CHAPTER THREE : THE ORGANISATION (K.M.F.) UNDER STUDY

3.1 Historical Background of dairy development in India : (Prelude for the establishment of Karnataka Co-operative Milk Producer's Federation, Limited.,)

In India, since time immemoriable, milk and milk products have been accepted as the items of choosen eatables. The ideal location for home, it was believed, was in a land flowing with milk and honey. In self-sufficient villages of those days there was no lack of milk and its products. The sale of milk was unknown.

With growth in population there was a rapid increase in demand for milk and its products particularly in urban areas where it was not possible to produce these items. As a result there was an upsetting in the ancient system of production and consumption of milk and its products. This leads to an imbalance in between the production of milk in villages and its supply to fast growing demand centres in over-populated urban areas. On account of shortages, prices of milk and milk products continued to go up and up, taking them out of reach of the poor sections of society. Further, these tempting prices funnelled out milk from many rural areas, leaving little to meet the village needs.

Much attention towards commercial dairying was given only after the initiation of Five Year Plans.

Table : 3.1 : Outlay for dairying in Five Year Plans (1951-90)

Plans		Amount in millions (Rs)
First Five Year Plan :	1951-52 to 1955-56	78.1
Second Five Year Plan:	1956-57 to 1960-61	190.0
Third Five Year Plan :	1961-62 to 1965-66	360.5
Three annual Plans :	1966-67 to 1968-69	261.4
Fourth Five Year Plan:	1969-70 to 1973-74	1389.7
Fifth Five Year Plan :	1974-75 to 1977-78	1279.8
Two Annual Plans :	1978-79 to 1979-80	2669.9*
Sixth Five Year Plan :	1980-81 to 1984-85	4623.0
Seventh Five Year Plan:	1985-86 to 1989-90	7517.9
	Total	18370.3

Source : "Dairy India, 1983" and Indian Dairy Association's Special number, September 1986.

*Figures include outlay for Animal husbandry also.

The above table depicts the picture of plan-wise investment in dairy-sector. In the First Five Year Plan Rs. 78.1 million were spent. The spending of this much amount on dairying was not possible at the beginning of planning period, but for the savings made in other sectors. The huge amount to the tune of Rs. 1389.7 million and Rs. 4623.0 million is spent during Fourth and Sixth Five Year Plans respectively

as "Operation Flood" programme was launched during this period. For the Seventh Plan the estimated lay-out is to the tune of Rs. 7517.9 millions.

Of late, it has been realised that promotion of dairying not only contribute towards national-health-building but also creates ample employment opportunities. Properly organised and developed dairying could be effectively used as "an instrument of social justice and social change". Organised dairying has three major functions:

a) Production of milk,
b) Collection and processing of fluid milk and manufacture of milk products, and
c) Marketing of milk and milk products.

The organised and developed dairying in India could not have achieved the present status but, for the role played by Anand Milk Producers Union, Limited. "Amul" is its abbreviation and brand-name for its products; meaning 'beyond price'. How Amul came into existence is worth mentioning in any literature pertaining to dairy development in India:

> "In the mid 1940's, the then Government of India contracted Polson, a private milk dairy, at Anand (a district town of Kaira district in Gujarat State) to purchase and supply pasteurised chilled milk to Bombay. The milk purchase price was not fixed. As a

result the milk producers continued to receive lower and varying prices. The dairy farmers resented the system and a small group of milk producers under the leadership of Shri. Tribhavandas.K.Patel, sought the help of Sardar Vallabh Bhai Patel. He urged them to boycott the state supported marketing link and to establish their own access to the urban market. Thus, in this way the first primary level milk co-operative was formed in 1946 at Anand. It made a modest beginning by collecting 250 litres of milk per day from two primary milk producer's co-operative societies, represented by less than 100 milk producers. In 1955 Amul, turned to the manufacture of milk products with the assistance from FAO, UNICEF and Newzealand. In 1958 and 1960, 'Amul' was expanded to accommodate a fresh capacity for the manufacture of sweetened milk, baby food and cheese. Upto 1985, about 365000 members were brought under this co-operative based umbrella with 872 village co-operatives".[1]

Thus, the Anand pattern is the success formula of co-operative organisation framed by farmers of Kaira District to procure, process and market the surplus milk and milk products. They brokeaway from the clutches of middlemen who had traditionally exploited them. The Anand pattern

is a system that is collectively owned, operated and controlled by farmers. It ensures a fair price to the farmer and high quality milk and milk products to the consumer. It has been transplanted with success in other parts of the country under "Operation Flood" programme.

Operation Flood : The Anand pattern of dairy co-operatives has shown a way for most successful dairy development programme in India. In 1963, the National Dairy Development Board was established at Anand under the patronage of Government of India. It is an autonomous body charged with the task of helping to set up milk producer's co-operatives on the Anand pattern in all parts of the country. To transplant the Anand pattern dairy co-operatives in other parts of the country, the National Dairy Development Board proposed a programme known as "Operation Flood" to Government of India.

To generate funds for this national dairy development programme India wisely capitalised on the prevailing world dairy situation- the surplus of dairy products and their heavily subsidised prices in international trade. This is particularly true of Skimmed milk powder and butter. Their imports as food aid formed the financial basis of Operation Flood. From 1971-82, about 250000 tonnes of skimmed milk powder and 80000 tonnes of butter oil have been imported on gift basis and sold domestically to generate about

Rs. 2000 million for dairy development purposes. The world Bank credits amounting to over 200 million dollars, have expanded the financial resources presently available for dairy development in India.

The Indian Dairy Corporation, wholly owned by Government of India was established in 1970, as specialised institution to promote and finance dairy development activities in India. Its major task is to handle the sale of dairy products provided as commodity aid to India and to use the sale proceeds for national dairy development purposes, particularly the operation Flood programme. Its functions include financing co-operative dairy development and promoting expansion of milk processing and marketing facilities.

Indian Dairy Corporation has concenterated its efforts on increasing the availability of long-term credit to dairy co-operatives and has worked in close collaboration with National Dairy Development Board in promoting, financing and monitoring dairy development activities based on Anand pattern. Indian Dairy Corporation provides finances to state dairy corporations and co-operative institutions. It believes that the implementing institutions should be given the maximum possible autonomy in their decision-making process and should be free from government intervention in the operation of project. Therefore, upto this day Indian Dairy Corporation

has neither purchased the equity shares nor nominated the directors to the boards of those institutions to which it has financed. By assuming this position, it has tried to be a pace-setter in providing autonomy to the co-operative movement.

The world's largest dairy development programme, the Operation Flood aims at setting up a modern dairy industry to meet India's rapidly increasing need for milk and its products. Launched in July 1970, it undertook the gigantic task of upgrading and modernising milk production, procurment, processing and marketing with the assistance provided by the world food programme, FAO, EEC, world bank and other international agencies.

The aim was to create a 'flood' of milk assuring the farmer of remunerative price and ready market for his surplus milk and the urban consumer of wholesome milk and its products at reasonable prices. Thus, the main milk-producing areas were to be linked to main consuming centres in urban areas. In its first phase, milk markets in India's four metropolitan cities of Bombay, Calcutta, Delhi and Madras were linked with 27 milksheds through a chain of Anand pattern dairy co-operatives. By the time, the first phase of the programme with a total outlay of Rs. 1160 million ended in 1981, about 1.5 million rural families had bounded together in more than 12000 co-operatives.[2]

In the second phase of the programme, with the additional investment of Rs. 5000 million, 155 milkshed districts have been connected to about 150 towns and cities with a population of over 100000. About 100000 rural families were benefitted by the end of the programme in 1984-85.[3] In the year 1985-86 Operation Flood III has been started with an outlay of Rs. 6800 million to modernise the existing dairy plants and to extend the benefits of white revolution to other parts of the country.

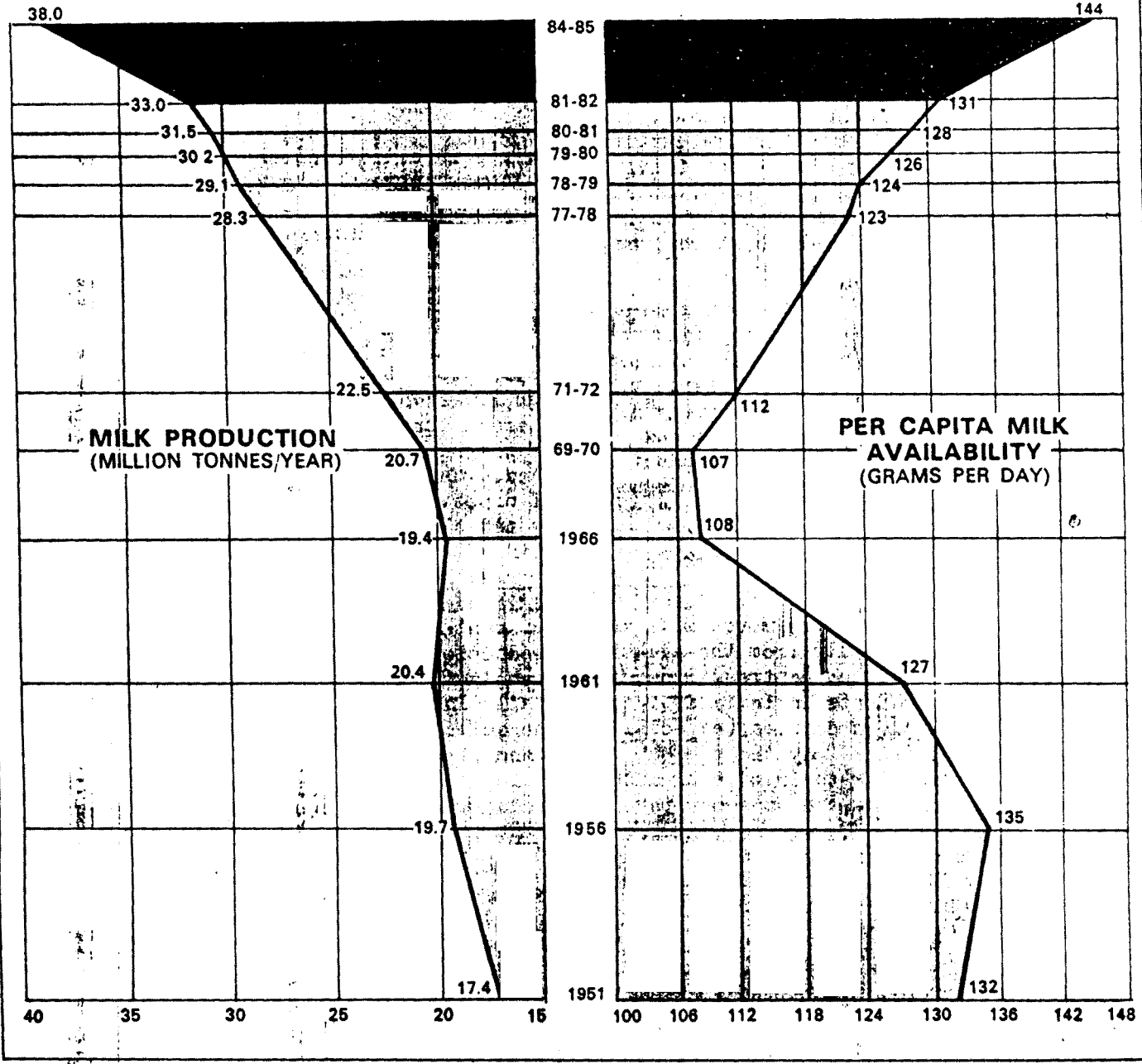
The chart shows the three decades of dairy development in India. The major achievements are:

a) Milk production : Upto 1970, milk production remained stagnated to 20 million tonnes but soon after launching Operation Flood it was possible to increase the production. During the year 1984-85, the production of milk increased to the tune of 38 million tonnes.

b) Milk consumption : The per capita daily milk usage has reached the all time high target of 144 grams during 1984-85 where as it was only 107 grams during 1969-70 i.e. before launching Operation Flood. It is expected to increase the per-capita usage of milk to the tune of 185 grams by 1988-89, i.e. by the end of Operation Flood III.

c) Milk products : A wide range of dairy products- which were totally imported earlier- are now produced within the country. To mention a few of them are Ghee, Butter,

THREE DECADES OF DAIRY DEVELOPMENT



Based on Twelfth Annual Report 1981-82, Indian Dairy Corporation

Cheese, Casein, baby food, malted food, skim-milk powder, whole milk powder, khoa, srikhand pedha, etc. The table No. 3.2 shows the estimated production of selected western type milk products from 1975 to 1981 and during 1984.

Table : 3.2 : Estimated production of milk products (in tonnes)

Year	Milk powder	Condensed milk	Butter	I.M.F.	M.M.F.
1975	13,365	4,646	6,001	20,904	14,475
1976	18,500	5,000	6,339	26,252	15,500
1977	20,965	4,695	8,305	29,683	17,596
1978	23,670	5,650	10,760	35,860	19,900
1979	26,510	6,490	14,000	43,030	22,300
1980	29,150	7,130	16,800	47,300	24,500
1981	32,460	7,480	18,480	52,000	26,900
1984	1,13,620	21,790	-	89,230	38,080

Source : Government of India, Ministry of Agriculture; 1984
I.D.A. Monthly Bulletin, March, 1986.

Abbreviations : I.M.F. = Infant Milk Food
M.M.F. = Malted Milk Food
I.D.A. = Indian Dairy Association

The production of milk powder was 13,365 tonnes during 1975, but during 1984 it increased to the tune of 1,13,620 tonnes. An increase of about 850 percent. In case of butter 6,001 tonnes was manufactured during 1975, but during 1981, it increased to 18,480 tonnes, an increase of about 308%. The production of Infant Milk Food and Malted Milk Food has

Table : 3.3 : Trends in the imports of milk products for 20 years between 1961 and 1980.

Years	IMPORTS ('000 MT)						TOTAL[2] ('000 Tonnes)	PRODUCTION		Imports as a %age of total domestic milk output
	Whole milk Powder	Skim Milk Powder (SMP)				Baby food		Milk powder output including baby food ('000 Tonnes)	Total milk output (Million tonnes)	
		Commercial	Others	W.F.P.	TOTAL SMP					
61-62	5.23	47.47			47.47	1.16	53.86		19.84	2.71
62-63	4.65	42.06			42.06	0.29	47.00		20.00	2.35
63-64	1.38	52.83			52.83	0.10	54.31		20.08	2.70
64-65	8.03	25.03			25.03	0.14	33.20		20.20	1.64
65-66	0.66	35.72			35.72	-	36.38		20.34	1.79
66-67	6.88	46.07			46.07	-	52.95		20.47	2.58
67-68	2.18	31.76			31.76	-	33.94	13.23	20.59	1.65
68-69	2.58	45.42			45.42	-	45.00	19.98	20.71	2.32
69-70	3.45	27.37			27.37	-	30.82	22.53	20.74	1.45
70-71	0.45	8.42	15.91	6.27	30.60	-	31.05	22.43	20.79	1.47
71-72	2.10	15.13	13.00	9.89	38.02	-	40.12	28.58	22.59	1.86
72-73	9.88[1]	16.88	8.82	11.98	37.68	-	47.56[1]	33.44	22.50	2.11
73-74	2.97[1]	12.19	5.67	9.05	26.91	-	29.88[1]	29.33	23.00	1.29
74-75	0.47	15.00	2.28	10.56	27.84	-	28.31	23.59	23.50	1.20
75-76	5.75	Nil	5.67	26.86	32.53	-	38.26	38.39	24.00	1.59
76-77	NA	Nil	10.14	17.63	27.77	-	27.77	44.62	25.00	1.11
77-78	NA	Nil	4.33	7.82	12.15	-	12.15[3]	49.90	27.95	0.43
78-89	-	Nil	6.16	15.44	21.90	-	21.90	59.60	28.65	0.76
79-80	-	Nil	18.00	2.93	20.93	-	20.93[4]	69.00	30.20	0.69

Note : 1. Figures inclusive of evaporated and condensed milk.
2. Excludes the imports of condensed and evaporated milk, cheese, butter etc.
3. Indian Dairy Corporation, Baroda, the decrease was due to irregular shipment schedule of WFP for Operation Flood I Commodities.
4. Imports were made by Government of India for purposes other than Operation Flood I.

NA : Information not available

Source : National Dairy Development Board.

also shown a continuous increase. The production of Infant Milk Food increased from 20,904 tonnes in 1975 to 89,230 tonnes and Malted Milk Food, from 14,475 tonnes to 38,080 tonnes during 1984.

Table No. 3.3 on page No. 68 shows the imports of milk powder under world food programme and other imports; the domestic production of milk and milk powder. The table clearly figures out that before launching Operation Flood in 1971 imports were larger and domestic production was far lower, but after launching Operation Flood, (by 1980) the imports were almost replaced by domestic production.

3.2 : Establishment, Ownership and Management of Karnataka Co-operative Milk Producer's Federation, Limited, Product Dairy, Dharwad.

Establishment : In the four districts of Northern Karnataka that is, Belgaum, Dharwad, Bijapur and Uttar Kannada, thousands of rural households depend on dairy farming for their livelihood. The area, which abounds with nearly 10 lakh milch animals has an average daily yield of about 7.5 lakh litres of milk. Of this, in the flush season, surplus milk is estimated to be about 2.7 lakh litres and in the lean season, about 94,000 litres a day. Moreover, the suplus milk available in these districts has been steadily increasing

over the years, due to dairy development activities undertaken by various agencies.

However, utilisation of the surplus milk available in these districts has not kept pace with the increasing production. The factors contributing to the situation being lack of proper collection network, inadequate processing facilities and a virtually non-existent marketing infrastructure. As a result of this, it is the dairy farmer who has suffered. He has been a victim of unsteady prices, unscrupulous middlemen and an uncertain demand for his milk.

To safeguard the interest of dairy farmers, to provide an year-round stable market for their milk the Government of India, Indian Dairy Corporation and National Dairy Development Board were pleased to extend the Operation Flood programme to Karnataka state. The main thrust of the II phase of Operation Flood programme was to link the country's milk-sheds with major market-towns. In Karnataka, the state government earlier expressed its desire to implement Operation Flood through Karnataka Dairy Development Corporation, but as the Anand pattern is the soul of Operation Flood, Central Government urged the Karnataka state government to implement the Operation Flood on Anand pattern. Hence, on 13th May, 1981, the Karnataka state government communicated to Government of India their acceptance in principle to implement the Operation Flood

II through creating a Co-operative Milk Producer's Federation in place of Karnataka Dairy Development Corporation.

On October 29, 1982, the foundation stone for Karnataka Cooperative Milk Producer's Federation, Limited, product plant was laid at Poona Bangalore Road, Lakkammanahalli, Industrial Area, Dharwad, and work on construction began immediately thereafter. It took just 22 months from foundation to finish and the plant was inaugurated on 12th September, 1984, by Honourable Chief Minister of Karnataka, Sri. Ramakrishna Hegde, Another record of the plant is the savings of Rs. 20 lakhs in the cost of construction, which was originally conceived of Rs. 7 crores 40 lakhs.

This 7.20 crore venture, which has turned out to be the most modern milk products manufacturing unit in the country, employs some of the latest and most sophisticated processes and equipment in the world today. These include a two stage spray drying process for producing baby food and milk powder with better solubility; automated butter-making and packing machinery; and a range of sophisticated electronic quality control equipment imported from west-European countries. The lay-out of the plant has covered an area of about 25.35 acres with the convenient rail-road means of transport. The production capacity of the plant is:

Handling Capacity : 1,20,000 litres per day,
expandable to 1,50,000 litres.

Products :		Capacity
(S.M.P.)	Skimmed milk powder :	2,000 tonnes per year
(W.M.P.)	Whole milk powder :	500 tonnes per year
	Baby food :	1,500 tonnes per year
	Malted food :	1,500 tonnes per year
	Butter :	1,000 tonnes per year
	Ghee :	1,000 tonnes per year
	Casein :	25 tonnes per year

Ownership : The Karnataka Milk Federation's product plant Dharwad, was earlier named as'Karnataka Milk Products, Limited' and was wholly owned by state government of Karnataka. It was originally envisaged that the state government would bear about one-third the cost of the project, the rest coming from the Industrial Development Bank of India. But, since, the project was included in Operation Flood-II, it was financed by the Indian Dairy Corporation on the basis of 30% grant and 70% loan. The repayment of loan would commence after 5 years with 8.5% interest in 15 equal annual instalments. On 15th November, 1984, the state government accorded its sanction to transfer the assets and liabilities along with the personnel of Karnataka Milk products Limited, to the Karnataka Co-operative Milk Producer's Federation, Limited, which is the Apex body of dairy-farmers in Karnataka state. As such the Karnataka Milk Federation's product plant Dharwad

is at present wholly owned by dairy farmers of Karnataka state. It is registered with the Registrar of Co-operative Societies under the Karnataka Co-operative Societies Act, 1959.

The Management : The chairman of Indian Dairy Corporation in his letter dated 21st April, 1979, suggested the state government to create the post of special secretary to co-ordinate the activities of Operation Flood in the state and to nominate the Board of Directors for the proposed co-operative Federation. Accordingly, the state government nominated initially for a period of three years a team of highly qualified persons. But, presently, its Board consist of the chairmen of District Unions who in turn are elected by milk producer-members of village co-operatives. Hence, the Karnataka Milk Federation is not only owned but practically managed by dairy farmers. It is the responsibility of the Board of Directors to frame the broad policies and chalk out the objectives so as to extend the benefits of White Revolution to the peoples of Karnataka. The main objectives of Karnataka Milk Federation are:

a) To provide a regular and remunerative market to dairy-farmers,
b) To provide quality milk and milk-products to needy-urban consumers, and
c) To create directly or indirectly employment opportunities.

To fulfill these objectives, the policies concerning production, collection, processing, pricing etc., are framed by the Board, but the actual execution of policies is done by the competent team of qualified professional managers namely, dairy technicians, dairy scientists, extension workers, professional managers, cost accountants etc,. A competent person of I.A.S. rank is usually deputed as General Manager by the government to look after executive functions; an officer of K.A.S. cadre is deputed as Regional Manager to co-ordinate the activities under Operation Flood II-III in northern part of Karnataka. Each action of each member of the organisation is systematically directed towards attainment of aforesaid objectives.

In toto, the dairy farmers in Belgaum, Dharwad, Bijapur and South Kanara now have an assured market for their surplus milk-as the milk required for the manufacture of products is procured from these farmers. As the ripples of opportunity widen, thousands of household- as many as 7,500- will earn nearly Rs. 10 crores every year for the milk supplied by them. A large majority of these households fall into the category of small and marginal farmers, landless labourers and other weaker section of society. This is besides providing direct employment to about 250 people and indirectly the operations of Karnataka Milk Federation's product plant Dharwad will generate employment opportunities to over a

thousand people in the nearby rural areas.

3.3 The Organisational Pattern and its Structure :

The Organisational Pattern : The organisational pattern of Karnataka Milk Federation is based on 3 tier structure of world famous Anand pattern. At the base a village-level milk producer's society is their, at the district level a District-Union of village co-operatives is their and at the state level a federation of dairy co-operative unions is their. The main responsibilities of Karnataka Milk Federation are to:

a) establish and promote the producer's societies at village-level and the District-Unions at the district-level,

b) assist in the promotion and establishment of new dairy plants for and on behalf of the said Unions, and

c) procure and market milk and milk products outside the jurisdiction of Unions and in major cities.

In an attempt to fulfill the above responsibilities the Karnataka Milk Federation is successfully trying to motivate milk producers to come into its co-operative umbrella. The table No. 3.4 gives the district-wise organisation of village milk producer's co-operatives and the number of milk producers within the jurisdiction of Karnataka Milk Federation product plant, Dharwad.

Table : 3.4 : Organisation of village-level milk producer's co-operative societies and their members in North-Karnataka. (Upto June 1986)

Dairy Cooperatives	Dharwad	Belgaum	Bijapur	North-Kanara
D.C.S Registered	221	201	106	55
Share Capital	255886	285324	176480	NA
Members (Total)	19261	20729	10294	NA
Small farmers	6252	9436	4428	NA
Marginal farmers	3145	5783	2094	NA
Landless labourers	4013	2323	1863	NA
Other members	5851	3187	1909	NA
Out of the total:				
S.C	975	1276	894	NA
S.T	289	1105	235	NA

Source : Karnataka Milk Federation's progress report quarterly ending June 1986.

Abbreviations : NA = Not available; D.C.S = Dairy Co-operative Societies
S.C = Members from Scheduled Caste
S.T = Members from Scheduled Tribe

Within a short period of not more than even two years, against a target of organising 750 village milk producer's co-operatives it has succeeded in organising about 583 village level milk co-operatives with the membership of about 55,621 dairy farmers. As it is already stated that Dairy Development

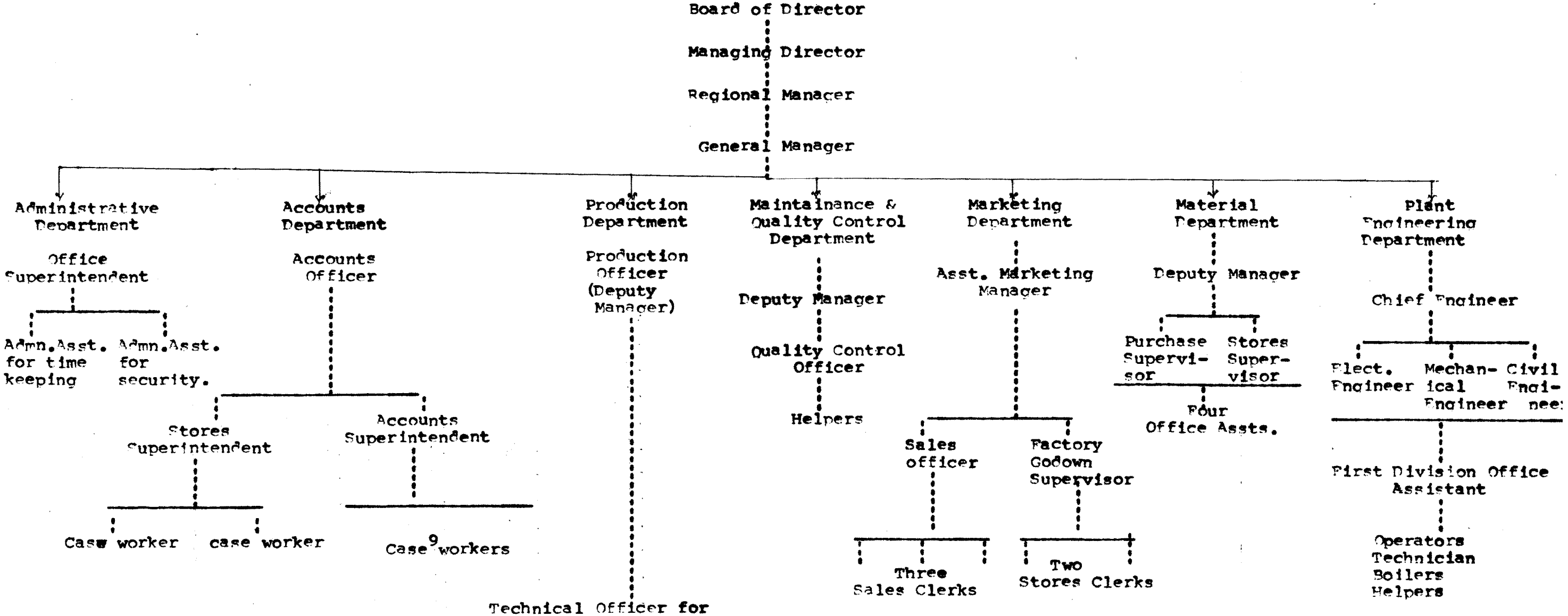
helps the poorest of poor to maintain a stable life in rural India, The Karnataka Milk Federation has immensely helped a large size of marginal farmers, small farmers, landless labourers, the members of scheduled caste and scheduled tribes by supporting to their income through extending membership. It is clear from table No. 3.4 that majority of dairy farmers belong to weaker section of the society. Thus, enabling those who are below poverty-line to come above the line.

The Structure of Organisation : The structure of organisation on table No. 3.5 clearly reveals the line of authority flowing from Board of Directors at the top to rank-and-file level at the bottom. From Board of Directors, the authority is delegated to Managing Director, from Managing Director to Regional Manager and from the Regional Manager to the General Manager of the Karnataka Milk Federation's product plant, Dharwad. From General Manager, the authority flows down to departmental heads. There are in all, seven departments in the organisation. These departmental heads in turn delegate their authority to their subordinates, who are working as sales officers, superintendants, operators, technicians, electricians, security guards etc. Thus, there are three layers of management- the Board of Directors, the Managing Director, the Regional Manager and the General Manager form the top-level; the departmental heads form the

mid-layer of organisation. There are, in all seven departments in the product plant Dharwad, namely, Administrative department, Accounts department, Production department, Maintainance and Quality Control department, Marketing department, Material department and the Engineering department. The subordinates of departmental heads and the actual operators, supervisors, technicians etc., form the last, rank-and-file layer of management. While, the broad policies are framed by top-level but, the actual execution of the policies is done by mid-level and the last level of management. On the other hand, the work turned, suggestions, complaints,if any are flown in an upward direction from bottom to top.

The Board of Directors of Karnataka Milk Federation consist of the elected chairman of District Co-operative Milk Producer's Union. At present, there are eleven directors coming from eleven districts of Karnataka. Sri. B.V.Karigouda is the first elected chairman of Karnataka Co-operative Milk Producer's Federation, Limited. He is the chairman of Hasan district union. To execute the operations of Karnataka Milk Federation, the Board is assisted by the Managing Director. Further, the Managing Director is assisted by four Regional Managers to co-ordinate and implement the dairy development activities under operation flood in four divisions of Karnataka state. The Karnataka Milk Federation's product plant, Dharwad is fully looked after by a General Manager, who is the chief executive of plant.

Table : 3.5 : Line of Authority in K.M.F.



The seven departments of Karnataka Milk Federation's product plant, Dharwad are as under:

Administrative Department : The Office Superintendent is officiating as the Administrative Officer. He is being subordinated by two Administrative Assistants- one for time-keeping and the other for security division. At present, Sri. P.K.Goudar, M.S.W is the Office Superintendent.

Accounts Department : It is being headed by Assistant Accounts Officer. He is being subordinated by two superintendents- one for stores division and the other for accounts division. Stores superintendent is again assisted by two stores- assistants and accounts- superintendent is being assisted by 9 accounts assistants. Presently, Sri. N.M.Hunchali, C.A. is the Assistant Accounts Officer.

Production Department : Deputy Manager for production is the head of production department. He is being assisted by technical staff for various products like Ghee, Butter, Milk-powder etc. This technical staff is again assisted by processors and operators. At present Sri. Shrinath, B.Sc, D.T is the head of Production Department.

Maintainance and Quality Control Department : It is headed by Deputy Manager for quality control and maintainance. He is subordinated by Quality-Control-Officer and who in turn is assisted by various helpers. At present, Sri. Krishna Reddy, B.E

is the departmental head.

Marketing Department : Assistant Manager for marketing is the chief of this department. The Sales-Officer and the Factory-Godown Supervisors are the two subordinates, further they are assisted by three sales clerks and two godown clerks. At present, Sri. Kodanramayya, M.B.A. is the head of this department.

Material Department : This department is headed by Deputy Manager for material. He is subordinated by purchase and the stores supervisors, and these supervisors in turn are assisted by four assistants. Presently, Sri. K.S.Bhise,B.Sc, a professional in material management is heading this department.

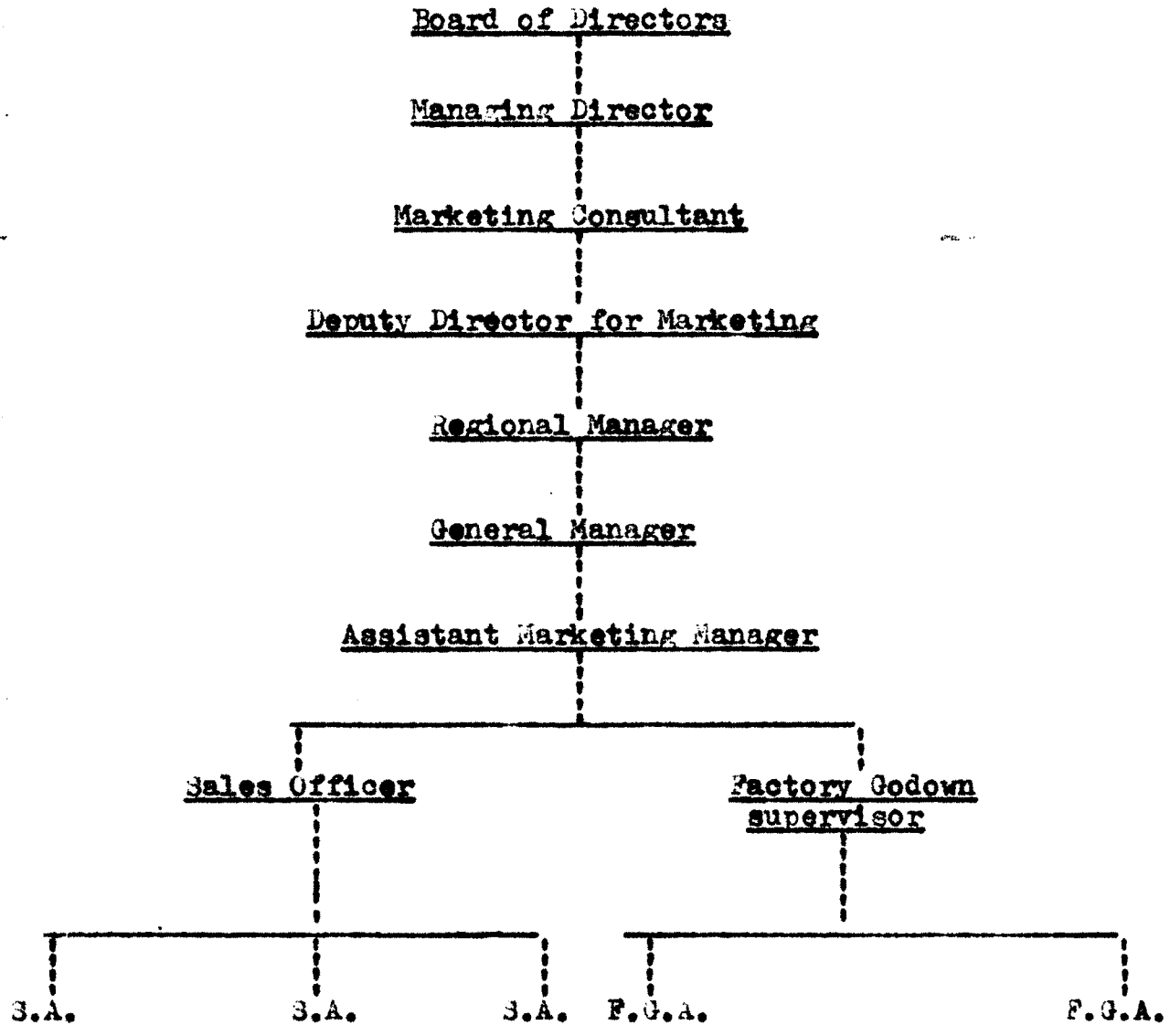
Engineering Department : Plant Engineer is the chief of this department. He is being subordinated by Electrical, Mechanical and Civil Engineers, who in turn are being assisted by operators, boiler operators, technicians, electricians, helpers etc.

The General Manager, Shri. Gopal Reddy, B.E. is actively co-ordinating the activities of various departments, so as to materialise the national programme of Operation Flood in northern part of Karnataka state.

3.4 The Marketing Department :

The table No. 3.6 on page 82, clearly reveals the

Table : 3.6 : Structure of Marketing Department.



Source : adopted on the basis of information given in 'Lairy India, 1983' P. 391.

Abbreviation : S.A = Sales Assistant,
F.G.A = Factory Godown Assistant.

structure and place of marketing department in the organisation. The two experts- the Marketing Consultant and the Deputy Director for Marketing- specialised in the field of marketing are added to the usual line of authority. By looking the structure of organisation, it is easy to grasp that Karnataka Milk Federations product plant, Dharwad is not a sales-oriented firm but a marketing-oriented firm, keeping the consumer and his need as the central point of all marketing activities. It is because of this reason that Sales-Officer is subordinating the marketing officer. The activities of sales-department, advertising and sales promotion department, marketing information department, service department are all looked after by this single department. The broad policies relating to marketing are framed by the top-level management. The top level management for marketing consist of Board of Directors, the Managing Director, the Marketing Consultant, the Deputy Director for Marketing, the Regional Manager and the General Manager. After framing the policies, they are passed on to Assistant Marketing Manager who executes them with the support of his subordinates in the department. Of course, suggestion and actual market information is collected from the sales force, who are none but the approved dealers of Karnataka Milk Federation.

The activities of the marketing department include:

Setting sales objectives : Sales objectives are set and

measures are undertaken to attain the same. This include deciding upon the channels of distribution, appointment of approved dealers in various districts, measurement of their performance, establishing criteria for their measurment, creating meaningful channels of communication, looking after tax aspects etc.

Advertising and Sales Promotion : The activities under this category include the determination of media-mix for Nandini branded products meant for final consumers to be marketed through retailers, wholesalers, dealers etc.

Marketing Information System : Flow of information is essential from top-level to not only bottom-level but to middlemen and to final users and from the market to the top-level. On the basis of the market information received, the top-level management frames its decisions. The presence of effective market information system helps to attend quickly the customer and dealer complaints.

Product Planning Activities : Herein, the decisions regarding addition, deletion of the products to the product-line, the changes in the design, shape, package, size etc., are undertaken.

To perform all these activities satisfactorily the marketing department is filled with professionally specialised

persons who are successfully trying to get maximum co-operation and co-ordination both within and without the department. Of course, the success of the activities of all the other departments depend upon the success of the activities of marketing department. Because, survival in the business field, establishment and expansion of the markets, assessment of the market position is all the look out of marketing department. However, an efficient and successful marketing executive is one who extract positive co-operation from all the other departments. As such, the marketing department of Karnataka Milk Federation's product plant, Dharwad is acting in close-co-operation with all the departments in general but with those departments in particular, upon which the actions of marketing department are bearing its effects.

3.5 The Milk Products Manufactured :

Milk is a perishable article of food. When stored at ordinary room temperature it develop lactic acidity in time with the result that it first begins to smell a taste of acidity and very soon afterwards will clot on warming. Of course, some use is made of acidity in milk in the preparation of Curd and Lussi but, the aim has always been to conserve either all or some of the constituents of milk in a form which keep for a longer time than liquid milk. The idea of making milk products in olden times was to store in time of plenty

against periods of famine but, at present, milk products form a regular part of the human diet and are the basis of prosperity of some of the nations of the world. The making of milk-products in these countries is a commercial industry and profits accrue from the exploitation of milk.

In India, till recently, most of the milk-products were imported. But, today the situation is totally reverse. The dairy development activities undertaken under Operation Flood programme has made India not only self sufficient but some of her dairy products are now exported. All the types of fluid, concentrated and dry milk-products are being manufactured by Indian Dairy Industry. To mention a few of milk products manufactured by dairy plants in India are: Ghee, Butter, Cheese, Khoa, Sweetened Milk, Whey, Standardised Milk, Table-butter, Paneer, Butter-Milk, Curd, Lussi, Basundi, Kulfi, Milk-cake, Milk Biscuit, Skimmed Milk Powder, Whole Milk Powder, Baby-food, Infant Milk food, Malted Milk food Casein, Ice-cream, cream, Basundi, Rabhri, Rasgulla, Gulab-Jamun, doodh peda, Kunda etc, etc,.

Apart from supplying milk, the product line of Karnataka Milk Federation's product plant, Dharwad includes the following milk-products:

Skimmed Milk Powder,

Whole Milk Powder,

Flavoured Milk,

Butter, and

Ghee.

In future, it is having plans to add the following more products to its existing product-line;

Srikhand,

Peda,

Infant foods (Malted and Baby food)

Casein.

REFERENCES

1. Indian Dairy Association, Special Number, September, 1986. P. 15.

2.'Dairy India, 1983'

3. Indian Dairy Association, Special Number, September, 1986.

4. Ibid, P. 37.