
CHAPTER - VI

SUMMARY CONCLUSIONS AND SUGGESTIONS

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C H A P T E R - VI

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CHAPTER- I

1. In India, small and marginal farmers do not get adequate returns to feed their families owing to the precarious nature of the monsoons, lack of adequate irrigation facilities, a large proportion of small holdings etc. In such a situation, dairy business may become subsidiary occupation for landless workers, small and marginal farmers to supplement their meagre incomes.
2. Milk is the perfect food and the only source of animal protein. Therefore, development of dairy industry is sine qua non to meet increasing milk requirements of growing population.
3. Planned development of dairy farming actually started since 1951. The G.O.I. has tried to develop dairy farming in that its actual expenditure on dairying rose from Rs.77.8 millions in the first plan to Rs. 1961 millions in the Sixth plan by more than 25 times.
4. With the cooperation of W.F.P., the Department of Agriculture formulated and launched Operation Flood project in 1970-71 for stimulation milk marketing and dairy development in India. Similarly, the main emphasis during sixth plan was on implementing operation Food Project II.

5. Co-operative sector has important role in dairy industry during planning period. Owing to emphasis on institutionalisation of milk through its net work consisting of 28,000 primary milk supply cooperative societies federated into 209 unions at the end of 1978.
6. Main objectives of cooperative societies are to safeguard and protect the interest of milk producers, organise marketing facilities for milk and fetch remunerative price of milk to them.
7. The cattle population and buffaloes increased respectively from 180 millions to 191 millions and from 61 millions to 68.5 millions during the period 1977 to 1982. These two species contribute approximately 55% and 42% to milk production respectively.
8. Milk production as well as per capita milk consumption in India exhibited an upward trend during recent period as the former rose from 26.3 million tonnes in 1977 to 38.7 million tones in 1982 and the latter increased from 107 grams in 1969_70 to 138 grams in 1983_84.
9. Dairying is highly useful as it provides a stable income distributed throughout the year, improves family diet and helps in maintaining soil fertility. However, dairy industry faces many problems such as inadequate facilities for colling

and refrigeration, problem of transportation and home delivery, lack of improved technology on producers level and presence of many defects in dairy cooperatives etc.

CHAPTER II

1. The Kolhapur district is located between 15° to 17° north latitudes and 73° to 74° east longitudes. Its area and population are respectively 8047 Sq. Kms. and 2.5 millions.
2. The Krishna, the Warana, The Panchaganga, The Dudhganga, The Vedganga are the main rivers in the district.
3. Western, central and Eastern parts of the district possess respectively lateritious soil, fertile brownish well drained soil and the deep black soil.
4. The Kolhapur district is famous in India for a variety of products such as sugarcane, Chappals, Oil engines and its spare parts, silver ornaments etc.
5. The Dairy industry in Kolhapur district is highly developed with its large network consisting of 940 primary cooperative milk societies, 3 milk unions which collect milk of 17.28 lakhs diary animals.
6. The Warana Dairy Project in Kolhapur district consisting of 66 villages has been set up in 1968 on the lines of Amul Dairy at Anand in Gujarath State in order to ameliorate the

economic conditions of weaker sections in Warana river area.

7. The Warana Dairy Project undertakes different types of activities such as Milk collection, provision of veterinary aid to the milk producers, supply of loans to the farmers for ~~the~~ purchase of milk animals, supply of cattle feed and better milk animals, green fodder development programme etc.
8. The performance of the Warana Dairy Project in respects of Milk collection, membership coverage, share capital and provision of various facilities is, by and large fairly satisfactory.

CHAPTER III :

1. This research study is mainly based on a sample survey. The relevant information and data have been collected through a questionnaire canvassed among the selected sample milk producers. In order to measure profitability of dairy enterprise.
2. The area under the Warana Dairy Project has been chosen for this research study owing to two reasons :
 - a) Well developed Warana Dairy Project with ~~its~~ many activities such as Milk collection, provision of veterinary aid and loan facilities, supply of cattle feed and better milk

animals helped to increase the number of milk producers, and milk production.

- b) It was also convenient for researcher to collect relevant data with the help of sample survey in as much as he is a lecturer in the Shree Warana College, Warananagar.
3. Two criteria namely nature of the area and level of milk collection have been made use of to randomly select 10 villages so as to give equal representation not only to dry and irrigated portions of Warana river area but also to different categories of villages based on daily milk collection.
4. 12 Milk producers from each of the selected villages have been chosen in such a way as to give equal representation to different categories based on the size of landholding.
5. Age wise distribution of selected milk producers reveals that 62% milk producers have age between 31 years and 50 years, while milk producers below 20 years and above 60 years form negligible part of total selected milk producers.
6. More than 75% milk producers are literate and about 50% have education between 5th standard to 11th standard. Less than 10% have education above 11th standard.

7. 96% and about 3% milk producers belong to respectively Hindu and Muslim religions. Moreover, 60% milk producers are marathas and remaining 37% have other castes.
8. Main objective of this study is to analyse cost structure and sources of revenues of dairy enterprise in order to ascertain profitability.
9. Various concepts such as fixed costs, variable costs, gross income have been made use of to ascertain results.

CHAPTER-IV :

- 1 The total fixed costs in the context of dairy enterprise may be defined as those costs which are incurred on the investment of dairy animals, byre and dairy equipments
2. All selected sample milk producers had 263 dairy animals. The buffaloes formed a sizable proportion of total dairy animals while deshi cows constituted very small portion of total dairy animals.
- 3 More than 75% of the sample milk producers had either 1 or 2 dairy animals.
4. About 80% dairy animals of the total sample milk producers, had age between 4 years and 8 years, while remaining 20% dairy animals had age either upto 3 years or above 8 years.

5. Nearly about 60% dairy animals had the value between Rs. 1001 to 3000. In case of investment 90% of the milk producers had invested upto Rs. 12000 while 10% milk producers had investment above Rs. 12000.
6. There were two sources of capital i.e. home capital and borrowed capital. 69.17% milk producers had their own source of capital and remaining milk producers (i.e.30.83%) borrowed capital.
7. Average depreciation as well as interest on the value of investment in case of different categories of milk producers followed similarly pattern like investment. The average depreciation and average interest of all categories amounted to respectively Rs. 305.40 and Rs.427.56.
8. Byre cost is an important component of **total fixed cost**. In order to estimate depreciation on the value of investment in the byres two factors have been taken into consideration.
 - i) Average life of the byre.
 - ii) Value of investment in byre.

While calculating the depreciation on the basis of nature of the byre, types of roof, types of floor, nature of manger, ventilation etc. the average life of byre is assume to be 15 years.

9. While estimating interest on the value of investment in byre 14% interest rate is taken into consideration.
10. Nearly about 60% milk producers had byres having value upto Rs. 2000 and remaining 40% milk producers possessed byres of value above Rs. 2000.
11. The depreciation and interest on value of byres were large in case of small farmers where as depreciation and interest were low in case of landless labourers. It implies that in case of small farmers the capacity of byre was not fully utilised which in turn resulted in increasing per animal depreciation and interest as compared to other categories.
12. The dairy equipments include kettle bucket, measure, pot fodder cutter, sickle, chain or rope etc. Cost of equipments is also one of the important components of total fixed cost in dairy business. In case of utensils' cost 5 years and 14% interest rate are taken into consideration in order to estimate depreciation and interest on value of such investment.
13. About 80% milk producers had equipments of the value upto Rs. 200 and remaining 20% milk producers having value above Rs. 200.

14. The depreciation on value of equipment in case of marginal and big farmers was slightly large, where as it was low in case of landless and small farmers. Interest on value of equipment was more or less same in case of different categories.
15. Variable costs include feed and fodder costs, labour charges and insurance etc., Variable costs alter with the changes in output level. Consequently there is direct relationship between the former and the latter.
16. The use of dry fodders varied according to the seasons, in that 100% milk producers used dry fodders in Summer, 53% milk producers used dry fodders in Winter and non One used it in Rainy season. Green fodders by and large were used by all milk producers in Rainy and Winter seasons while during Summer season only 20% milk producers used green fodders. All milk producers used cattle feed in all seasons.
17. The weight of fodders used by more than 80% of milk producers ranged between 21 to 40 K.G. during Rainy and Winter seasons, where as in Summer season it ranged between 11 to 30 K.G.
18. Monthly average fodders expenditure per cattle per day in case of all milk producers remained more or less the same,

as in case of nearly 65% of milk producers it amounted upto Rs. 300.

19. Nearly 90% milk producers monthly labour expenditure was upto Rs. 250. The activities of grazing animals and bringing fodders and feeds consumed comparatively more time per day while the activities of cleaning the byres and selling the milk consumed less time perday in case of all milk producers.
20. Dairy business on an average each milk producer in a year generates employment to the extent of 305.79 mandays. Therefore dairying is employment intensive.
21. About 85% of milk producers incurred per year expenditure on medicine upto Rs. 100.
22. There were only 20.83% milk producers insured their dairy animals while remaining 79.17% did not insure their cattle. This is because milk producers donot consider insurance scheme to be important.
23. The variable cost is comparatively for more larger in case of all categories of milk producers. Accounting for nearly 80% of total cost while the fixed cost is relatively smaller in case of all categories accounting for nearly 20% of the total cost.

24. The amount of labour charges is higher in case of landless labours as compared to other categories owing to the fact that each landless labourers on an average does not have optimum size of dairy animals. Therefore, the labour capacity is not fully utilized which in turn causes labour charges to increase at higher level.

CHAPTER-- V :

1. Gross revenue may be referred to as gross income of dairy enterprise. Gross revenue comprises, revenue from milk, revenue from dung, revenue from young stock and revenue from other sources.
2. The average milk revenue was large in case of big farmers and small in case of landless labourers to the fact that the portion of crossbreed cows to total dairy animals was comparatively large in case of big farmers. Which in turn caused revenue to increase.
3. The average amount of revenue from dung was large in case of big farmers as compared to other categories owing to two reasons :
 - i) The big farmers had more crossbreed cows.
 - ii) They possessed gohar gas plants.
4. The average revenue from young stock was low in case of landless labourers compared to other categories owing

to their carelessness of young stock. Naturally 43.33% young stock in case of landless labourers died which reduced their revenue at low level.

On the contrary average revenue from young stock was large in case of marginal farmers owing to the fact that they have purposively developed young stock to earn more revenue from them.

5. The revenue from milk constituted a major part of gross revenue accounting for more than 92% in case of all categories of milk producers. While revenue from dung formed a small part of gross revenue. On the contrary, the revenue from the young stock and other sources was insignificant in case of all milk producers.
6. Per animal average profit is larger in case of big farmers as compared to other categories owing to the fact that their dairy animals are full fed by domestic feeds and green fodders which have generally good qualities. On the contrary per animal average profit was lower in case of landless labourers due to relatively smaller amount of revenue from milk and higher labour charges as compared to other categories.
7. All the four categories of milk producers are efficient in their dairy business as output input ration was higher than 1. But big farmers are by and large more efficient as

compared to other categories of milk producers.

SUGGESTIONS :

On the basis of our research study we make following suggestions :

1. Dairy enterprise in case of all categories of milk producers is efficient on the basis of output input ratio in Warana River basin. It implies that there is a wide scope for the expansion of dairy business in the area. Therefore dairy enterprise may be encouraged through various new schemes which reduce cost of production of milk and increase the quantity of milk production.
2. In order to make dairy enterprise more efficient in Warana River area, an incentive price for milk to the producers over and above his cost of production safeguarding at the same time the interest of the consumer may be paid. This may increase profitability of dairy enterprise and hence contribute to development of dairy business.
3. In our research study it is found that in case of landless labourers revenue from milk is the same as that of other categories but profit of landless labours is low due to higher cost of labour charges. They can increase their profit by reducing labour cost and increasing the dairy

animals up to the level of optimum size. This implies that there is wide scope for dairy business in case of landless labourers. Therefore it is necessary to encourage landless labourers to increase their dairy animals through various new schemes. Accordingly new specific schemes mainly for landless labour may be formulated by the Warana Dairy Project in particular and the Government of Maharashtra in generally. This will reduce to some extent the problem of unemployment in the area.

4. It is found that price of feeds is high which in turn, increase the cost of milk production. Therefore the price of the feeds may be reduced to the reasonable level.
5. Efficiency of dairy societies at the village level may be improved.
6. The Anand Pattern fat system is satisfactory for milk price. Therefore it may be fully and efficiently implemented in actual practice.