
CHAPTER - I
INTRODUCTION AND RESEARCH
METHODOLOGY

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CHAPTER - 1

INTRODUCTION AND RESEARCH METHODOLOGY

1.1 Introduction: -

Co- operative sector is the third sector after public and private sector. India has world's largest co-operative sector and its major achievement is in agriculture and rural development. Dairy farming is an important part of agriculture enterprise, but dairy co-operative societies are not developed properly due to non-availability of proper marketing system, poor base of milk production, dominance of traditional milk traders, limitations of procurement and processing facilities etc.

(1) Patan taluka is hilly, economically backward and earthquake prone area surrounded by 7 hill ranges. It is one of the undeveloped talukas in Satara district. As per 2001 census total population of Patan taluka is 2,97,491. Farming is the main occupation of villagers and dairy farming is secondary occupation. In order to get reasonable price for milk and raise the income, milk producers come together and set up dairy co- operative societies. In Patan taluka there are 139 registered and working primary dairy co-operative societies and one private industry viz. Green Valley Milk Processing Industry.

1.2 Concepts and definitions: - (2)

There is no universally accepted definition of a co-operative. In general, a cooperative is a business owned and democratically controlled by the people who use its services and whose benefits are derived and distributed equitably on the basis of use. The user-owners are called members. They benefit in two ways from the co-operative, in proportion to the use they make of it. First, the more they use the co-operative, the more service they receive. Second, earnings

are allocated to members based on the amount of business they do with the co-operative. In many ways, cooperatives resemble other businesses. They have similar physical facilities, perform similar functions and must follow sound business practices. They are usually incorporated under state law by filing articles of incorporation, granting them the right to do business. The organizers draw up by laws and other necessary legal papers. Members elect a board of directors. The board sets policies and hires a manager to run the day-to-day operations. But in some ways, cooperatives are distinctly different from other businesses. These differences are found in the co-operative's purpose, its ownership and control, and how benefits are distributed. They are reflected in cooperative principles that explain the unique aspects of doing business on co-operative basis.

1.2.1-Definitions.

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

(Source: ICA Statement on the Cooperative Identity)

A cooperative is a business voluntarily owned and controlled by its member patrons and operated for them and by them on a non-profit or cost basis. The People who use it own it. (Source: UWCC)

As farmers play a useful role in promoting rural development, dairy cooperatives have special attributes that make them particularly suitable. Among these, they can facilitate the development of remote rural economies, by upgrading the standard of living of the poor. So dairy co-operative is defined as **“Co-operative Dairy is a small rural milk collection center”**.

1.3 Approach to the problem.

Dairy co-operative societies have generally accepted two tier structure viz. Primary dairy co-operative society at village level and milk union at

taluka level. Primary dairy co-operative societies collect milk twice a day i.e. in the morning and evening and it is sent to the taluka place. The payment is made to the members after the period of 30 days. The main functions of dairy co-operative societies are as follows: (3)

1. Provision of good market to milk.
2. Assurance of reasonable Price to the Procedures / members.
3. Elimination of Private middlemen.
4. Provision of regular income for the Producers / members.
5. Rendering of service to the members such as cattle feed, medical facilities, social awareness etc.

However, the growth and development of primary dairy co-operative societies varies from place to place in Patan taluka. Most of the societies are not functioning as per by-laws and provisions of the Maharashtra Co-operative Act and norms laid down by the Maharashtra Government from time to time. The quantitative and qualitative analysis of working of these societies in Patan taluka is beneficial to the co-operative movement in general and dairy co-operative societies in Patan taluka in particular. Therefore this topic is selected for present research work.

1.4 Statement of the Problem

“A STUDY OF DAIRY CO-OPERATIVE SOCIETIES IN PATAN TALUKA.”

Primary dairy co-operative societies procure the milk of cows and buffaloes in the morning and evening and supply it to the taluka union. The payment of milk is made after 30 days interval or as per convenience, profitability, and financial stability. Promptness in providing various services to members, regular payment of milk etc. is indicators of working of these societies.

The number of dairy co-operative societies is increasing day by day in Patan taluka. Therefore the study of working of dairy co-operative societies in Patan taluka is necessary.

This study covers the analysis of organization, human and financial aspects of selected dairy co-operative societies in Patan taluka. For this purpose the parameters such as number of members, number of staff, ratio analysis, services provided to members and so on were applied.

1.5 objectives of the study:

1. To review history and development of dairy co-operatives in Maharashtra and Satara district.
2. To highlight profile of dairy co-operative societies in Patan taluka.
3. To study general background of selected primary dairy co-operative societies in Patan taluka.
4. To analyze primary data collected from Koyana and Patan unions.
5. To analyze primary data of selected 28 dairy co-operative societies in Patan taluka.
6. To highlight the managerial and financial problems of dairy co-operative societies.
7. To make findings and suggest recommendations for improvement in working of these societies.

1.6 Research design and methodology:

1.6.1 The Universe

This is a study of dairy co-operative societies in Patan taluka. There are two taluka unions working in Patan taluka as on 31/03/2004 viz.

1. Koyana Sahakari Dudh Utpadak Prakriya Sangh, Karad.
2. Patan Taluka Sahakari Dudh Utpadak Sangh, Patan.

Similarly 139 Primary dairy co-operative societies are registered under the Co-operative Societies Act up to 31/03/2004 and working under above two taluka unions.

This study is limited to these 139 primary dairy co-operative societies in Patan taluka. Classification of these registered primary dairy co-operative societies in Patan Taluka is shown in Table 1.1

Table 1.1
Classification of primary dairy co-operative societies in Patan Taluka
according to administrative basis.

Sr No.	Name	Number of Dairy Co-operative societies
1	Patan	40
2	Dhebewadi	6
3	Talmavale	6
4	Tarale	21
5	Helwak	18
6	Malharpeth	13
7	Marali	21
8	Chaphal	14
	Total	139

1.6.2 Selection of the Sample: -

The universe mentioned above is large, and it is not possible to study each and every primary dairy co-operative society in Patan Taluka. Therefore two unions and 28 primary working dairy co-operative societies are selected for detailed study. The figures are given in Table 1.2

Table 1.2

**Classification of selected primary dairy co-operative societies in
Patan Taluka according to administrative basis.**

Sr No.	Name	Number of Dairy Co-operative societies
1	Patan	08
2	Dhebewadi	01
3	Talmavale	01
4	Tarale	03
5	Helwak	04
6	Malharpeth	04
7	Marali	04
8	Chaphal	03
	Total	28

The percentage of selected dairy co-operative societies to total universe is about 20%. The stratified random sample method was applied for the selection of number of dairy co-operative societies. The simple random method was applied for the selection of individual primary dairy co-operative society.

1.6.3 Reference Period:

The primary and secondary data as on 31/03/2004 were taken into account. However the statistical information of selected primary dairy co-operative of last three years from 2001-02 to 2003-04 was taken into account.

1.6.4 Technique of analysis:

The analysis and interpretation of data was done with help of statistical techniques such as percentage, average etc. The data collected is presented in the form of various Tables, Charts & Graphs.

1.8 Tools used for collection of data:

The primary data required for the study was collected from the following sources:

1.7.1 Primary Data:

Primary data was collected by conducting survey of the selected primary dairy co-operative societies in Patan taluka. The primary data was collected through the following ways.

i) Questionnaire:

For the purpose of collection of primary data a detailed and comprehensive questionnaire was prepared on the basis of objectives of the study. The survey of selected primary dairy co-operative societies in Patan taluka was conducted with the help of this questionnaire.

ii) Discussion and interview

Personal discussion and interview was held with chairmen, officers of taluka milk unions as well as members and employees of the primary dairy co-operative societies.

iii) Observation:

Observation method was used for collection of related information.

1.7.2 Secondary Data:

The secondary data necessary for study was collected from the following sources:

1. Annual reports and annual accounts of dairy co-operative societies.
2. Maharashtra Co-operative Societies Act, 1960.
3. Co-operative Legislation in India.
4. Published library sources such as books, journals etc.
5. Unpublished sources such as M.Phil. dissertations and Ph.D. theses.

1.8 Significance of the study:

Today co-operative milk sector faces a number of difficulties because of competition in market. In spite of this, numbers of dairy co-operative societies are increasing. This is the first study on this subject in this part of Maharashtra state. This study will highlight strengths and weaknesses of dairy co-operative societies in Patan taluka.

As no study was carried out on primary dairy co-operative societies in Patan taluka, the present study has become significant. The findings of the study will be beneficial to co-operative societies in general and co-operative societies in Patan taluka in particular.

1.9 Scope and limitations of the study:

1. The total number of primary dairy co-operative societies in Patan taluka is 139. However only 28 i.e. about 20 percent primary dairy co-operative societies are selected for detailed study.
2. The period selected for the study is restricted to 3 years i.e. from 2001-02 to 2003-04.
3. The study is confined to primary dairy co-operative societies in Patan taluka.
4. The study covers working of the primary dairy co-operative societies on the basis of selected parameters.
5. The stipulated time period within which the study to be completed is also one of the limiting factors.

Chapter scheme: -

The study will be presented through following chapters.

1. Introduction and research methodology.
2. History and development of dairy co-operatives.
3. Profile of dairy co-operatives in Patan taluka.
4. Analysis and interpretation data of unions.
5. Analysis and interpretation of data of dairy co-operative societies.
6. Problems of primary dairy co-operative societies.
7. Conclusion and suggestions.

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