

CHAPTER - 4

Social And Economic Benefits From
Co-operative Dairy Societies

■ : A : - Direct benefits :

■ : B : - Indirect benefits :

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CHAPTER - 4Social And Economic Benefits From Co-operative
Dairy Societies .Introduction :

The previous chapter has been devoted to the discussion on the progress of the co-operative dairy development in Baramati Taluka. It is fairly evident from the discussion and data presented that the development of dairy industry in the Baramati Taluka has achieved a measurable amount of success. However, in the context of the Indian conditions, particularly those related to the *raison d'etre* of the co-operative movement in rural areas, the quantitative success of the dairy movement, i.e. the success with respect to the number of societies, membership, collection of milk is not enough. A measure of qualitative change i.e. positive change from the social point of view, bears greater importance. It is, therefore, necessary to study the nature of changes initiated by these co-operative societies in the rural social structure. The object of the study is to determine what, if any, are the social and economic changes brought about by the co-operative dairy societies in the Baramati Taluka.

The economic and social benefits of co-operative dairy societies in Baramati Taluka are sought to be studied and examined here. There are some direct benefits from co-operative dairy societies and some indirect benefits too. As these co-operative dairy societies provide some facilities to the milk producers and members, a number of direct benefits accrue

to such members.

Development of dairying depends on the development of co-operative dairy societies as these co-operative societies provide essential facilities to the milk producers. It is clear that in the Baramati Taluka the dairy business has developed due to the co-operative dairy societies, thereby conferring some benefits on the individuals and the society through development of dairying. Benefits from dairying to the individuals or society are also indirectly related to the co-operative dairy societies.

In order to study the social and economic benefits ten percent of the co-operative dairy societies (in all fourteen) were randomly selected. Further, of the total membership of these fourteen societies, a sample of ten percent (90 members in all) was selected, again randomly. A questionnaire was administered to collect necessary data and information. The following are the possible social and economic benefits from co-operative dairy societies.

Social and economic benefits :-

(A) Direct Benefits :

- a) Certainty of milk sale.
- b) Proper price of milk.
- c) Reduced problems of transportation.
- d) Economic help.
- e) Guidance
- f) Regular payments.
- g) Employment Opportunities.

- h) Distribution of milk in the villages.
- i) Supply of milk to the schools.
- j) Schemes for the poor students.
- k) Social Changes.
- l) Creating co-operative views in the people.

(a) Certainty of milk sale :-

Milk is a perishable commodity. It is not possible to store it for a long time. It has, therefore, to be sold soon after its production. A permanent avenue helps in disposing of the day's production and collection.

If there is a permanent avenue for disposal of milk, the milk producers would experience conditions free from worries. But if there is no such outlet for disposal of milk the producers would have to depend on other sources with the probability of reduced earnings, and even incurring losses which could be high. Such a probability imposes constraints on the economic manoeuvrability of the milk producers resulting in lower total and possibly per capita production, in turn bearing further repercussions on the economy of milk and allied products. It will impose limitations on production of milk.

Now-a-days a number of primary milk co-operative societies are working in rural areas. These societies are collecting milk from their members and supplying the milk thus collected to the government milk schemes through the taluka or district

co-operative milk federations, regularly. This arrangement assures the milk producers of a ready market for their product. With an assured market and with the producers being freed from worries regarding the market, the logical outcome can be increased milk production.

(b) Proper price of milk :-

However, the certainty of the market for milk, does not per se lead to an increase in the production of milk. The 'market certainty factor' indispensable, but cannot be viewed as a sufficient reason for giving an impetus to the volume of production.

With the increase in production, the supply of milk is bound to rise, and ceteris paribus, the price would be expected to decline. Thus it is also essential that the milk producers receive a remunerative price for their product. If the producers are to depend on private vendors for the sale of milk, they would have to accept the price offered by the private vendors. Since, in the rural Indian situation, it is not possible to store milk or to carry it for sale to the urban areas, the local private vendors would be the main purchasers of the milk. They would take advantage of the local market conditions and offer a lower price, resulting in the producers receiving much lower price, than would be required to encourage them to produce more.

Here the co-operative societies can play a very significant role. The co-operative dairy societies not only provide

certainty of milk, but also certainty of a proper price for milk. As these societies are based on co-operative principles, there is no chance of hindrance or exploitation. Milk producers are free from exploitation or hindrances from private vendors or middlemen.

(c) Reduced problems of transportation :-

Every village in the Baramati Taluka has a co-operative dairy society. These co-operative dairy societies are collecting milk from their members at the village level and transport it to the nearest chilling station. The transport facility is provided by the co-operative societies. It is, therefore, very convenient for the milk producers to supply milk to the society in the village and not worry about the transportation problem. In the absence of such a facility the producers would have to shoulder the burden of transporting milk either to the nearest chilling centre or the nearest town for the purposes of disposal of the milk. Generally, the milk collected by each producer would be relatively small to warrant transportation costs. The facility provided by the co-operatives obviates such arrangements on the part of the individual producers.

(d) Economic help :-

Capital is required for dairy business for the purchase of milch cattle, building cowpen, and purchasing cattle feed, fodder etc. Some milk producers are using their own capital

and some others are taking loans from financial institutions. But these institutions are providing loans to purchase milch cattle only. But dairy business requires financial resources to meet day-to-day expenses, namely purchase of fodder, cattle feed and medical aid to cattle etc., Banks are not providing loans for these purposes.

The primary co-operative dairy societies are giving advances to their members for these purposes and are collecting it from the payments to be made to the members. As a result, those members who are economically weak, can fulfil their needs. If such a facility is not available, then, it is likely that the producers would approach the usurious money lenders, or private traders.

These co-operative societies assist their members in securing loans from financial institutions too. Of the 90 members of the selected co-operative societies studied, 51 percent had taken loans from the banks. Normally, there should be no difficulty in receiving these loans. But the general experience is different. At present the financial institutions are making 'three party contract' at the time of sanctioning loans. The co-operative societies provide security for the repayments of the loan. If the Co-operative Societies provide the necessary security to the banks, the loans could be procured without any possible risk of default on the part of the Banks.

These co-operative societies also supply cattle feed to



their members on credit. This protects the members from exploitation by moneylenders and private traders.

(e) Guidance to the members :-

In order that an enterprise, particularly, of a rural setting is to be successful by overcoming difficulties in the process, a proper guidance is of utmost necessity. Without such a guidance it is quite likely that the potential of a rural enterprise may not be fully realised. For dairy development, guidance is necessary. Co-operative dairy societies have arranged following programmes (schemes) for the purpose of guidance to their members.

- i) Visits
- ii) Training Camps
- iii) Seminars

(i) Visits

This is a very important source of guidance. Visits are arranged to different places, where dairy plants are working properly. Visitors can observe and learn the methods of improving the dairy business. Anand in Gujarat, Aarey, Dapchari in Maharashtra are wellknown dairying centres.

Fifty six percent of the co-operative dairy societies from Baramati taluka (eight in all) have arranged visits to different places such as Anand (Gujarat), Dapchari, Aarey (Maharashtra) and some places from Panjab and Rajastan, for the benefit of their members. Of these co-operative societies 21 percent have arranged visits where the expenses were borne by

the members, 28 percent with the societies paying for the trips and only 7 percent have arranged visits under government schemes.

(ii) Training camps for members :

For dairy development, it is essential that necessary training be available to the members. In this taluka, 50 percent of the co-operative societies have arranged such training camps for their members. Of the societies arranging training camps for the members, 28 percent did so with members bearing the expenses, 56 percent with societies bearing expenses and 14 percent with government bearing the expenses.

(iii) Seminars :

Seminars focusing members' attention on various problems relating to dairying and the possible solutions to the problems and instructive discussion on subjects by experts from various fields such as veterinary officers, dairy managers, bank officers are arranged. In Baramati taluka a number of seminars have been organised by the co-operative societies to throw light on the nature and causes of problems of dairy farming including deliberations on the possible solutions. In fact, a little more than two-fifths of the societies arranged seminars during the period 1982-83 and 1984-85. Most of these co-operative societies consider such seminars very useful and educative and have arranged the seminars at their own cost. Only 15 percent of the societies arranged such seminars under the aegis of the government.

Such type of guidance helps the development of dairy farming. It is not possible for the milk producers to arrange such programmes, individually.

(f) Regular Payments :-

Co-operative dairy societies make payments regularly for the milk purchased from the members. Such payments are made every 15 days. The milk producers are assured of their payments at regular intervals. But such an assurance is not forthcoming from hotel-owners, private consumers to whom milk is sold. Another benefit from the system of payment is that the milk producers can and do receive full payments from the society. Prompt and full payment to the dairy farmers alleviates the problems faced by the farmers and encourages them to produce more, leading to still higher earnings and possibly to the 'demonstration effect' of the advantages of co-operative movement. Such an effect helps to fortify democratic functioning and principles.

(g) Employment Opportunity :-

The rural economy of India is beset with an all-pervasive problem of unemployment. The government has adopted different measures to solve the problem of unemployment. In spite of these measures rural unemployment is increasing almost every day. The co-operative dairy societies create employment opportunities in the rural areas. Every co-operative dairy society needs one secretary, a few clerks and helpers for milk collection. At the end of 1984-85 there were 139 co-

operative societies in Baramati taluka, from these 125 were working. Each co-operative society requires one secretary, and two or three helpers.

Some people that is, vehicle owners find a regular and profitable work of transporting milk. In Baramati taluka only two co-operative dairy societies are having their own vehicles. All the other co-operative dairy societies are transporting milk through private vehicles. These vehicle owners are getting regular work.

Dairy business develops because of development of co-operative dairy societies. Dairying also helps to create employment opportunities. Particularly in rural areas, there is disguised and seasonal employment. Dairying helps to reduce such type of unemployment. In case of small farmers or landless labourers, they themselves are engaged in this business and find work right round the year, where as some landlords are providing work to the workers. In Baramati taluka a number of graduates are engaged in this business either directly or indirectly.

(h) Milk distribution in the villages :-

Some Co-operative societies are distributing milk in their village. So people from the villages can get good quality milk at a reasonable price. The villagers, would otherwise, have to purchase their milk from private milk sellers, paying a higher price and getting in return milk of doubtful quality.

In the Baramati taluka, 14 percent of the co-operative dairy societies are distributing milk in their 'own' villages. The work of distribution of milk in Baramati city is undertaken by the Taluka Co-operative Milk Federation. This service is not restricted to the members only, but is extended to all.

(i) Milk supply to the schools :

A 'nutritious food scheme' for school children has been started by the Government of Maharashtra. Under this scheme, milk is distributed to students in primary schools, free of cost.

In 1984-85, forty nine percent (67 in all) co-operative dairy societies were supplying milk to 82 percent primary schools (67 in all) in Baramati taluka 5385 pupils derived benefits' from this scheme. These societies receive payments for milk distributed to schools ~~fr~~ from the government, directly.

The school milk scheme initiated by the Government of Maharashtra has helped increase demand for milk and co-operative societies have benefitted as the scheme is implemented through the co-operative dairy societies. Thus, in the areas where the co-operative dairy societies do not exist, the school children do not get free milk. This is a very important benefit conferred by the co-operative dairy societies.

(j) Schemes for the poor students :

The Government of Maharashtra has initiated a number of measures to remove inequalities existing in villages through re-distribution of land, creating employment opportunities and providing educational opportunities and the like. The

co-operative societies help in implementing these policies in a small way. Twenty-one percent of the co-operative dairy societies from Baramati taluka have created funds for such type of work. These societies provide clothes and books to students from poor families. These co-operative societies are providing economic helps for the higher education to the students from poor families. Many poor students have managed to receive higher education, becoming among others, engineers etc., with assistance from the co-operative dairy societies.

This type of work is undertaken by the co-operative societies, which are economically sound, and have positive longterm effects.

(k) Social Changes :

Twenty-one percent of the co-operative societies have raised 'social ceremony funds' (religious funds), under which different types of programmes are undertaken. Some of the activities undertaken are as follows :

(i) Religious rites -

Religious rite is very important for social integration. One co-operative dairy society has built a 'Hanuman Mandir' in the village with the co-operation of its members. Different types of activities such as 'bhajan, kirtan', marriages etc. are undertaken in this temple. People from this village come to this temple in the mornings and evenings for 'darshan'. Co-operative society has purchased vessels of various types and provide the use of these vessels for functions at nominal charges.

(ii) Television Set -

One co-operative dairy society has purchased a colour T.V. set, and has placed it at a common place, so that the villagers can view the programmes. Persons from different families also come together. It helps to create a sense of oneness and belonging among the people in a village.

(iii) Library (News Papers) -

A number of co-operative dairy societies have started libraries in their villages. Different newspapers are readily available for reading to any one. People from the village come together for the purpose of reading newspapers and can also discuss a number of issues.

Such type of functions of the co-operative societies can help create integration within the villages. This is a laudable function and is necessary for our nation.

(1) Creation of co-operative view in the people :-

Working of co-operative dairy societies is based on co-operative principles. Different types of functions are undertaken by these co-operative societies. They disseminate co-operative ideas among the people. This realisation is important as all people from the society are related directly or indirectly with these co-operative societies.

In the Baramati taluka 49 percent co-operative dairy societies have had no formal elections for chairmanship of the society. Members of these societies come together and elect the chairman unanimously through discussion. It saves time

and money.

It is clear that not only are members benefitted, but also these co-operative societies can usher in social changes. But the percentage of such type of societies is minimal. If it is increased, no doubt these co-operative societies can become the instruments of social and economic change in the society. These are direct benefits from co-operative dairy societies.

(B) Indirect benefits -

The development of dairy business depends on the development of co-operative dairy societies. To examine and identify the concrete benefits accruing from dairying a sample of ten percent societies totalling ninety members was selected. The classification of these members is made on the basis of land ownership.

Table 4.1

Classification of selected members on the basis of land ownership.

Particulars	No. of members	Percentage to the total members
i) Landless	15	17
ii) Up to 5 Acres (small farmers)	33	36
iii) 5 to 10 Acres (Medium farmers)	15	17
iv) Above 10 Acres (Big farmers)	27	30
Total	90	100

The benefits from dairy business are as follows :-

- i) Increased incomes.
- ii) Increased consumption of milk in the society.
- iii) Increased agricultural production.
- iv) 'Gobargas' availability.
- v) Improved Social Status.
- vi) Credit increases.
- vii) Habits of daily life.

(i) Increased incomes -

Milk producers receive income regularly from the milk sale. Not a single milk producer has depended purely on this business. This is a supplementary business as well, the landless milk producers work on farms or elsewhere. They indulge in dairy farming as a side-business as they can take care of this business in their spare time.

To the landowners, agriculture is the main occupation. They carry on dairy business as a supplementary business to earn an additional income and possibly to have some say in the working of the co-operative societies. The membership of the co-operatives could also be a prestigious one for them.

One source of receiving income from this business is through the sale of milk. Out of the total milk production, 85.5 percent used for sale and the remaining for consumption purposes. However, this general tendency differs according to an individual's economic status. This is shown in the table No. 4.2.

Table 4.2

Classification of milk production (per day) (litres)

Producers	Average milk production	Average milk consumption	Average milk sale
i) Landless	17.3	1.6 (9)*	15.7 (91)
ii) Small farmers	23.6	3.4 (15)	20.2 (85)
iii) Medium farmers	20.7	2.6 (20)	17.6 (80)
iv) Big farmers	28.0	3.2 (12)	24.8 (88)
Total -	23.3	2.9 (15)	20.4 (85)

* figures in the brackets are percentages to the row totals.

The above table indicates a possible inverse relationship between the quantity of milk offered for sale and economic standing of the producer. But this does not seem to apply to the big farmers, who tend to consume a slightly higher percentage of milk and consequently offer a lower percentage for sale.

Another source of income from dairying is in the form of manure derived from the cowdung. The landless milk producers or those having only dry land, sell away this manure, and augment their income. Milk producers, who are having land and availability of water use the manure^{on} agricultural land.

(ii) Increased consumption of milk in the society -

A part of the milk produced has been kept for consumption

purposes and the remaining sold. It is shown in the table number 4.2. It indicates that the consumption of milk is increasing in proportion to the increase in milk production. The landless milk producers are keeping 9 percent of milk for their own consumption. It increased to 15 and 20 percent in case of small and medium farmers, respectively. But the big farmers are keeping only 12 percent for their own consumption. It does not mean that they are consuming less. Their milk production is very high. For landless milk producer it is not profitable to consume more. So they consume less and offer more for sale. The big farmers consume 3.2 litres daily, though in relation to total milk production, the consumption is only 12 percent.

The milk consumption for the categories of these milk-producers has increased mainly because milk is available to them. It is not possible for some of them to purchase and consume more milk. Another thing is that the production of milk increases with dairy development. So, the percapita consumption also increases. It is clear that consumption of milk in the society increased due to dairy development.

(iii) Increasing agriculture production -

The availability of manure from 'cowdung' increases with the dairy development. It is very important from the agricultural point of view. Now-a-days the use of chemical fertilizers in agriculture has increased tremendously. Fertilizers contribute to increased agricultural production, particularly,

under the aegis of the Green Revolution. Though in the beginning constant use of fertilizers might yield increased production, in the long-run the reverse tendency begins to operate, due to fertilizers reducing the fertility of soil.

But, manure from cowdung increases the agricultural production and preserves productivity of the soil as well. The number of milch cattle has also increased with dairy development and the availability of 'cowdung' has also increased. So the use of manure from cowdung in agriculture is on the increase. In the Baramati taluka, the number of milch cattle has increased with dairy development. The milch. cattle population increased by 76 percent in the Baramati taluka between 1972 and 1982 (from 19300 to 34100, cows and buffalos). So the use of manure from 'cowdung' in agriculture has also increased in that proportion. The availability of watersupply and the use of manure from 'cowdung' helps to increase agricultural production.

(iv) Gobargas availability -

In the urban as well as the rural areas, there is a need for firewood for cooking. In the urban areas there are some cooking-gas membership-holders. But in the rural areas fire wood is the main source of fuel. As a result the forest area has been decreasing. It creates ecological imbalance. Some people are using 'cowdung' cakes as fuel for cooking.

Gobargas is the best remedy over the problem diminishing ~~fix~~ forest area. Government has started schemes for gobargas,

with a subsidy. Twenty-two percent of the milk producers in Baramati taluka are having gobargas plants. All these gobargas holders have set up gobargas plants soon after embarking upon dairy business. The percentage of gobargas holders in different groups is shown in the table 4.3.

Table 4.3

Groupwise analysis of benefits from dairying (percentage)

Particulars	Landless farmers	Small farmers	Medium farmers	Big farmers
1) Consumption of Milk	9	15	20	12
2) Received loans from banks	73	36	40	56
3) Cowdung seller	All	6	7	Nil
4) Gobargas holders	Nil	6	27	44
5) Purchased bicycle	53	64	70	25
6) Purchased T.V. sets	Nil	3	7	18
7) Purchased Moter-cycle	Nil	24	49	41
8) Purchased jeep	Nil	3	Nil	4
9) Purchased Radios	47	33	27	Nil

It is clear from the above table that it is not possible for landless milk producers to set up ~~these producers~~ gobargas plants as these producers conduct dairy business on a small scale. They are unable to spend the necessary amount for this purpose.

The above table indicates that landless milk producers have purchased only essential commodity like bicycles and also luxuries, but low priced commodities like radios etc.

(v) Social Status -

Social status depends on a number of things such as economic condition, land, estate, jobs etc. Now-a-days keeping cross-breed cows is an index of status in society. It is an important point from the point of view of landless labourers.

(vi) Credit Increases -

Credit is very important in daily practical life. It also depends on a number of factors. Milk producers are receiving income regularly. It creates credit in the society. They can purchase goods on credit, as traders have a guarantee of repayments. It means that dairy business creates credit and increases social creditibility of poor farmers in their daily life.

(vii) Habits of daily life -

In the dairy business, milk producers have to do some things regularly, namely, caring for the milch cattle, sale of milk, purchase of cattle feed and fodder etc. They have begun to think of way and means of increasing their milk production, So, dairying inculcates in the milk producers a habit for an active practical life. It also develops a scientific attitude in the people. Such type of views help to remove the traditional views and help to make social changes.

It means that dairying is not only the source of income, but it is an instrument of social change.