had to sell cream and ghee at a throwaway price.

They were in general illiterate. But they could see that the system under which contractors could buy their produce at a low price and arrange to sell it at huge profits was just not fair. This became more noticeable when the Government of Bombay started the Bombay Milk Scheme in 1945. Milk had to be transported 427 kilometers, from Anand to Bombay. This could be done only if milk was pasteurized in Anand.

After preliminary trials, the Government of Bombay entered into an agreement with Polsons Limited to supply milk from Anand to Bombay on a regular basis. The arrangement was highly satisfactory to all concerned—except the farmers. The government
found it profitable, Polsons kept a good margin. Milk contractors took the biggest cut. No one had taken the trouble to fix the price of milk to be paid to the producers. Thus under the Bombay Milk Scheme the farmers of Kaira District were no better off than ever before. They were still at the mercy of milk contractors. They had to sell their milk at a price the contractors fixed. The discontent of the farmers grew. They went in deputation to Sardar Patel, who had advocated farmers' co-operatives as early as 1942.

Sardar Patel reiterated his advice that they should market their milk through a cooperative society of their own. This cooperative should have its own pasteurization plant. His advice was that the farmers should demand permission to set up such a cooperative. If their demand was rejected, they should refuse to sell their milk to middlemen.

Sardar Patel pointed out that in undertaking such a strike there would be some losses to the farmers as they would not be able to sell their milk for some time. If they were prepared to put up with the loss, he was prepared to lead them. The farmers' deputation readily accepted his proposal.

Sardar then sent his trusted deputy, Mr. Morarjibhai Desai to Kaira district to organise the milk co-operative and a milk strike if necessary. Mr. Desai held a meeting in Samarkha village on January 4, 1946. It was resolved that milk producers' co-operative societies should be organized in each village of Kaira District to collect milk from their member farmers. All the milk societies would
federate into a Union which would own milk processing facilities. The Government should undertake to buy milk from the Union. If this was not done, the farmers would refuse to sell milk to any milk contractor in Kaira District.

The Government turned down the demand. The farmers called a 'milk strike'. It lasted 15 days. Not a drop of milk was sold to the milk merchants. No milk reached Bombay from Anand, and the Bombay Milk Scheme almost collapsed. After 15 days the milk commissioner of Bombay, an Englishman, and his deputy visited Anand, assessed the situation and accepted the farmers' demand.

**Birth of AMUL**

This marked the beginning of the Kaira District Co-operative Milk Producers' Union Limited, Anand. It was formally registered on December 14, 1946. Its objective was to provide proper marketing facilities for the milk producers of the district. The Union began pasteurizing milk in June 1948, for the Bombay Milk Scheme—just a handful of farmers in two village cooperative societies producing about 250 litres a day. Today Kaira Cooperatives are better known as ANAND MILK UNION LIMITED (AMUL).

An assured market proved a great incentive to the milk producers in the district. By the end of 1948, 432 farmers had joined village societies, and the quantity of milk handled by the Union had increased to 5000 litres a day.

In the early stages, rapid growth brought in its wake serious problems. Their solution provided the stimulus for further growth.
For example, as the co-operative movement spread in the district, it was found that the Bombay Milk Scheme could not absorb the extra milk collected by the Union in winter, when buffaloes yielded an average of 2.5 times their summer yield. Thus by 1953, the farmer members had no regular market for the extra milk produced in winter. They were again forced to sell a large surplus at low rate to middlemen.

The only remedy was to set up a plant to process the extra milk into products like butter and milk powder. The logic of this step was readily accepted by the Government of Bombay and the Government of India, except for a few doubting Thomases. The Government of India helped the Union to get financial help from UNICEF and assistance from the Government of New Zealand under the Colombo Plan. Technical aid was provided by FAO. A Rs. 50 lakh factory to process milk powder and butter was blueprinted. Its foundation stone was laid by the then President of India the late Dr. Rajendra Prasad on November 15, 1954. The project was completed by October 31, 1955, on which day the late Pandit Jawahar Lal Nehru, the then Prime Minister of India, declared it open. The new dairy provided a further fillip to the co-operative movement among milk producers. The union was thus enabled to organize more village cooperative societies and to handle more and more milk each year.

In 1958, the milk products factory was expanded to manufacture sweetened condensed milk. Two years later, a new
wing was added for the manufacture of 2500 tons of roller dried baby food and 600 tons of cheese, the former according to a formula jointly developed with the Central Food Technological Research Institute, Mysore (Karnataka). It was the first time anywhere in the world that cheese and baby food was being processed from buffalo milk on a large commercial scale. The plant was inaugurated in 1960 by Mr. Morarjibhai Desai who was then India's Finance Minister. Another milestone was the completion of a project to make balanced cattle feed. The plant was donated by OXFAM under the Freedom from Hunger campaign of FAO. It was formally commissioned on October 31, 1964, by the late Shri Lal Bahadur Shastri, the then Prime Minister of India.

To meet the requirements of the defence Services for milk powder, the Kaira Union was asked by the Government of India in 1963 to set up additional milk drying capacity. A new dairy capable of producing 20 tons of butter and 40 tons of milk powder a day was speedily completed. It was declared open by Mr. Morarji Desai in April 1965. The Anand Dairy complex could now handle 5,00,000 litres of milk a day. Further expansion of dairy's milk handling capacity to 750000 litres a day came in 1973. The same year the Union set up a plant to make weaning food, chocolate and malted food, at Mogar on National High Way No.8 about 8 kilometers south of Anand.

Encouraged by the success of the Kaira Union, farmers in other districts in Gujarat had formed milk co-operatives on the Anand Pattern. In 1973 six district Unions- Baroda, Banaskantha,
Kaira, Mehsana, Sabarkantha, and Surat decided to form an apex co-operative known as the Gujarat Co-operative Milk Marketing Federation Limited, Anand. The Federation took over the marketing of milk and milk products from these district Unions.

From two village societies with a handful of members the Kaira union has grown to 880 village societies with 3,59,000 members by 1983-84. Milk handled has gone up from 250 litres a day to 7,00,000 litres a day. The total turnover of the Union has gone up to Rs. 103 crores in 1983-84.

The year 1990-91 saw new challenges with the change in economic policies of the Government of India like delicensing, liberalization and opening the Indian market to the world market. In order to face these new challenges, one of the strategies was to set up a state-of-the-art dairy plant. Dr. V. Kurien, the then Chairman of National Dairy Development Board, Anand and the Architect of White Revolution, laid foundation stone on 31st October 1992 for the same and it was declared open by Shri H.D. Deve Gowda, the then Prime Minister of India on October 31, 1996- the golden jubilee year of Kaira Union. Similarly a plant for manufacture of cheese was also set up at Kheda, towards north and 42 km away from Anand. It has a capacity of 600 tones per month and stands to be Asia's largest Cheese manufacturing plant. This plant was declared open by Professor Madhu Dandavate, Dy. Chairman, Planning Commission, Government of India on November 26, 1996.
In 1994 Kaira Union initiated "Management of Change" programme with the introduction of Total Quality Management system in the organization and by 1999 it got accredited with ISO 9001 and HACCP, the first dairy co-operative in India to achieve this goal. Kaira Union's quest for quality took this movement to the grass root level and 50 societies were certified for ISO in the year 2000. Today almost all societies are accredited with ISO making a history in the annals of Indian dairy cooperative movement. The grass root level societies are today technologically well advanced enabling them to make the payment on the spot to farmers testing the quality and quantity of milk and capture the business proceedings electronically. As part of this, the Union has introduced Bulk Milk Cooling system at the village level in order to retain the freshness of milk and better return to farmer members.

Kaira Union has now gone beyond the district and state of Gujarat to set up units by setting up a new plant in 2004 at Pune in Maharashtra, followed by Kolkata in West Bengal and Gangtok in Sikkim creating a new leaf in the history of the Union.

Today Kaira Union manufactures wide range of products: Butter, Reduced Salt Butter, Butter Blister pack, Amul Lite, Delicious (Margarine), Ghee, Infant Milk Food, Spray Dried Milk Powders - Full Cream Milk Powder, Dairy Whitener (Amulya), Skim Milk Powder, Flavoured Milk in bottles and cans- Kool Cafe, Kesar, Elaichi, Rose, Koko, Nutramul and Fruit based Strawberry, Mango and Banana, Butter Milk, Masti Dahi, Lassi, Fresh Milk, various
types of Chhese Cheddar, Processed, Paneer, Emental, Gouda, Pizza, Mozzarella, Amul Sandwich Bread, Whole Wheat Bread, Fruity Bread, Bun, Munch Time (extruded food), Chocolates, Nutramul, Ice cream and many more new products are on the way to delight national and international customers.

Kaira Union popularly known as "Amul Dairy" has grown to 1151 village societies with 6,35,599 members by 2009-10. Milk handled has gone up from 250 litres a day to 14 lakh litres a day and in winter it exceeds 18 lakh litres. The total turnover of the union has gone up to Rs. 1695 crores in 2009-10.

Another milestone in the history of Amul Dairy was inauguration of a fully automatic Paneer Plant with a capacity of 25 MT per day on 31st October, 2009 on the occasion of celebration of Amul's 64th foundation Day and 135th Birth Anniversary of Sardar Patel - the great visionary with whose blessings Amul Dairy was established in the year 1946. This plant is first of its kind in our country. In order to utilize the cheese whey generated during manufacture of cheese/paneer, a demineralised Whey Drying Plant has also been set up and the same has come into production in October 2010.

Total milk procurement by the member Unions during the year 2011-12 averaged 10.30 million kg per day, representing growth of 6.09 per cent over 9.45 million kg per day achieved during 2010-11.
The AMUL Model/Anand Pattern

The Amul Model is a three-tier cooperative structure. This structure consists of a Dairy Cooperative Society at the village level affiliated to a Milk Union at the District level which in turn is further federated into a Milk Federation at the State level.

Village Dairy Cooperative Society (VDCS)

Under the Anand Pattern, a village co-operative society of primary producers is formed under the guidance of a supervisor or a milk supply officer of the Union. A milk producer becomes a member by paying an entrance fee of Re. 1 and buying a share of Rs.10/-. He must undertake to sell milk only to the Society. The members elect a managing committee (of 9, 11 or 13 members, depending on the by-laws applicable) and the committee elects a chairman.

Committee members are all honorary workers. They employ aid staff numbering 3 to 6 to run the day to day business of the society- secretary, milk collector, fat tester, clerk, accountant, inseminator helper and so on.

Functions of VDCS

- Collection of surplus milk from the milk producers of the village and payment based on quality and quantity.
- Providing support services to the members like Veterinary First Aid, Artificial Insemination services, cattle-feed sales, mineral mixture sales, fodder and fodder seed sales,
conducting training on Animal Husbandry and Dairying etc.

- Selling liquid milk for local consumers of the village.
- Supplying milk to the District Milk Union.

Thus, the VDCS in an independent entity managed locally by the milk producers and assisted by the District Milk Union.

**District Union:**

The District Union represents all the village societies. It has a 16 member Board of Directors. Twelve are elected from amongst the representatives of societies out of which, two seats are reserved for women representatives. The remaining are a nominee of the financing institutions, a nominee of the district cooperative department, a representative of the Milk Marketing Federation, one from individual members and a Managing Director of the Union. The Board elects a Chairman and Vice-Chairman and appoints a Managing Director, who in turn appoints General Manager, Managers and staff. The Board frames policy, the Managing Director and General Manager look after the day to day work.

**Functions of Union:**

- Procurement of milk from the Village Dairy Societies of the District.
- Arranging transportation of raw milk from the VDCS to the Milk Union.
- Providing input services to the producers like Veterinary Care, Artificial Insemination services, cattle-feed sales,
mineral mixture sales, fodder and fodder seed sales, etc.

- Conducting training on Cooperative Development, Animal Husbandry and Dairying for milk producers and conducting specialised skill development and Leadership Development training for VDCS staff and Management Committee members.
- Providing management support to the VDCS along with regular supervision of its activities.
- Establish Chilling Centres and Dairy Plants for processing the milk received from the villages.
- Selling liquid milk and milk products within the District.
- Process milk into various milk and milk products as per the requirement of State Marketing Federation.
- Decide on the price of milk to be paid to milk producers as well on the prices of support services provided to members.

State Milk Federation: Gujarat Cooperative Milk Marketing Federation (GCMMF)

It is the Apex body under AMUL pattern which aims to provide various type of services to its members.

Functions of Federation: (GCMMF)

- Marketing of milk and milk products processed/manufactured by Milk.
- Establish distribution network for marketing of milk and milk products.
- Arranging transportation of milk and milk products from the Milk Unions to the market.
• Creating and maintaining a brand for marketing of milk and milk products (brand building)
• Providing support services to the Milk Unions and members like Technical Inputs, management support and advisory services.
• Pooling surplus milk from the Milk Unions and supplying it to deficit Milk Unions.
• Establish feeder-balancing Dairy Plants for processing the surplus milk of the Milk Unions.
• Arranging for common purchase of raw materials used in manufacture/packaging of milk products.
• Decide on the prices of milk and milk products to be paid to Milk Unions.
• Decide on the products to be manufactured at various Milk Unions (product-mix) and capacity required for the same.
• Conduct long term Milk Production, Procurement and Processing as well as Marketing Planning.
• Arranging finance for the Milk Unions and providing them technical know-how.
• Designing and Providing training in Cooperative Development, Technical and Marketing functions.
• Conflict Resolution and Keeping the entire structure intact.

(ii) Organisational Structure:

The broad organisational structure which is entirely based on functional pattern is as under:
ORGANISATION STRUCTURE

Chairman

Vice Chairman

Managing Director

General Manager

Assistant General Manager

Manager

Deputy Manager

Assistant Manager

Superintendent

Deputy Superintendent

Senior Officer

Workers
The management and control of the organisation is vested in the hands of General Manager who reports to the Managing Director. Engineers look after the problems of the plant and machinery and Doctor is heading the medical hospital of the organisation. Officers are further classified as senior and junior officers. Superintendents assist the working of the office with the help of clerks. Peons are the lowest ladder of the organisation.

Various operations of the organisation are allocated to specific officer so that accountability of performance may be fixed. Plant is very important for the dairy hence senior and junior engineers are also deputed to maintain them besides the services of lower level technical staff like attendants, mechanics, operators etc. There is a separate section which looks after the financial operations of the organisation and similarly human resource interests are also looked after by separate department.

(iii) Objectives of 'AMUL':

Major objectives would be to accelerate the pace of increasing rural income and employment through dairy development; adopting modern Technology to improve productivity, reduce operational costs and ensure greater availability of Milk and Milk Products. In nut shell the main objectives are:

1. Evolving long term policies to encourage and develop milk production and productivity in the district.
2. Achieving Co-ordination among various programmes in the district to optimise resource utilisation.

3. Providing remunerative and assured market for the milk produced by the farmers round the year.

4. Improving efficiency in milk collection, transport, processing and marketing with the emphasis on reducing the cost of operations at every stage from rural farmer to urban consumer.

5. Increasing the availability of milk and developing the market for milk and milk products.

6. Developing the manpower of organisation to reach excellence in their working life and create a pro-active organisational culture for achieving competitive edge.

7. Consolidation and expansion of co-operative structure with special attention to small farmers and weaker sections of milk producing community.

(iv) Infrastructural Facilities:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Producer Members</td>
<td>6,69,546</td>
</tr>
<tr>
<td>Number of Village Dairy Cooperative societies</td>
<td>1176</td>
</tr>
<tr>
<td>Total Milk Handling Capacity</td>
<td>2.4 Million liters per day</td>
</tr>
<tr>
<td>Milk Collection (Daily Average)</td>
<td>1.5 Million Liters</td>
</tr>
<tr>
<td>Milk Drying Capacity</td>
<td>100 Mts per day</td>
</tr>
<tr>
<td>Whey Drying Capacity</td>
<td>60 Mts per day</td>
</tr>
<tr>
<td>Cattle Feed Manufacturing Capacity</td>
<td>1100 Mts per day</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Amul Research &amp; Development Association (ARDA)</td>
<td>Research Centre</td>
</tr>
<tr>
<td>Dairy Demonstration Farm (DDF)</td>
<td>Project at Mogar to demonstrate scientific method of dairy farming</td>
</tr>
<tr>
<td>Road Milk Tankers</td>
<td>With Insulation to safeguard quality of milk</td>
</tr>
<tr>
<td>Animal Disease Diagnostic Laboratory</td>
<td>Mobile and Immobile</td>
</tr>
<tr>
<td>Schools</td>
<td>6</td>
</tr>
<tr>
<td>Amul Parlours</td>
<td>6315</td>
</tr>
<tr>
<td>Amul Milk Stalls At Railway Stations</td>
<td>170</td>
</tr>
<tr>
<td>Production Units</td>
<td>Dairy Plant Anand, Food Complex Mogar, Cheese Plant, Khatraj, Amul Satellite Dairies in Pune, Mumbai, Kolkata and Sikkim</td>
</tr>
</tbody>
</table>

(v) Products and By-products

Products:

AMUL Gold, Shakti, Tazza; Slim and trim and cow milk, Butter- AMUL Butter with reduced salt, Cheese AMUL processed cheese, Paneer, Gouda, Emmental, Pizza mozzarella, Infant milk food- AMUL spray, AMUL infrant formula, I, II, Milk Powders-AMUL full cream milk powder, AMULYA Dairy whitener, Sagar skimmed milk powder, Sterilized Homogenized flavoured milk, AMUL, Kool cafe, Koko, elaichi, rose, kesar, Sterilized Homogenized fruit based milk - Mango, Strawberry, Banana, Badam, Curd-

[73]
AMUL Masti Dahi; ghee- AMUL Ghee, Butter Milk- AMUL butter milk, AMUL Masti Chaas, Cocoa products AMUL milk chocolate,
Fruit and nut, Badambar, Chocozoo, AMUL Sugar free, Cooking chocolate, AMUL Chef’s premium- dark chocolate, AMUL Chef’s class Milk chocomass, Malted Milk food- Nutr AMUL; Extruded Food- AMUL Ganthaia, Munch time, Bread Spread- AMUL lite,
Table Margarine- AMUL Delicious, AMUL Bread- AMUL Sandwich Bread/Whole Wheat Bread/Bun, Ice creams- Prolife, Sugarfree, AMUL ice-creams Range, Industrial products: Coco butter, Coco powder, Coco Mass, Coco cream.

**Quality of Milk Products:** The Union has obtained ISO 900-2000 and HACCP Certification. It is therefore, imperative that AMUL focus and lay emphasis on Quality.

Thus Amul's product range includes milk powders, milk, butter, ghee, cheese, masti Dahi, Yoghurt, Buttermilk, chocolate, ice cream, cream, shrikhand, paneer, gulab jamuns, flavoured milk, basundi, Amul Pro brand and other. Amul PRO is a recently launched brown beverage just like bournvita and horlicks offering whey protein, DHA and essential nutrients to kids along with its chocolatty taste. In January 2006, Amul launched India's first sports drink Stamina, which competes with Coca Cola's Powerade and PepsiCo's Gatorade. Amul also offers mithaimate which successfully competes with milkmaid by nestle by offering more fat% at lower price.

In August 2007, Amul introduced Kool Koko, a chocolate milk brand extending its product offering in the milk products segment.
Other Amul brands are Amul Kool, a low calorie thirst quenching drink, Masti Butter Milk, Kool Cafe, ready to drink coffee and India's first sports drink Stamina.

Amul's Icecreams are made from milk fat and thus are icecreams in real sense of the word, while many brands in India sell frozen desserts made from vegetable fat. Amul cares for its consumers and try to offer them best products at best price. Amul Sugar-free Pro-Biotic ice-cream won the International Dairy Federation Marketing Award for the year 2007.

(vi) Marketing of Products

According to Philip Kotler, "Marketing is a societal process by which individuals and group obtain what they need and want through creating offering and freely exchanging products and services of value with other."

- Marketing programme start from the product concept and it does not end until customer wants are satisfied.
- Profitable sales over the long run and repeat purchase by customer are vital to success in marketing.
- Marketing research and marketing information service alone can act effectively tools in all decision of marketing management.

Organisation Structure:

1. Functional Organisation

Functional organization is most common farm of marketing organization which refers to the marketing activities of function.
2. **Geography Organization:**

A company who sell their products all across the country after uses these types of organization. This allows all the people to settle into territory and get to know their customer into territory and to know their customer and work minimum of travelling time and cost.
Market Research

Market research is a method of getting facts to be used by the executives in formulating policies and plans. It enables a manufacturer or producer to know what the customers want, at what time and what quantity. It is an organized attempt to reduce market risk. The principle task of marketing research is to widen the
basis of facts upon which business plans can be laid. Marketing research shows changes from time to time, if any.

AMUL conducts basically two types of market research. One is for products and another for the advertising conducted by the company. These research results serve as an input in future decision making. The company basically collects feedback from the customers, about the effectiveness of its advertising campaign and liking of the products especially in case of new products launched. It tries to find out by conducting a survey in a target market whether or not the product is liked by the consumers and ask for their suggestions for improvement. However AMUL is not much into conducting research before the launch of the product. Most of its research is done only once when the product is already launched in the market. It does not have any separate department for this purpose but its sales agents themselves do the work of research for the company. Yet the results are almost comparable to those conducted by professionals.

**New Product Development:**

New product development means development of original product or product improvement or modification or new brands through Research & Development efforts. New product development has become more difficult with the passage of time, due to shortage of new ideas, keen competition, government and environmental constraints. It is an expensive affair which involves lot of crucial decision making.
A number of decisions are taken by AMUL with regards to launch plans and strategies for the new product, which are as under:-

- Deciding the target customers.
- Designing the promotional campaign.
- Deciding the price.
- Market analysis.
- Deciding the sales force to be employed.
- Deciding the marketing mix.
- Deciding whether to launch the product across the country or in the selected area.
- Appointing distributors.
- Conducting market research.

Product Life Cycle Stages:

A product passes through distinct stages during its life in market, each posing different challenges, opportunities and problems. Profits rise and fall at different stages of the product life cycle. There are four different stages of product life cycle, namely-

1. Production Stage
2. Growth Stage
3. Maturity Stage
4. Decline Stage
Different products of AMUL are in different stages in the product life cycle.

Products like milk, butter, chocolate and cheese are in the maturity stage, while ice-creams, chocolates and shrikhand are still in the growth stage. On the other hand, products like milk powders, infant food, frozen food items and milk mix are in introduction stage.

**Product Range:**

A vast varieties of products are offered by AMUL which are as follows:

**Breadspreads**

- Amul Butter
- Amul Lite Low Fat Breasspread
- Amul Cooking Butter

**Cheese Range**

- Amul Pasteurized Processed Cheddar Cheese
- Amul Processed Cheese Spread
- Amul Pizza (Mozarella) Cheese
- Amul Shredded Pizza Cheese
- Amul Emmental Cheese
- Amul Gouda Cheese
- Amul Malai Paneer (cottage cheese) Frozen and Tinned
• Utterly delicious Pizza

**Mithai Range (Ethnic Sweets)**

• Amul Shrikhand (Mango, Saffron, Almond Pistachio, Cardamom)
• Amul Amrakhand
• Amul Mithaee gulabjamuns
• Amul Mithaee Gulabjamun Mix
• Amul Mithaee Kulfi Mix

**UHT Milk Range**

• Amul Taaza 3% fat Milk
• Amul Gold 4.5% Fat milk
• Amul Slim-b-Trim 0% fat milk
• Amul Chocolate Milk
• Amul Fresh Cream
• Amul Snowcap Softy Mix
• Amul Taaza double Toned Milk

**Pure Ghee**

• Amul Pure Ghee
• Sagar Pure Ghee
• Amul Cow Ghee

**Infant Milk Range**

• Amul Infant Milk Formula 1 (0-6 months)
- Amul Infant Milk Formula 2 (6 months above)
- Amulspray Infant Milk Food

**Milk Powders**
- Amul Full Cream Milk Powder
- Amulya Dairy Whitener
- Sagar Skimmed Milk Powder
- Sagar Tea and Coffee Whitener

**Sweetened Condensed Milk**
- Amul Mithaimate Sweetened Condensed Milk

**Fresh Milk**
- Amul Taaza Toned Milk 3% fat
- Amul Gold Full Cream Milk 6% fat
- Amul Shakti Standardised Milk 3% fat
- Amul Smart Double Toned Milk 1.5% fat

**Curd Products**
- Amul Masti Dahi (fresh curd)
- Amul Butter Milk
- Amul Lassi

**Amul Icecreams**
- Royal Treat Range (Rajbhog, Cappuchino, Chocochips, Butterscotch, Tutti Frutti)
• Nut-o-Mania Range (Kaju Drakshi, Kesar Pista, Roasted Almond, Kesar Carnival, Badshahi Badam Kulfi, Shista Pista Kulfi).

• Utsav Range (Anjir, Roasted Almond)

• Simply Delicious Range (Vanilla, Strawberry, Pineapple, Rose, Chocolate)

• Nature's Treat (Alphanso Mango, Fresh Litchi, Anjir, Fresh Strawberry, Black Currant)

• Sundae Range (Mango, Black Currant, Chocolate, Strawberry)

• Millennium Icecream (Chhese with Almonds, Dates with Honey)

• Milk Bars (Chocobar, Mango Dolly, Raspberry Dolly, Shahi Badam Kulfi, Shahi Pista Kulfi, Mawa Malai Kulfi, Green Pista Kulfi)

• Cool Candies (Orange, Mango)

• Cassatta

• Tricone Cones (Butterscotch, Chocolate)

• Megabite Almond Cone

• Frostkik - 3 layer chocolate Bar

• Fundoo Range - exclusively for kinds

• Slim Scoop Fat Free Frozen Dessert (Vanilla, Banana, Mango, Pineapple)
Chocolate & Confectionery

- Amul Milk Chocolate
- Amul Fruit and Nut Chocolate
- Amul Eclairs

Brown Beverage

- Nutramul Malted Milk Food

Milk Drink

- Amul Shakti Flavoured Milk

Product Line:

AMUL has basically 4 product lines which are milk and milk products, ice-cream, chocolate, wet product line and dry product line. The company is increasing the length of its product line by filling its line i.e. by adding more products within the existing lines.

<table>
<thead>
<tr>
<th>Milk</th>
<th>Ice Cream &amp; Chocolate</th>
<th>Wet Products</th>
<th>Dry Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amul Taaza</td>
<td>Amul Milch Chocolate</td>
<td>Amul Butter</td>
<td>Amul Full Cream Milk Powder</td>
</tr>
<tr>
<td>Amul Gold</td>
<td>Amul Fruit and Nut Chocolate</td>
<td>Amul Lite Low Fat Bread spread</td>
<td>Amulya Dairy Whitner</td>
</tr>
<tr>
<td>Amul Slim and Trim Milk</td>
<td>Amul Eclairs</td>
<td>Amul Cooking Butter</td>
<td>Sagar Skimmed Milk Powder</td>
</tr>
<tr>
<td>Amul Chocolate Milk</td>
<td>Amul Fundoo Chocolate</td>
<td>Amul Processed Cheese Spread</td>
<td>Sagar Tea &amp; Coffee Whitener</td>
</tr>
<tr>
<td>Product</td>
<td>Description</td>
<td>Flavor</td>
<td>Package</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------------------------------------</td>
<td>-----------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>Amul Fresh Cream</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amul Bindas Chocolate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amul Pizza Cheese</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amul Mithaee Gulabjamun mix</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amul Snowcap Softy Mix</td>
<td>Almond Bar</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amul Shredded Pizza Cheese</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amul Mithaee Kulfi Mix</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amul Taaza double toned milk</td>
<td>Amul Cooking Chocolate</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amul Emmental Cheese</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amul Infants Milk Formula-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amul Mithaimate sweetened</td>
<td>Royal Treat Range</td>
<td></td>
<td></td>
</tr>
<tr>
<td>condensed milk</td>
<td>Amul Gauda Cheese</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amul Infants Milk Formula-II</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amul Taaza toned milk</td>
<td>Nut-o-Mania Range</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amul Malai Paneer</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amulspray Infant Milk Food</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amul Gold Full Cream milk</td>
<td>Utsav Range</td>
<td>Utterly Delicious</td>
<td>Nutramul-Malted Milk food</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pizza</td>
<td></td>
</tr>
<tr>
<td>Amul Shakti Standardised Milk</td>
<td>Simply Delicious Range</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amul Shrikhand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amul Smart Double toned milk</td>
<td>Nature's Treat</td>
<td>Amul Mithae Gulabjamuns</td>
<td></td>
</tr>
<tr>
<td>Amul Cool milk</td>
<td>Sundae Range</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amul Pure Ghee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amul Shakti Flavoured milk</td>
<td>Millennium Icecream</td>
<td>Sagar Pure Ghee</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Milk Bars</td>
<td>Amul Cow Ghee</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cool Candies</td>
<td>Amul Masti Dahi</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tricone Cones</td>
<td>Amul Butter Milk</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fundoo Range</td>
<td>Amul Lassee</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Slimscoop Fat Free Frozen Desert</td>
<td>Masti Tomato Soup</td>
<td></td>
</tr>
</tbody>
</table>

[85]
Product Mix

A product mix consists of all the product lines and items that a particular seller offers for sale. A company's product mix has four important dimensions: width, length, depth and consistency.

Product mix width refers to how many different product lines the company carries. AMUL has 4 different product lines namely milk and milk products, chocolate and ice-cream, wet products and dry products.

Product mix length refers to the total number of items in the mix. In the milk and milk products line there are 14 different products, while in ice-cream and chocolate range there are 21 products and in wet and dry products line there are 20 and 10 different products respectively.

Product line depth refers to how many variants are offered of each product in the line.

Product line consistency refers to how closely related the various product lines are in the end use, production requirements, distribution channels or some other ways. Although the products vary in many ways there is still product line consistency in AMUL. All the products of AMUL are marketed through same channels of distribution.

Market Segmentation

Market Segmentation is the act of subdividing a market into distinct sets of customers who merit attention. Targeting these
customers for marketing by evaluating, selecting, and concentrating becomes a corollary to segmentation. Market segmentation assumes importance in the context of intense competition market is bombarded with. A market consists of buyers, and buyers differ in one or more ways. They may differ in their wants, resources, locations, products requirements. These variables have to be considered in the process of segmentation.

There are different levels of market segmentation. They are mass marketing, segment marketing, niche marketing and micro marketing. Markets can be segmented on the geographical basis, demographical basis, psychological basis, behavioral basis and loyalty status.

AMUL segments its market on the following basis:

1. **Geographical Basis:**

   This segmentation is done on the basis of the lifestyle of people in different regions and their tastes and consumption patterns which are distinct according to their geographical situation. AMUL has segmented India geographically into 5 zones.

2. **Demographical Basis:**

   They have segmented its market on the basis of the socio-economic status of the customers i.e. on the basis of their purchasing power and income level as follows:

   **Group-A:** Consumers falling in this group are from higher social and economic class.
Group-B: Consumers falling in this group are from Middle socio-economic class.

Group-C: Consumers falling in this group are from lower middle class.

1. **Domestic Market**

   The company has emerged as a trustworthy and quality manufacturer of wide range of dairy product having an excellent distribution of network across India. Gujarat state is the main among the domestic market in India.

2. **International Market:**

   The company has been exporting various dairy products. In the international markets are how available in US, Gulf Countries and in Singapore. The company has been successful in creating the value added dairy product manufacturers to suit all the segment of the society. It has all been recognized as Asia's largest dairy product manufacturers.

**Price Policy:**

Pricing is very critical decision in marketing management. The term price can be defined as 'monetary value of anything at selling/purchasing element point'. Pricing is one of the most important elements in getting success in today's business world.

Since the marketing of AMUL product are handled by decided by GCMMF. But the price of liquid milk and flavored milk and flavored milk are decided by AMUL themselves.
The GCMMF considers all cost elements like cost of milk, labour cost. Processing cost, packing cost, advertising cost, transportation cost, sales promotion cost and taxes and set them in pricing structure to decide the selling price of milk and milk products.

The price of milk product is fixed by a programmed committee and members of this committee are as follows.

1. Two members of federation.
2. Two members of AMUL.
3. Two members of N.D.D.B.

Marketing Targeting:

After segmenting the market, the company evaluates the various segments and decides how many and which ones to target.

Generally, the market is targeted in three ways:

Undifferentiated Marketing
Differentiated Marketing
Concentrated Marketing

AMUL uses undifferentiated marketing strategy for targeting its customers as far as its milk and milk product line is concerned. While the company implements differentiated marketing strategy for targeting its customers for the other product lines that are ice creams and chocolates, wet products and dry products. Differentiated marketing means market coverage strategy in which a firm decides to target several market segments and designs
separate offers for each. AMUL targets its customers according to the segments like geographic and demographic.

**Distribution:**

Improvement in both width and depth of distribution across urban and rural India continues to be the key of focus. The unique combination of ambient, chilled, Frozen and fresh distribution highways has always been an advantage to the organisation and the channel partners associated with the organisation have been a major strength. In the year 2010-11 Hub-n-spoke model of distribution was rolled out to explore the huge and potential markets of small towns and rural areas. Phenomenal success of this distribution approach in terms of generating sales volume has made it imperative that this model to reach fast to still untapped markets of small towns and rural areas.

**Packaging:**

Packing includes the activities of designing and producing the container for the product. Packaging has become the potent marketing tool. Well designed packages can create convenience and promotional value. Various factors contribute to packaging growing use as a marketing tool:

- Self Service
- Consumer Affluence
- Company and Brand Image
- Innovation Opportunity
Packaging of the products of AMUL varies according to the nature of the product. As most of the products are perishable in nature special care is taken in packing them. MILK AND MILK PRODUCTS are packed in plastic bags or containers, while ICE-CREAMS and CHOCOLATES are packed in cardboard packing. The company maintains the standards prescribed by BIS, with regards to packing. These products are then packed in cartoons, for greater safety measures and for transporting them to the market.

**Labeling:**

Labeling printed information that appears on or with the package, is also a part of packaging. Labels may range from simples tags attached to products to complex graphics that are part of the package. Label identifies describes and promotes the product through attractive graphics. The label might carry only the brand name or great deal of information or pictures. Even if the seller prefers a simple label the law may require additional information.

The labels of the products of AMUL are attractively designed. It contains all the information as per statutory requirements. Information like name of product, brand name, logo, date of packing and manufacturing, expiry date, price, code number, ingredients, storage and usage instructions, weight, manufacturer's and marketer's name, logo showing "PURE VEG" etc. appears on the label of the products.

**Branding:**

A brand is a name, term, sign, symbol or design or a
combination of these used to identify a product or company. A trademark is a legally recognized brand. Branding has become so strong that today hardly anything goes unbranded. Today customers view a brand as an important part of the product and branding adds value to a product.

Brand names help customers identify products that might benefit them and also tells the buyer something about the product quality. To the sellers brand name and trademark provides legal protection for unique product features that otherwise might be copied by the competitors and it also helps them to segment markets. A brand name is selected keeping in view the product and its benefits, the target market and proposed marketing strategies.

Decisions about branding are taken at the Head Office at Anand. AMUL means "priceless" in Sanskrit. The brand name "AMUL" for the Sanskrit "Amoolya" was suggested by a quality control expert in Anand. Variants, all meaning "priceless", are found in several languages of India. Information Technology (IT) has played a significant role in developing the Amul brand. The installation of 3000 Automatic Milk Collection System Units (AMCUS) at Village Societies to capture member information, milk fat content, the volume collected and amount payable to each member has proved invaluable in ensuring fairness and transparency throughout the whole Amul organization.
Umbrella Brand:

The network follows an umbrella branding strategy. Amul is the common brand for most product categories produced by various unions: liquid milk, milk powders, butter, ghee, cheese, cocoa products, sweets, ice-cream and condensed milk.

By insisting on an umbrella brand, GCMMF not only skillfully avoided inter-union conflicts but also created an opportunity for the union members to cooperate in developing products.

Brand Equity:

Brand equity refers to the value of a brand, based on the extent to which it has brand loyalty, brand name awareness, perceived quality, strong brand associations, and the other assets such as patents, trademarks and channel relationship.

It is evaluated on the basis of brand assets which are:

1. **Brand Awareness:** Awareness ultimately enhances brand equity. AMUL enjoys very high brand awareness among its customers. According to the survey done by the company, brand awareness is as high as almost 90%.

2. **Brand Loyalty:** Brand loyalty means the ability to retain the existing customers. AMUL is blessed with brand loyalty among its customers. As it is one of the biggest market players it has proportionately larger group of loyal customers, who are in turn a medium of marketing/advertising.
3. **Brand Association:** Consumers associate the brand with certain tangible and intangible attributes. Most of these associations are derived from brand identity and brand image. Customers associate AMUL’s brand with high quality standards and reasonable price.

4. **Brand Image:** Brand image is the meaning consumers give to a product based on the perceived values it delivers. AMUL has created brand image by offering excellent quality products at reasonable price. Perfect distribution channel; continuous and effective advertising; use of different promotional tools, wide loyal market share, has contributed to create an excellent image in its trade operations.

**Sales:**

For immediate revenue collection marketing is of great significance for any business organisation. This is also important from consumers point of view as this meets their requirements also. For an efficient marketing of milk dairies it is necessary that the milk should reach to the consumer well in time and with full assurance of quality. These twin objectives could not be achieved until and unless the marketing and selling network is not strong and well sifted.
Table 3.1
Table showing Sales of AMUL

<table>
<thead>
<tr>
<th>Sales Turnover</th>
<th>Rs. (Million)</th>
<th>US$ (in Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>10770</td>
<td>272</td>
</tr>
<tr>
<td>2008-09</td>
<td>13780</td>
<td>310</td>
</tr>
<tr>
<td>2009-10</td>
<td>16950</td>
<td>360</td>
</tr>
<tr>
<td>2010-11</td>
<td>21110</td>
<td>469</td>
</tr>
<tr>
<td>2011-12</td>
<td>24660</td>
<td>528</td>
</tr>
</tbody>
</table>

Table 3.1 shows that the 'Amul' has a very fast increasing trend in its sales and therefore this was imperative for them to knit a big and efficient marketing network particularly in retail area of sales.

Table 3.2
Table showing Growth of Amul Parlors

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Parlors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>10770</td>
</tr>
<tr>
<td>2008-09</td>
<td>13780</td>
</tr>
<tr>
<td>2009-10</td>
<td>16950</td>
</tr>
<tr>
<td>2010-11</td>
<td>21110</td>
</tr>
<tr>
<td>2011-12</td>
<td>24660</td>
</tr>
</tbody>
</table>

Table 3.2 shows that the Amul is increasing its selling outlets matching with the increase in its sales.

For the year 2011-12 high light of the retailing business has been the introduction of casual dine in format "Cafe Amul". The
number of Amul Stalls at the railway station numbers 170 again offering a good selling outlet to the organisation on the one hand and a good opportunity to the consumer regarding its products.

**Distribution:**

Distribution means to distribute spread out or dis-seminate in the field of marketing. Channel of distribution indicates routes or pathways through which goods and services flow or move from produces to customers.

**Types of Distribution Channel:**

The most common distribution channels are as follows:

1. $M \rightarrow C$
2. $M \rightarrow W \rightarrow C$
3. $M \rightarrow W \rightarrow R \rightarrow C$
4. $M \rightarrow W \rightarrow A \rightarrow R \rightarrow C$
5. $M \rightarrow R \rightarrow C$

$M =$ Manufacturer \hspace{1cm} $C =$ Consumer \hspace{1cm} $W =$ Wholeseller

$R =$ Retailer \hspace{1cm} $A =$ Agent

Federation markets AMUL's products but for milk selling it has adopted two kind of distribution channel. Selling of AMUL products are also done by retailer's stores as distribution channel. AMUL has recently entered into direct retailing through 'AMUL UTTERLY DELICIOUS" parlors created in major cities in Ahmedabad, Delhi, Bombay, Hyderabad and Surat.
Improvement in both width and depth of distribution across urban and rural India continues to be the key of focus. The unique combination of ambient, chilled, Frozen and fresh distribution highways has always been an advantage to the organisation and the channel partners associated with the organisation have been a major strength. In the year 2010-11 Hub-n-spoke model of distribution was rolled out to explore the huge and potential markets of small towns and rural areas. Phenomenal success of this distribution approach in terms of generating sales volume has made it imperative that this model to reach fast to still untapped markets of small towns and rural areas.

**Exports:**

As is evident from data shown in Table 3.1 the export sale revenue has also been increasing and reached to 528 million dollars in the year of 2011-12, showing almost an increase of 25% per cent over its previous year and doubled as compared four years back statistics. This shows the popularity of the product abroad. This is also an outcome of good marketing facilities strategies and their follow up.

**Sales Promotion:**

Sales promotion is another way of promoting or increasing sales. It include all those activities which is very useful for increasing sales, it is special type of promotion activity carried on in such a way to attract consumer for buying.

Sales promotion is carried out by:
1. Keeping better quality of product than the product available in the market.

2. Keeping less reasonable price.

Sales promotion for the product other than milk is looked after by GMMCF.

(vii) Finance Profile:

"Finance is that administrative area or set of administrative functions in an organization may have the means to carry out its objectives as satisfactory as possible." - Howard and Upton

Finance is the lifeblood of business it is rightly termed as the science of money, we need finance for the production of goods and services as well as their distribution.

Any organization, whether it is small or large scale, clears with financing every business man keeps separate records of financial matters. Finance and account department of the business depends upon the financial policy of the firm.

Financial management is mainly concerned with finding out rational basis through answering following three questions.

What total value of funds should be invested in the business?

What specific assets should the business require?

How should the required funds be raised?

The scope of financial management comprises traditional approach on procurement of funds rather than its allocation and
use. While modern approach covers not only acquisition but also allocation and utilization of funds.

The firm may have an objectives but financial management has the objectives of profit maximization or weather maximization. Keeping in mind this particular objectives only major 3 decision are taken that are:

- Investment Decision.
- Financing Decision.
- Dividend Policy Decision.

Financial Planning:

Planning is pre-requisite for managing any little things too. When we think about fund, financial planning comes at first. Financial planning answers the following questions:-

- What should be funds requirements?
- How should procure funds?
- From where to procure the funds?
- How to utilize the fund at maximum level?

Head office deals with the arrangement of raising the funds and provides funds required by any of four plants.

In AMUL, they make weekly forecast of funds in which requirement of each department is mentioned. After that the proposal is sent to head office and got sanction from there.
So, financial planning has a significant place for making decision of requirement and utilization of funds.

**Organization Structure:**

Finance management is vital as well as crucial part of management as a whole and involves planning, allocation of resources and their control. The ultimate responsibility of finance decisions lies with the top management. The nature of finance organization differs however firm to firm.

Top management takes the complex and important financial decision and middle level personnel take other decisions. The finance department is divided into various other sections like.

1. **Account Section** - The function of this division is preparing voucher bills it also issues check for the payment.

2. **ESTA Division** - The function of this division is to prepare payroll of employee.

3. **Purchase Bill Division** - The function of this division is to issue check or draft to party from whom they purchase raw material.

4. **MIS Division** - The function of this division is to handle data related account. They have a database system for that. They have accounting software systematically 6.3 in which they input all information related to accounting.
The financial profile includes capital, long term finance, loan repayment, working capital loan, borrowing from societies, loan repayment and profit and loss.

The Authorised capital of AMUL is divided in the 40,00,000 shares of Rs. 100 each while the paid up capital is Rs. 2300.73 Lakhs. The Reserve fund exceed Rs. 2730 lakhs while the grants exceeded Rs. 1452 lakhs while the project interest free loans stood at over Rs. 648 lakhs. The company has obtained secured loans from various public sector and private sector banks. The company
has also issued redeemable debentures for the purpose of collecting long term capital. The organisation also collects funds by way of fixed deposits.

**Working Capital Management:**

Management of working capital usually involve management or administration of current assets namely cash and marketable securities, account receivable and inventories and also administration of current liabilities. The quantum of working capital in business is dependent on various factors. Such as type of business, turnover of inventories, term of purchase and sale, size of the business unit, process of manufacturing, seasonal variations etc.

The managers and the officers of the organisation look after the management of working capital. Working Capital management is considered with the problems that arise in attempting to manage the current assets. The current liabilities and the inter-relationship that exits between them.

The goal of working capital management is to manage the firms current assets and liabilities in such a way that satisfactory level of working capital is maintained.

The current assets should be large enough to cover its current liabilities in order to maintain the liquid of the firm while not keeping too high a level of any one of them.

The interaction between current assets and current liabilities
is therefore the main theme of working capital management.

In AMUL there is enough current assets in compare to current liabilities.

**Ratios:**

Ratio-analysis is widely used tool of financial analysis. It is defined as the systematic use of ratio to interpret the financial statements so that the strengths and weaknesses of a firm as well as its historical performance and current financial condition can be determined. As a tool of financial management ratios are of crucial significance. The importance of ratio analysis lies in the fact that it presents facts on a comparative basis and enables the drawing of inferences rewarding the performance of a firm. For the organisation like AMUL, Gross Profit Ratgio, Net Profit Ratio, Current Ratio, Liquidity Ratio etc. are of great value and that is why the organisation uses these ratio to serve its ends.

**Budgetary Control:**

Budgetary control is a system which use budgets as a means for planning and controlling is a process comparing the actual results with the corresponding budget data in order to approve accomplishments or to remedy differences by either adjusting the budget estimates or correcting the cause of the difference."

Terry Brown and Howard have defined budgetary control as follows:

"Budgetary control is a system of counting costs which
include the preparations of budgets, coordinating the departments and establishing responsibility, comparing actual performance with budgeted and acting upon results to achieve maximum profitability."

(viii) Technology Management

The farmers of Gujarat own the largest state of the art dairy plant in Asia- Gandhi Nagar, Gujarat which can handle 2.5 million litres of milk per day and process 100 MTs of milk powder daily. The huge turnover of the AMUL has been produced by 30 dairy plants. From the strength of the total quality management which was initiated way back in 1994, Amul went on to implement quality management system of International Standard. Amul has been the first dairy in India to get accredited with certification of ISO 2200: 2005 and ISO 9001 for its plants and operations. Amul plants are certified by Agricultural and Processed Food Exports Development Authority (APEDA) for exports of dairy products to international markets.

In 1994 AMUL had embarked on the Total Quality Management and in 1999 received the Rajiv Gandhi National Quality Award for the year 1999, India's premier recognition for quality. Continuing to learn their employees have consistently striven to maintain improved product and service quality at each stage of the value chain.

More than 25000 Kaizens- small improvements in work areas-were made by employees in different areas like cost cutting,
time saving and process improvement. To ensure minimum wastage and maximum productivity and quality, house keeping initiatives have been zealously pursued at the Federation offices, Warehouses and Distributor points.

Learning from employing Total Quality Management principles have been cascaded to both the members dairies as well as distribution channel members. Workshops on Statistical Quality control have been conducted across the member dairies to achieve total quality in the production process.

On of AMUL's most remarkable achievements has been creation of more than 225 Quality Circles across the length and breadth of the country. The federation's wholesale dealers meet every month in these quality circles and discuss and resolve distribution problems and improve their distribution process.

Amul continues its commitment on improving the competency of its professional managers through its Competency Based Training Programme which builds both generic and functional skills through in house, customized training programmes.

Another unique feature of the TQM programmes at AMUL is the HOSHIN KANRI. The word Hoshin is made up of two Chinese characters "HO" and "SHIN" which means a methodology for strategic direction setting. In Hoshin Kanri, at the strategic level the company identifies certain strategic thrust areas and the entire organization, i.e. all employees focus their attention and energy to
achieve the goals derived from these strategic thrust areas. At the same time, however, more routine and fundamental aspects of the business are also covered in Hoshin Kanri in addition to the strategic goals.

Amul is bolstering its brand identity as a farmers' cooperative through the Internet based "amul.coop" URL and e-mail addresses. This will continually remind the world's consumers that they are a cooperative, and proud of it. This identity gives Amul a vital business advantage and facilitates Amul brand penetration across the world. It also strengthens their cooperatives by bringing their members together and closer to consumers.

AMUL's technology strategy is characterized by four distinct components, new products, process technology, and complementary assets to enhance milk production and e-commerce.

Few dairies of the world have the wide variety of products produced by the AMUL network. Village societies are encouraged through subsidies to install chilling units. Automation in processing and packaging areas is common, as is HACCP certification. Amul actively pursues developments in embryo transfer and cattle breeding in order to improve cattle quality and increases in milk yields.

Amul was one of the first FMCG (fast moving consumer goods) firms in India to employ Internet technologies to implement B2C commerce.
Today customers can order a variety of products through the Internet and be assured of timely delivery with cash payment upon receipt.

Another e-initiative underway is to provide farmers access to information relating to markets, technology and best practices in the dairy industry through net enabled kiosks in the villages.

Amul has also implemented a Geographical Information System (GIS) at both ends of the supply chain, i.e. milk collection as well as the marketing process.

Farmers now have better access to information on the output as well as support services while providing a better planning tool to marketing personnel.

Amul is currently using every latest technology in various operations of the organisation. Animal husbandry also needs use of latest technology, Cattle Feed, transport of product Communication and Marketing informations also need involvement of latest technology, AMUL is using latest technology in all concerned areas.

AMUL has connected all departments through computers to ensure speedy communication and online data transfer. This has helped the organisation to receive and provide information on various aspects of its working. Whenever they are required. The organisation is also in the process of installing/SAP-ERP system which will in turn help it in marketing, accounting and production.
Human Resource Position:

Human beings who are considered the most valuable assets of the organisation. The term human resources includes all the component resources of all employees from lower level to top management level. It also includes persons who work on honorary basis, experts of other organisation who helps in the smooth working of the organisation.

AMUL has a strength of 1410 workers within its organisation. In addition there are 1147 societies and 634678 members attached to it. To manage such a big human workforce it has a Administration and Human Resource Department (HRD). The mission of the Human Resource Department is to provide an organisational framework to recruit, select, classify compensate, develop and reward the organisations diverse workforce, while ensuring an environment that optimizes productivity, efficiency and effectiveness.

Functions of Human Resource Department at AMUL

- Human Resource Planning
- Recruitment and Selection
- Training and Development
- Placement, Promotion and Transfer
- Wages and Salary Administration
- Industrial Relations Related Functions
- Legal Functions Related with Personnel
- General Administration
- Welfare and Social Security Functions
- Grievance Handling procedure.

**Profile of the Respondents Under Study:**

Human resources play a significant role in influencing the effective functioning of an organisation. The quality of goods and services provided by the organisation and the goodwill created in the eyes of public at large depend upon the efficiency with which the personnel perform the tasks.

In view of the significant role of personnel in the effective functioning of organisation, it would be fruitful to examine and understand their socio-economic characteristics which influence in a large measure, their behaviour and performance. Therefore, an attempt is made in the following pages to present the socio-economic profile of the employees under study.

**Table 3.3**

**Categorywise Respondents**

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial</td>
<td>55</td>
<td>18.03</td>
</tr>
<tr>
<td>Non-Managerial</td>
<td>250</td>
<td>81.97</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100</td>
</tr>
</tbody>
</table>
Table 3.3 explains that a majority (81.97%) of the respondents are of non-managerial category and the remaining 18.03 per cent of the respondents are of managerial category.

**Table 3.4**

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>27-43</td>
<td>77</td>
<td>25.25</td>
<td>25.25</td>
</tr>
<tr>
<td>44-51</td>
<td>156</td>
<td>51.16</td>
<td>76.40</td>
</tr>
<tr>
<td>52-57</td>
<td>72</td>
<td>23.60</td>
<td>100.00</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

An individual's age plays a major role in his decisions at job. The decision making capacity also develops with the exposure and maturity. Table 3.4 explains that about 25% of respondents' age is in between 27 and 43 years. More than 50% of the respondents' age is in between 44 and 51 years. The remaining respondents' age is below 57 years. It is clear that majority of employees belong to middle age category and their average age is 46 years.

**Table 3.5**

<table>
<thead>
<tr>
<th>Sex</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>268</td>
<td>87.9</td>
<td>87.9</td>
</tr>
<tr>
<td>Female</td>
<td>37</td>
<td>12.1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Times gave gone when the woman used to look after
household activities only. But now a days they also seek employment on par with men. The table 3.5 explains that the male group constitutes (87.9%) of the total and female group represented on 12.1%.

Marriage influences the style of living and also the attitude, disposition and commitment towards work. Table 3.6 reveals that the majority of the respondents are married. From the rest nearly five per cent of the respondents are unmarried, one per cent of respondents are divorced and the rest of them are widowed.

Table 3.6
Marital Status

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>286</td>
<td>93.8</td>
<td>93.8</td>
</tr>
<tr>
<td>Unmarried</td>
<td>14</td>
<td>3.6</td>
<td>98.4</td>
</tr>
<tr>
<td>Widowed</td>
<td>2</td>
<td>0.7</td>
<td>99.0</td>
</tr>
<tr>
<td>Divorced</td>
<td>3</td>
<td>1.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 3.7
State of Domicile

<table>
<thead>
<tr>
<th>Domicile</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gujrat</td>
<td>289</td>
<td>94.8</td>
<td>94.8</td>
</tr>
<tr>
<td>Other than Gujrat</td>
<td>16</td>
<td>5.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>
The table 3.7 explains that 94.8 per cent of respondent's state of domicile is Gujarat while the remaining of them represent other states.

Table 3.8
Respondents by Migration

<table>
<thead>
<tr>
<th>Migrant</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>36</td>
<td>11.8</td>
<td>11.8</td>
</tr>
<tr>
<td>No</td>
<td>269</td>
<td>88.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Natives and immigrants makes the composition of total employees. The table 3.7 narrates that 97.4 per cent of the respondents are natures while the remaining are migrated from other places.

Table 3.9
Rural/Urban Background

<table>
<thead>
<tr>
<th>Background</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>262</td>
<td>85.9</td>
<td>85.9</td>
</tr>
<tr>
<td>Urban</td>
<td>43</td>
<td>14.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Perceptions, orientations and motivations of a person are greatly effected by the place from where he is brought up. Urban or rural shadows loom large on the overall personality of the employees. Table 3.9 states only 14.1% of employees are from
urban places. An overwhelming percentage of them (85.9) come from rural areas of nearby vicinity.

Human resource management practices may be reflected in the linguistic composition of a workforce of any organisation. Hence an examination of this composition is essential to understand main subject matter of the study.

Table 3.10
Mother Tongue

<table>
<thead>
<tr>
<th>Mother Tongue</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gujarati</td>
<td>289</td>
<td>94.75</td>
<td>94.75</td>
</tr>
<tr>
<td>Hindi</td>
<td>9</td>
<td>2.95</td>
<td>97.70</td>
</tr>
<tr>
<td>Urdu</td>
<td>7</td>
<td>2.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

From the table 3.10 it can be explained that 97.75% of the respondents' mother tongue is Gujarati. The tongue of 2.95% is Hindi and 2.3% is Urdu.

Employees are selected and appointed in an organisation on the basis of their educational qualifications. hence an analysis of the same is essential. Table 3.11 indicates that 37 per cent of the total 305 respondents, the education standard is SSC 20.3 per cent that is 62 respondents, education is intermediate. The educational level of 73 respondents that is 23.9 per cent is graduation, 41 respondents that is of total.
Table 3.11
Educational Background

<table>
<thead>
<tr>
<th>Education</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary level</td>
<td>15</td>
<td>4.9</td>
<td>4.9</td>
</tr>
<tr>
<td>High School level</td>
<td>113</td>
<td>37.0</td>
<td>42.0</td>
</tr>
<tr>
<td>Intermediate</td>
<td>62</td>
<td>20.3</td>
<td>62.3</td>
</tr>
<tr>
<td>Graduation</td>
<td>73</td>
<td>23.9</td>
<td>86.2</td>
</tr>
<tr>
<td>Post Graduation/Professional</td>
<td>41</td>
<td>13.4</td>
<td>99.7</td>
</tr>
<tr>
<td>Technical</td>
<td>1</td>
<td>0.3</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>305</strong></td>
<td><strong>100.00</strong></td>
<td></td>
</tr>
</tbody>
</table>

13.4 per cent are either post-graduates or professional degree holders. The number of respondents with education up to elementary level is 15 (4.9%) and the number of respondents' with technical qualification is 1 (0.3%)

Table 3.12
Religion

<table>
<thead>
<tr>
<th>Religion</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hindu</td>
<td>282</td>
<td>92.5</td>
<td>92.5</td>
</tr>
<tr>
<td>Christian</td>
<td>9</td>
<td>3.0</td>
<td>95.4</td>
</tr>
<tr>
<td>Muslim</td>
<td>12</td>
<td>3.9</td>
<td>99.3</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>0.6</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>305</strong></td>
<td><strong>100.00</strong></td>
<td></td>
</tr>
</tbody>
</table>
It is understandable that the religion affiliation of an employee effects his work behaviour and performance. Table 3.12 discloses that the largest number of respondents (282) are Hindus (92.5%) followed by Muslims (3.9%) Christians (3%) and rest are covered in remaining are covered in 0.6%

In India, diversified cultures have developed because of the existence of different religions. This situation had led to the emergence of several castes. The castes are grouped into three categories, viz. Open Category, Backward Caste and Schedule Caste.

Table 3.13
Caste

<table>
<thead>
<tr>
<th>Caste</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hindu</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open Category</td>
<td>223</td>
<td>73.1</td>
<td>73.1</td>
</tr>
<tr>
<td>Backward Classes</td>
<td>62</td>
<td>20.3</td>
<td>93.4</td>
</tr>
<tr>
<td>Scheduled Caste</td>
<td>20</td>
<td>6.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

The table 3.13 illustrates that nearly three fourth of the respondents are open category. In the remaining, little more than one-fifth per cent are Backward Category and nearly seven per cent are Scheduled Caste.

The number of dependents will have a bearing on the economic condition of the employee. As the number of dependents grows, the financial burden of the employee increase.
Table 3.14
Number of Dependents

<table>
<thead>
<tr>
<th>Dependents</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>4</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>1.00</td>
<td>18</td>
<td>5.9</td>
<td>7.2</td>
</tr>
<tr>
<td>2.00</td>
<td>63</td>
<td>20.7</td>
<td>27.9</td>
</tr>
<tr>
<td>3.00</td>
<td>80</td>
<td>26.2</td>
<td>54.1</td>
</tr>
<tr>
<td>4.00</td>
<td>91</td>
<td>29.8</td>
<td>83.9</td>
</tr>
<tr>
<td>5.00</td>
<td>42</td>
<td>13.8</td>
<td>97.37</td>
</tr>
<tr>
<td>6.00</td>
<td>7</td>
<td>2.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Table 3.14 reveals that the number of dependents vary from six to NIL. More than 25% respondents have four dependents while another about 20% have three dependents. 20.7% of respondents have two dependents and 5.9% of them have one dependent only. 13.8% of respondents have 5 dependents while 2.3% have 6 dependents. 1.3% of respondents have no dependents. This indicates that employees having 2, 3 and 4 dependents have the maximum number.

Housing is one of prime necessities of every worker. Health, efficiency and well being of an employee much depends on this as living conditions ascertain quality of life.
Table 3.15
Residential Status

<table>
<thead>
<tr>
<th>Residential Status</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own house</td>
<td>140</td>
<td>45.9</td>
<td>45.9</td>
</tr>
<tr>
<td>Company quarter</td>
<td>33</td>
<td>10.8</td>
<td>56.7</td>
</tr>
<tr>
<td>Rented house</td>
<td>129</td>
<td>42.3</td>
<td>99.0</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td>1.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

The table 3.15 reveals that nearly forty six per cent of respondents are house owners and more than forty two per cent live in rental house. Nearly eleven per cent of the respondents have taken shelter with relatives and friends.

Table 3.16
Distance from Residence to Workplace

<table>
<thead>
<tr>
<th>Distance</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 2 kms.</td>
<td>18</td>
<td>5.9</td>
<td>85.9</td>
</tr>
<tr>
<td>2-5 kms</td>
<td>79</td>
<td>25.9</td>
<td>31.8</td>
</tr>
<tr>
<td>Above 5 kms</td>
<td>208</td>
<td>68.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Provision of housing facilities near the workplace is beneficial both for management and employees.
Table 3.16 describes that only six percent of the respondents are living within a radius of 1 km from workplace while the majority of them covers a distance of 3 kms about one fourth of the employees live at a distance between 1-3 kms.

Table 3.17
Mode of Conveyance

<table>
<thead>
<tr>
<th>Conveyance</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>By Walk</td>
<td>12</td>
<td>3.9</td>
<td>3.9</td>
</tr>
<tr>
<td>Bi-cycle</td>
<td>50</td>
<td>16.4</td>
<td>20.3</td>
</tr>
<tr>
<td>Company transport</td>
<td>5</td>
<td>1.6</td>
<td>22.0</td>
</tr>
<tr>
<td>City bus service</td>
<td>194</td>
<td>62.6</td>
<td>85.6</td>
</tr>
<tr>
<td>Moped/scooter/motor cycle</td>
<td>43</td>
<td>14.1</td>
<td>99.7</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
<td>0.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Table 3.17 shows that majority of respondents' mode of conveyance is city bus, nearly one sixth of them have bicycle (16.4%), Moped/Scooter/Motor cycle (14.1%) as their mode of conveyance. Nearly four per cent of the respondents usually go by walk. But dairy transport facility is provided only for nearly two per cent of respondents.
Table 3.18
Indebtedness

<table>
<thead>
<tr>
<th>Indebtedness</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>166</td>
<td>54.4</td>
<td>54.4</td>
</tr>
<tr>
<td>No</td>
<td>139</td>
<td>45.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Increased cost of living, large families and changing habits of people etc., would force the employees to be caught in the net of indebtedness. It is assumed that indebtedness is of greater worry to the employees and it may lead to adverse impact on the efficiency of the indebtedness employees. Therefore, it requires managements to protect the employees through the effective implementation of suitable proactive human resource management policies and practices. Table 3.18 indicates that as much as 54.4 per cent of the total respondents are indebted.

The state of indebtedness of the respondents is the result of large number of families and lack of subsidiary income. When the means are inadequate to meet both the ends, it is perhaps natural that many employees bury themselves deep in debts. There are 45.6 per cent of the total respondents who are not indebted. Perhaps, there are the groups of the people who are capable of living within their means without resorting to debts.
Table 3.19
Gross Salary

<table>
<thead>
<tr>
<th>Gross Salary (in Rs.)</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>3900-7400</td>
<td>80</td>
<td>25.90</td>
<td>25.90</td>
</tr>
<tr>
<td>7401-11000</td>
<td>155</td>
<td>51.48</td>
<td>77.38</td>
</tr>
<tr>
<td>11001-70000</td>
<td>70</td>
<td>22.62</td>
<td>100.00</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Table 3.19 reveals that the salary is the major source of income for the respondents. More than half of the respondents range of gross salary is Rs. 7401 to Rs. 11000. This is followed by nearly one-fourth of respondents' range of gross salary which is Rs. 11001 to Rs. 70000.

Table 3.20
Net Salary

<table>
<thead>
<tr>
<th>Net Salary (in Rs.)</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>3900-6100</td>
<td>75</td>
<td>23.93</td>
<td>23.93</td>
</tr>
<tr>
<td>6101-9900</td>
<td>158</td>
<td>51.80</td>
<td>75.73</td>
</tr>
<tr>
<td>9901-63000</td>
<td>72</td>
<td>24.27</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Table 2.39 indicates that more than half of the respondents' take home pay is in between Rs. 6101 and Rs. 9900 whereas nearly one fourth of the respondents take net salary is in between 9901 and Rs. 63000. Nearly other one fourth of respondents take net salary is below Rs. 6100 only.