

CHAPTER VI

THE FINDINGS AND SUGGESTIONS



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The Co-operative Dairy Industry in India provides the major subsidiary occupation in rural areas for increasing the level of income of the weaker section of the society i.e. small farmers and agricultural labourers. The development of dairy industry through co-operative channel ensures organised mechanism of procurement of milk with its marketing with remunerative price.

The state of Maharashtra is one of the developed states in dairy co-operatives. A year of 1970 gave boost for the development of this industry.

The present research work entitled, "Study of economic viability of co-operative dairy in command area of Koyana Sahakari Doodh Utpadak Prakriya Sangh Ltd., Karad" has tried to study the economic aspect of the working of Primary Dairy Co-operatives in the command area of Koyana Sangh. The main emphasis is given on economic viability of the Primary Dairy Co-operatives.

After stating the role of co-operative dairy development in India in introductory chapter I, we have taken a review of the progress of dairy co-operatives in Maharashtra State. There were 11107 primary dairy societies

and unions in 1985. Which cover population of more than 10 thousand families as members of this societies. These societies had the total capital of nearly 100 crores and they do the business to the value of Rs. 400 crores per year.

Chapter III describes the co-operative dairy development in Satara District, with particular reference to potential for dairy development in two talukas of Karad & Patan. Our main observation is that the district is having a very good network of co-operative dairy industry. The apex level Koyana Sangh is a centre organisation which provides assured market for milk and processing centres also. The functional and potential co-operation between the union and Govt. chilling centres increases the efficiency of dairy industry in the district.

The Karad taluka is irrigated and it is more progressive. The Patan taluka is hilly area. It is having difficulties of transport facilities and even marketing of milk is rather difficult. In spite of this our main finding is that Patan taluka has more potential for dairy development.

Chapter IV gives profile of the Koyana Sangh in respect of history management, financial position, progress and its performance. The Koyana Sangh is one of the most

efficient apex co-operative organisations in Maharashtra. Which has proved as blessing for the development of dairy industry in Satara district.

The Chapter V deals with economic viability of dairy co-operatives in Karad milkshed area and Patan milkshed area of the Koyana Sangh. The first part of the chapter explains the concept of viability and norms of viability. We have explained here the three norms of viability, 1) Membership norm 2) Procurement of milk and 3) Financial position of Primary Dairy Co-operatives.

Our main findings can be summarised as follows :

1. Assuring 100 members as a norm of viability, we observed that out 31 Primary Dairy Co-operatives in Karad milkshed areas 19 societies were having more than 100 members each. In Patan milkshed areas 18 out of 23 Primary Dairy Co-operatives were having membership of more than hundred.
2. Although both milkshed areas are having potential viability, the Karad milkshed area is more responsive than the Patan area.
3. The milk procurement has been increasing in both areas under study. For example, in 1981-82, out of 31 PCDSS, 11 Dairy Societies were doing the business of less than 100 Litres procurement of milk per day. The milk procurement of twenty

societies were having collection of more than 100 litres per day. The similar trend was observed in further five years up to 1985-86. The rate of milk procurement in Karad milkshed area is faster than that of Patan milkshed areas. For example in 1981-82 there was only 4 PDCSS having milk procurement of more than 100 litres per day which has increased to the tune of 15 societies in the year 1985-86.

4. The norm of financial position was studied with indicators such as income per society, expenditure per society, the price per litre, and amount of profit earned by the societies.
5. Although profit should not be the only indicator of economic viability, our finding is that : twenty nine societies out of thirty one in Karad milkshed area were profit earning co-operative organisations. This is observed even in Patan milkshed area also.
6. The dairy societies in Karad taluka are having sound financial position. This can be observed by the milk procurement and sale to the Koyana Sangh. But it is unhappy state of the situation that the profits are being utilised not for the development of dairy industry but for bonus to the


employees and members of large. Very surprisingly we observed that while considering the increasing rate of milk collection and sale to the Sangh, the membership of Primary Dairy Societies is almost stagnant in Karad milkshed area. More surprisingly the business with nonmembers has been increasing. Many developed dairy societies are not giving any place for cattle development programme.

7. In Patan milkshed hilly area there is, more potential for dairy development. Although the financial position of primary societies in Patan milkshed area is not as sound as Karad, the Primary societies in Patan are more conscious for their development in respect of reserve funds, buildings fund & cattle development etc.

Thus main finding is that both Karad & Patan have tremendous scope for further development. What is needed is that developed dairy societies in Karad should utilise their profit for increasing their asset position. The involvement of nonmembers in co-operative sector is basic need of the time. This will increase the share capital and working capital of societies. The step motherly treatment given to the nonmembers by progressive societies is a great obstacle in making these societies economically viable

units. This perhaps might be due to the political reasons. Politics should not come in the path of sound and healthy development of dairy societies.

Regarding Patan milkshed area it is suggested that although natural conditions are rather unfavourable for the development of dairy industry, the Koyana Sangh should make special efforts in providing transport facilities, cattle development programmes and other service to the members of the societies which include mainly small farmers and agricultural labourers.

There can not be a single norm  economic viability of Primary Dairy Societies. The Koyana Sangh should have well organized plan for increasing economic viability in both milkshed areas of Karad and Patan. What is needed is co-ordinated efforts of both the Sangh and the co-operative leaders who are occupying the power seats as the honourable members of Boards of Directors of these primary dairy societies since last more than a decade.