

---

**CHAPTER – VI**  
**PROBLEMS OF PRIMARY DAIRY**  
**CO-OPERATIVE SOCIETIES.**

---

## **CHAPTER - VI**

### **PROBLEMS OF PRIMARY DAIRY CO-OPERATIVE SOCIETIES.**

- 6.1 Introduction.
- 6.2 Milk procurement problems
- 6.3 Administrative problems
- 6.4 Financial problems
- 6.5 Problems of workers
- 6.6 Marketing problems
- 6.7 Other problems

**CHAPTAR - VI**  
**PROBLEMS OF PRIMARY DAIRY CO-OPERATIVE SOCIETIES.**

**6.1 Introduction**

The Dairy Co-operative Movement has been playing an important role in the rural development of Patan taluka. Though it is true that there are many Primary Dairy Co-operative Societies, which are running losses. The growth of dairy co-operative societies is quantitative and not qualitative. The development is not so satisfactory because the societies are facing innumerable problems. These problems are as follows.

**6.2 Milk procurement problems**

**1. Unhealthy competition**

Unhealthy competition between two or more dairy co-operative societies. It is because of the party politics or egotism.

**2. Competition against private enterprises**

The private enterprises have been collecting milk from the farmer's houses and they are paying the price of the milk every day. Sometimes they offer advances against the payment. Sometimes the price of the milk is higher than the price given by the dairy co-operative society. If there are two or more collection centers they are offering competitive prices and facilities.

**3. Milk procurement problem.**

In order to become economically sound, the primary dairy co-operative society must collect minimum 400 to 500 liter milk to meet every day expenses. The dairy co-operative societies cannot procure this much milk so they are not becoming sound.

**4. Transport problem**

Patan taluka is one of the most remote hilly areas and so it is facing the problems of transportation. Sometimes the bicycle cannot be used. The

collection has to be done on foot. In Koyana catchment the boats are used. If the boat does not reach in time or the boatman is ill the milk cannot be procured and sent in time. So the societies become unprofitable. The societies operating in Koyana catchments are almost sick.

#### **5. Area restrictions.**

The government has laid certain restrictions regarding the area of collection. The primary dairy cooperative society cannot procure milk from other villages where as the private agencies can collect milk from any place.

#### **6. Lack of quality milk**

The societies have not succeeded in supplying quality fresh milk to the urban areas. As a result the urban people are not attracted towards this system.

#### **7. Unsatisfactory co-operation**

The Primary Dairy Co-operative Societies have not paid any attention towards the improved verity of nutritious fodder and milk yielding crossbreed cattle. The societies have been only collecting the milk and selling it either to taluka union or private businessman (Gavali). Unless the societies pay attention to the processing and the by-products of milk there will not be expected development.

#### **8. Non availability of milk testing equipment**

It is expected that the price of the milk should be fixed according to the percentage of the fat. It is regretted to note that the primary dairy co-operative societies are not using electronic milk tester to test the fat percentage. The result is that the producers do not get proper price for their product.

#### **9. Storage problem**

Milk is perishable product. It is necessary to use it immediately or keep it in a cold storage. If the milk is rejected by the dairy co-operative society, the farmer has to suffer the losses, as there is no cold storage facility.

**10. Adulteration** The problem of adulteration is a danger to the co-operative movement. There is growing demand for milk and milk products. The societies are tempted to mix or adulterate and get more money or higher price.

**12. Fat problem**

If cow or buffalo is yielding low fat milk, the farmer does not get optimum price for the milk.

**13. Problem of Bank loan**

The society transfers the price of milk to the farmer's bank loan account, because the society has issued guarantee letter. If the farmer does not get any cash to meet day-to-day expenses, he approaches the private agency and sells his milk. The farmer's approach is an obstacle in the co-operative movement.

**14. Other Problems**

1. Some farmers do not supply the milk within the period.
2. Electronic micro tester cannot work if there is no Electricity.
3. Natural calamities like flood, draught, and earth quick create lot of obstacles in procurement of milk. If the cattle are deprived of adequate fodder and water, they cannot yield the expected quality of milk.
4. The financial health of the farmer is very weak. They cannot afford to provide necessary fodder or health facilities.

**6.3 Administrative Problems**

**1. Government indifference**

The government machinery is indifferent towards the development of societies. The Government machinery has not paid proper attention to the problems faced by the societies.

**2. Lack of modern technology**

The farmers are too poor to use state of art dairy technology in day-to-day practice. The farmers cannot get the information about fodder and recent technique of rearing up the cattle.

### **3. Government policies**

The changing policies of the Government create an adverse problem in milk production.

### **4. Growing expenses**

On account of the unnecessary interference of the government, the societies cannot function in a proper manner. They society officers are always under the pressure.

### **5. Untrained directors**

The directors are mostly untrained and they cannot think of the SWOT analysis of their society. They cannot take proper steps to improve the standard of farmers.

### **6. Less participation of director**

As the directors are not drawing any salary, they do not think of spending their full time for the welfare of society and farmers.

### **7. Under paid employees**

Under paid or lowly paid employees do not work honestly. Dishonesty becomes an obstacle in the development.

### **8. Traditional method**

The milk yielding cattle are brought up in a traditional manner. The people are not aware of cattle breeding technology.

## **6.4 Financial problems**

### **1. Problem of capital**

Neither the govt. nor the banks have been providing sufficient loans to give the price of milk, to meet the day-to-day expenses or to pay the wages and rent, to store milk in cold storages, to purchase the pasturing equipment etc. On account of the in inadequate funds the dairy co-operative societies cannot achieve the objectives or goals.

## **2. Problem of loans**

As dairy co-operative societies do not have sufficient funds to run the societies efficiently, they have to borrow the loan from the bank or credit societies. The repayment of the loan is one of the greatest obstacles in the development of dairy co-operative movement.

## **3. Termination of membership**

There are some shareholders who sell their milk to private agencies though they are the shareholders. Sometimes the ego / party problem becomes an obstacle and the membership is terminated by the society and it becomes the problem of fund raising.

## **4. Lack of awareness**

The members are reluctant to become the shareholder though the price of the share is hardly Rs. 10.

## **5. Exorbitant Audit fees**

The societies cannot afford to pay exorbitant audit fees.

## **6.5 Problem of workers**

### **1. Awareness of education**

74 % employees are educated up to H. S. C. level; only 14 % workers received higher education. Their education is not directly related to the place of work and the job they are doing.

### **2. Untrained employees**

There is very low percentage of trained employees. They are not encouraged either by giving incentives or training expenses.

### **3. Non availability of full time work**

The society cannot provide full time work or adequate wages to the employees. Hence the employees cannot satisfactorily do their job.

#### **4. Lack of facilities**

The employees do not get the facilities. Like leave, wages, dearness allowance, salary, provident fund or retirement benefits as per the Govt. rule.

#### **5. Shortage of employees**

If the employee is sick or has any other personal problem he cannot spare the time for society. The other present- employee has to shoulder the responsibility. He too cannot do the work satisfactorily.

### **6.6 Marketing problems**

#### **1. Milk testing problem**

The producer cannot get the price of the 100gram milk, which is taken by the society for testing purpose. This tested milk is added to the societys can and naturally the farmer is at loss.

#### **2. Milk handling problem -**

It is necessary to handle perishable items carefully. If the milk is not handled with great care, the milk turns sour. The sour milk is unfit for consumption. Naturally the societies cannot offer maximum prices.

#### **3. Price difference**

The consumer has to pay Rs. 18 per liter where as the farmer gets hardly Rs.8 to 12 per liter. This 100 % profit is deposited to the credit of society, which acts as an agent.

#### **4. Fat problem**

The society does not get optimum price for the milk on account of difference in the percentage of fats taken by society and the union.

### **6.7 Other Problems**

#### **1. Unfair practices**

The Dairy co-operative societies should take proper steps towards the welfare of the farmers. The facilities should be made available and the farmers



must get the fair price for the milk. If the society is not active the farmers turn their backs to society and become indifferent

## **2. Scarcity of fodder**

On account of change in crop pattern, the dairy industry is facing a lot of problems. The prices of fodder are rising day by day because the fresh green fodder and dry fodder are scarce.

## **3. Inadequate medical facilities**

The Government medical facilities are inadequate. So the farmers have seen the help of private veterinary doctors who charge high fees.

## **4. Harmful to health**

If the animal eats the pesticide sprayed fodder. The pesticides may come through to milk and pose danger to man's health.

## **5. Cheating**

Instead of buying new animals, the farmers buy the animals, which are already at their homes. The loan is taken from the bank and spent for other purposes. This type of cheating is harmful to the farmers as well as bank. There is neither growth in the number of animals nor in the quantity of milk. The transaction is on paper and money is wasted.

6. The employees do not get proper treatment from the milk producers.

7. If the employee gets more salary and better service facilities at other places they quit the job.

8. The society cannot employ trained employees because it cannot afford to pay high salaries.

9. The employees do not get employment guarantee.