CHAPTER X: CONCLUSION

Given the typical structural problems of Indian rural society and the consequent socio-economic profiles of its population, it is widely agreed among the planners that 'development' should be evaluated broadly in terms of its direction of change and not by its rate of growth per se. This aspect is as relevant or more, for the Indian dairy sector which has so long been structurally deficient in spite of massive investments made both by the government and the producers. Market instability, low level of technology and vested interests together, had combined to deprive the milk producers of any incentive or stimulus to modernise their milk production system as also to maximise their returns from milk sales. This was the backdrop in which 'Operation Flood' - a programme that aimed to remedy the vicious scene prevailing in the dairy sector - intervened through creation of viable, self supportive and participative dairy cooperatives on the lines of the popular Anand Pattern. These cooperatives primarily aimed at offering a viable alternative to the harsh private operations by middlemen in areas of procurement, marketing and processing, and in removing the prevailing market uncertainties and establishing a system of input delivery through the producers own organisations. These objectives were to be achieved by a blend of effective farmers participation and professional competence. Thus, ushered a new era of dairy cooperation in the 70s. The impact of a technology (cooperative dairying
here) on society is not always and everywhere the same. It all depends on the type of technology and the basic culture of that region. Villages always react uniquely as does a villager, to an environment. To observe and analyse the role and impact of cooperative dairying on rural development (milk producers and production being integral parts of rural development) in a region where a replicated 'Anand Pattern' of dairy programme has been introduced, we have chosen district Guntur A.P. for our study from a sociological point of view. It should be reiterated here that the major findings of our study were drawn from an indepth case study of a village in Guntur. However, at appropriate stages of analysis, the findings of the village study were broadly compared with the larger scenario of dairying in the rural areas of Guntur. Again, the broader findings relating to Guntur district were compared with that of the Kaira district union (the mother of cooperative dairying). This was done to broadly understand variations in the degrees of impact and the socio-economic factors that explain the same in the two different places - with their own peculiarities, resources and people. Such a comparative understanding not only helps in satisfying one's inquisitiveness in terms of variables that explain differential performances in the two places under study but also spell out implications for strategies of rural development by way of replicating success programmes of one place in another.
First, we present the major aspects of the dairying scenario in the rural areas of Guntur along with a comparative picture of the same as is prevalent in district Kaira. At the outset, it appeared that the overall success of cooperative dairying in Guntur was significant considering its history of just a decade's efforts in implementing programmes of planned cooperative action. Despite concerted efforts by both the implementers and the milk producers, there were however certain shortcomings in the programme implementation owing to a variety of social, cultural and economic problems. Consequently, this seems to have affected the rate of success of cooperative dairy programmes in our study area as compared to the high achievements recorded in the case of dairy cooperative programmes in district Kaira. We may thus conclude broadly that the overall success of dairy cooperative programmes in the rural areas of Guntur was not as appreciable as that of Kaira (a word of clarification/caution is warranted here. Our objective is not to strictly compare a programme in its infant stages (Guntur) with a giant programme (Kaira), which had developed over the last four decades and conclude that achievements were marginal in Guntur). However, the successes witnessed in Guntur, moderate although, have been commendable. We summarise below the major aspects of achievements first, and the reasons for relatively low levels of success in Guntur as compared to the high achievements of Kaira, later.
The Guntur dairy cooperative union has been able to enroll nearly 70,000 milk producers as full-members in its village cooperatives; despite the physical problems confronted in organising village level milk cooperatives and in procuring milk from the village cooperatives (reasons elaborated in the following pages), the union has been able to organise about 500 Anand Pattern village cooperatives (and 170 milk collection centres) by 1984 from a meagre 85 societies in 1978, and procure over 1.20 lakh kgs. of milk per day in 1984 (the quantum of milk collected reached a peak of 2 lakh litre/day the highest for any dairy in South India and the third largest in the country); besides significant strides made in milk procurement, the achievements witnessed in product manufacture too, have been appreciable. In 1984, the union manufactured 17 lakh kgs. of skim milk powder, 18 lakh kgs. of table and white butter, 2 lakh kgs. of flavoured milk and a host of other valuable products; in terms of payments to milk producers, the union has been paying @ Rs.50 per kg. fat (one of the highest in the country); the union provides for technical and input facilities for production enhancement and animal health care through its extension network in the villages. It has increased its veterinary route services upto about 400 villages, created 250 first aid centres, and provided for a host of other services such as pregnancy diagnosis, vaccination, fodder kits, cattle feeds and animal insurance and so on. On the whole, the union seems to have helped moderately to bring about both qualitative and quantitative changes in the field.
of cooperative dairying. For eg. the number of animals has increased substantially, the output and procurement of milk too has increased, along with corresponding increases in prices paid to producers and the element of exploitation by the middlemen appreciably reduced. The future expansion plans of the union appeared very promising and paying too.

Suffice it to gather from the above that the union has been making reasonably good progress in its rural organization of milk producers cooperatives and in ensuring reasonably good returns to the producers. However, cooperative dairying in the rural areas of Guntur has had to face many a problem in achieving the tasks it has setforth. We shall now focus on some of the identified physical, economic, cultural and social problems that faced the cooperative dairy programme in rural areas of Guntur vis-a-vis a comparative analysis of the facilitating factors in the case of Kaira district. The shortcomings of cooperative dairying in Guntur can be listed as under. Firstly, in physical terms (i) low geographical dispersion of village level milk cooperative societies i.e. only about 60 per cent (480) of the total number of villages have been enveloped by the district cooperative union. Consequently low number of cooperative societies. Whereas in Kaira, the geographical dispersion of village level cooperative societies being high, it has enveloped almost all the villages (950) in the district: (ii) high proximity of cooperative
villages to the consuming towns has resulted in easy access to the producers for selling milk directly in the towns or for the middlemen (cyclewalas) to operate in the villages in a major way. Whereas in Kaira, the cooperative villages being widely dispersed some villages are remotely located. Thus physical access to the producers for selling milk in the towns is difficult. For the same reason, the middlemen too cannot operate profitably in the villages. Further, even if middlemen still intend to operate despite the above, the producers' loyalty to the cooperatives effectively blocks their operations.

Secondly, in terms of membership in the village cooperatives, the Guntur union could envelope only about 70,000 producers as its members while the number of non-members is much higher than this. The chief reasons for this are: interplay of caste/faction affiliations in the villages, presence of middlemen, physical location factors, inadequate incentives to join cooperatives - e.g. no bonus is given to the producers at present, presence of large number of hotels/household consumers in the town, weak cooperative extension education and so on. Whereas in Kaira, the members' loyalty is very high. A large majority of the milk producers are members of village cooperatives (5 lakhs), the middlemen do not have any significant opportunity to procure milk from the villages. Incentives like bonus, insurance for both humans and animals, facilitating
govt. loan etc. offered by the cooperatives are visualised as attractive incentives. Also, one finds a significant number of producers belonging to the lower social and economic rungs participating as members in the cooperatives here (as is the case in some other states also) unlike in the case of village cooperatives in Guntur. This seems to have resulted in low levels of cooperative membership in Guntur.

As regards procurement of milk in Guntur there are serious fluctuations in the volume of procurement i.e. the summer procurement is as low as 10,000 lit/day compared to about 2 lakh lit./day in the flush season. As noted, this seems to occur both due to the environmental/biogical factors and the members' patronage of middlemen/presence of large number of hotels and household consumers in the town. The absence of milk consumer cooperatives in the towns seems to have further compounded the problem. By and large the non-members (and at times some members too) switch their loyalties too often between the cooperative and the middlemen. They somehow seem to perceive the peripheral and short-term benefits such as a little higher procurement price in summer, informal business negotiations/transactions (such as advances etc.), loans for animal purchases and social functions etc. offered by the middlemen, as significant. The producers housewives too, both due to vested/genuine interests seem to patronize middlemen. These factors seem to have adversely affected milk procurement
by the cooperatives. The longterm benefits which cooperatives offer/can offer such as an attractive purchase price, regular cash payment, animal health care, insurance etc. (and do not seem to have been understood fully) do not seem to have been understood full bonus hopefully at a later stage. Whereas in Kaira, the lean-flush milk procurement ratios do not fluctuate so viciously. As such the volume of procurement is very high at about 7-8 lakh lit/day on an average. Other factors that facilitate generally stable procurement include (i) large number of members and negligible number of non-members (ii) high loyalty of the members (iii) very insignificant number of middlemen (iv) effective cooperative extension education and scientific training to women (v) presence of milk consumer cooperative societies in the towns (vi) attractive incentives/inputs such as general animal health care including emergency care, cattlefeed sales, fodder seeds distribution/sale, attractive bonus, dividends etc.

Thirdly, the political, entrepreneurial and caste factors have also to be considered for, much of the nature of development and its direction is influenced by such critical factors as these. The dominance of the Patidar (Patel) caste in both economic, social and political fronts in much of Gujarat (particularly Kaira) is evident from field studies (Wiener: 1976). In fact, research studies attribute a great deal of the pioneering efforts of cooperation and leadership in Kaira to the presence of great leaders like Sardar Patel, Tribhuvandas Patel, Morarji Desai and others,
and equally to the caste solidarity of the Patels in mobilising both people and resources for cooperative ventures (George: 1985). The Patidar intolerance of hostility against trading merchants (be it in milk or cotton or credit cooperatives), who normally ate an undue share of the cake, was said to be instrumental in organising one's own economic activities through cooperatives and in the process of doing so, axing the middlemen. Whereas in Guntur one does not find any similar history of cooperative movement and organisation of cooperatives. The coming of the dairy cooperatives into this region has been a recent phenomenon. Moreover, cooperatives here have been a product of state intervention in terms of replicating a successful system developed elsewhere. In contrast, the cooperatives in Kaira emerged out of a direct felt need of the producers to organise themselves into cooperatives. This need found good articulation and resulted in organization of interests and concrete action with the help of able and integrated leadership.

Essentially, the foundations of cooperation and leadership in Kaira were laid in the early 50s when the political ethos was quite conducive and morality and responsibility of the citizens was very high. Whereas in Guntur, the entire programme of cooperative dairying seems to have emerged not from 'below' but from the 'top'. And further in the 70s, when the programme was introduced, the political ethos was certainly not of the positive kind as it was in the 50s in Kaira. Thus cooperative endeavours of the kind witnessed in
Guntur are bound to suffer from some inherent limitations. For eg. caste factors in Guntur have emerged as major impediments than as factors of solidarity as was the case in Kaira; some of the milk traders in Guntur are members of the dominant caste in the region; there is a lack of sense of cooperation among different sections of the community. Nevertheless, one should not construe these events/processes as being absolute bottle-necks in Guntur and facilitators in Kaira and therefore, conclude that it is improper to pursue a policy of replication of Anand Pattern in Guntur or anywhere. Far from it. In fact, what is needed is a concerted action on the part of both the officials and the people to harness such forces as would foster a healthy cooperative growth. For, one cannot wait for the 'old ethos' to come back and things have to be expedited through suitable programmes of replication. A caution that is warranted here is that 'success elsewhere' does not guarantee total success everywhere due to the factors mentioned in the foregoing analysis. One needs to carefully identify the plus points of any system and suitably modify them for replication in specific environments and people for better and lasting results. This alone could ensure positive effects of a programme which has rightly come to be seen as one of the major instruments of rural development.

In conclusion we must mention that despite many limitations, cooperative dairying in Guntur seems to have made significant
progress. According to the NDDB*, the Guntur union is regarded as one of the most successful replicated models under OF I.

An humble attempt was made to capture the micro-level insights through a case study of village Tenepudi so as to ascertain whether the broader findings relating to cooperative dairying in the rural areas of Guntur were operating at the village level too. We found that the dairying scenario was nearly the same in our village of course, with some subtle variations.

Following are the findings that emerged from the indepth case study of village Tenepudi:

Village Tenepudi of Tenali Taluk, Guntur District was chosen for study. All the 120 member and 140 non-member households listed on the rolls of the Tenepudi village Milk Producers Cooperative Society constituted the sample for indepth personal interviewing.

Both the Member and Non-member sample households represented almost all the castes in the village except the STs among the members. However, among the Members the Kammans were numerically predominant. The Naidus closely followed them. The representation of SCs and BCs among the Members was negligible. Whereas, among the Non-members, the lower and lower middle castes were predominant. A similar pattern was observable at the district level also.

In terms of socio-economic characteristics such as religion, age, size of family, there were no significant differences between the two groups of samples. The average age of the head of the household was 45 and the average size of the family was 5.5 persons among both the groups of the sample. As regards achievements in literacy and education, about two-thirds of the total non-member householders were illiterates as against one-third among the members.

As regards landholding patterns it was found that the distribution of land was highly skewed among both the Member and Non-member groups. The average amount of land possessed by the members was twice that amount possessed by the non-members. However, indirect access to land (tenancy) among the Non-members was higher than that of the Members. Also, among both the groups of the sample households it was observed that there was a high positive correlation between castes and land ownership. At the district level too, the picture obtained in this regard was almost the same.

In relation to occupations pursued by the sample households, more than a third of the Non-member households pursued Agricultural labour as their main occupation as against a tenth of the Member households. Cultivation as a main source of occupation was mentioned by three-fourths of the total member households while the Non-members for the same accounted for about a third of their total. As regards other occupations
pursued by both the groups of samples the percentages were nearly the same. In terms of incomes there were some differences between the two groups.

In terms of ownership of milch animals by both the groups of households, its distribution was less skewed than that of their land holdings (as between the two groups, the members had a higher average number of milch animals than the non-members).

On the whole, cooperative dairying in the village seems to have had a moderately positive impact on rural development of the village (milk producers). However, its impact on different categories of dairy farmers was varied. The major technical changes that seem to have occurred were in terms of increased incomes from sale of milk over the past; increased lengths of lactations of milch animals; reduced lengths of milch animal dryness; improved animal health and disease control; reduced exploitation by the middlemen trading in milk and so on. Also the cooperative seems to have moderately helped in stabilising the producer prices and in ensuring a regular cash flow.

As regards changes in cooperative management, its business and in attracting the producer members into the cooperative fold, the society does not seem to have performed so well/as desired. This is reflected in the low enrollment of dairy producers in the cooperative as its full members - out of the total 260 milch animal keeping households interviewed
in the village, only 120 of them have been enrolled as full members and the rest, 140 were either denied of full membership or for administrative reasons could not enroll themselves in the cooperative with the result that they had to remain as non-members. The non-members, as a consequence, could not derive as many benefits (eg. continuing animal health care including emergency care, cattle feed on credit, fodder seeds for free of cost/at subsidised rates, dividends on shares, gifts from annual profits) as the members did, from the cooperative society. However, we have also noted that the differences in the magnitude of such benefits were not many and that, some encouraging options that were available to them (eg. pouring milk in the cooperative for atleast 90 days in a year) were not taken full advantage of, as did the members.

It should also be mentioned that despite, among other things, the non-members' non-adherence to the cooperative norms, their patronage to middlemen etc., they have yet benefitted significantly (indirectly). For eg. the structure of the cooperative society is such that it helps even non-members, to some extent, by way of giving some inputs and in ensuring a better price from the middlemen. We have already noted as to how the cooperative has put up a consistent price competition to the vendors. The problem of the presence of a large number of 'non-members' was not only true of our study village but also was true of many other rural areas of Guntur district and the state. The major factors that seemed to explain the phenomenon of non-members/denial of membership to the bulk of milk
producers have been caste, landholding, non-adherence to cooperative norms, patronage of middlemen and middlemen's stranglehold over non-members. We have already noted that a majority of non-members represented the lower social (caste) and economic (landholding) categories while the members comprised higher social and economic categories. The problem of non-members is four-dimensional i.e. (i) some non-members do not/did not perceive any distinctive benefits in joining the cooperative as no bonus is given at present, facilities for animal health care are available at the RLU, the middlemen give reasonably good prices (the village being physically close to the Tenali town, many (6) middlemen operate in the village) and therefore, did not consider joining the cooperative (ii) those who did want to join could not seek membership as they belonged to lower social and economic categories, have had low levels of literacy/education, pursued low profile occupations, belonged to political parties other than what is subscribed to, by the cooperative organisers and so on : (iii) some non-members switch their loyalties between the cooperative and the middlemen so often with the result that they cannot comply with the norms such as selling milk to the cooperative for at least 90 days in a year. Also, the non-members were found supplying adulterated milk to the cooperative. Such practices by non-members are said to have been done so as to get more money than what is due from the cooperative. Same is said to be the motive while dealing with the middlemen:
(iv) some non-members who are interested in seeking membership could not do so since they were bonded to the middlemen as they had received advances for animal purchases/social functions from them and hence, contractually obligated to sell milk to them only.

However, on the whole, it was gratifying to note that although land distribution was highly skewed among both the members and non-members, the distribution of milch animals was less skewed than that of land. This appeared to us as a desirable phenomenon in so far as it would mean that dairying is likely to be more beneficial to these groups than purely crop-based agricultural development programmes. The trend of less skewed distribution of milch animals than land is true of the district as a whole too. Thus the implication is that dairying could become a more meaningful activity at the district level too. However, our study revealed that the proportion of benefits derived from dairying was higher by the landed. This, inevitably seems to have occurred due to the differences in resource bases between the landed and the landless.

The problems of non-membership analysed in the foregoing paragraphs clearly indicate as to how the social structure of the village influences the nature and course of any activity in the village - particularly this has implications for group action for economic activities and rural development.
Despite the aforementioned limitations, the village cooperative seems to have made moderate progress as is reflected by its increases in (i) number of its members from 12 in 1977 to 120 in 1985; (ii) procurement, sales to the union; (iii) prices paid to the producers and so on.

On the social front too, the cooperative seems to have had a positive impact, particularly on women. The women engaged in dairying appear to have gained a say in the family decision-making with regard to dairying and investments on it. Also the women seem to have gained a modicum of freedom of physical movement in the village as a result of their interaction with the cooperative. Regular cash flow from milk sales to the cooperative seems to have motivated them to become more enterprising in dairying as also extend their interests into other economic activities in the village (we have already noted the formation of a women's organisation in the village and their fruitful activities). The dairy extension/education programmes seem to have moderately helped women gain a semblance of scientific exposure to dairying.

Also, the cooperative seems to have provided some opportunity for the lower socio-economic category producers to earn more and help meet their daily food requirements to a significant extent. As a spill over benefit from the cooperative's regular cash payment every fortnight, some relatively less-well-to-do producers are said to be obtaining credit from the local grocers for their food purchases. The grocers seem to be confident that these borrowers can repay their debts without much difficulty/default.
However, on the political front, the cooperative appeared lacking. The attitudinal change essential for cooperation and the idea of participative management in the cooperative, does not seem to have occurred among the producer members. The affairs of the management committee of the society continue to remain in the hands of a few dominant Kamma caste members. In fact, since the inception of the society, the cooperative reigns of power were in the hands of two Kamma families who, at best, shared power among their own family members or their kin. This may have implications for group action across various castes/classes in future. Although, in principle, it does not mean/ by itself as to which caste or group is managing the cooperative society so long it is doing a proper job of it, yet it matters to people in village societies. It is a known fact in the village that elections to any institution are fought on caste and faction basis. If this be so, the ruling members may develop a vested interest in continuing to hold the cooperative reigns at the cost of the other communities. All said and done, this is a very sensitive and complex phenomenon for which no easy answers can be offered.

Lastly, paradoxical it may sound, innovations in the field of agriculture which benefitted the producers in reaping higher yields of grains/pulses, seems to have adversely affected their supplementary activity i.e. dairying. For example, HYV paddy gave less straw leading to fodder shortages and the consequent rise in price of fodder. Similarly, the coming of HYV Black-gram,
as a second-crop, (considered more paying) resulted in total displacement of fodder crops such as sunhemp and pillipisara (a fodder crop) grown hitherto in the village. The planning and implementation authority should take care of such possible unintended consequences of an intervention.