

# CHAPTER = V

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**CONCLUSIONS AND SUGGESTIONS**

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From various points of view the dairy business plays vital role in the Indian economy. It provides employment opportunities to the rural educated youngsters, landless, and all type of farmers. Dairying reduces unemployment and economic imbalance in the rural area. Dairy has a subsidiary occupation to agriculture. It indirectly helps to increase agricultural productivity by cow dung. Dairy has a major instrument for economic and social changes in rural area. Therefore, dairying is an important place in rural economy.

Development of co-operative dairy societies in Malshiras taluka started from 1976 and continues to make satisfactory progress. At the end of the year 1998-99 there were 351 registered dairy co-operative societies working in 110 villages in Malshiras taluka under the Shivamrut Sahakari Dudh Sangh. In the taluka one village three or six dairy co-operative are working now.

The dairy business helped to reduce unemployment in the Malshiras taluka. It has become a source of regular income to landless and poorest families. Dairying has made an important contribution to the economic and social development of Malshiras taluka. Therefore, Late Shankarrao Mohite Patil is given a place of God in the taluka.

Some conclusions they are as under :

1. Co-operative dairy societies have made satisfactory progress in the Malshiras taluka. Per year average primary milk co-operative societies setup 262, and Compound Growth Rate calculated 5.06 percent.
2. Development of dairy co-operative spread all over Malshiras taluka. In one village three to six P.M.C.S.
3. The dairy development is purely based on co-operative principles and "Anand Pattern", but as in the 'Anand Pattern' the principle of one dairy in one village is not followed in this taluka.
4. Veterinary service, artificial insemination, guidance, extension service is very prompt, these services are provided by Sangh. The Compound Growth Rate of Artificial Insemination is calculated as 18.80 percent.
5. Now Sangh is not providing dividend and bonus on the supply of milk and sold feed bag by Sangh. Due to this fact the Compound Growth Rate of cattle feed sale of Sangh is calculated as (-) 32.52 percent.
6. Milk producers are not satisfactory in the dairy business because per litres milk rate is very less. Due to this Compound Growth Rate by Sangh is calculated as 2.73 percent only.

7. The Compound Growth Rate of Shivamrut Sahakari Dudh Sangh is calculated 22.17 percent and Reserve Funds Compound Growth Rate calculated as 22.22 percent.
8. Average loans borrowed by Sangh is very high. The Compound Growth Rate calculated as 32.24 percent and Investment Compound Growth Rate is 16.46.
9. The fixed assets Compound Growth Rate of the Sangh is 391.37, it is very high. Sangh started various new projects. Due to this fixed assets Compound Growth Rate is high.
10. Current assets Compound Growth Rate is calculated (-) 77.32, the Compound Growth Rate is going negative because Sangh uses deposits amount in the various projects.
11. Average profit of Shivamrut Sahakari Dudh Sangh is Rs. 193187 per year and Compound Growth Rate of profit is calculated as (-) 0.14 percent. Because Sangh introduced tetra pack milk project specially to sell the milk in urban area. But it received less response from the customers so the amount of profit going less and average milk collection Compound Growth Rate is only 2.73 percent. Due to this fact profit is going negative.
12. The young age group is engaged in the milk production (31 to 46 years age group) i.e. 56 percent.

13. The marginal farmers are engaged to the extent in milking activity i.e. 31 percent families and very small group of large farmers families are engaged in the dairying i.e. 5 percent only.
14. Open category families are involved in a large group in the dairying i.e. 65 percent families and SC, ST category milk producers are less in number i.e. 2 percent families of each category.
15. Illiteracy rate is high in case of large farmer(male) i.e. 40.00 percent, than landless milk producers i. e. 30.77 percent, and very less in case of marginal farmer i.e. 3.23 percent.
16. Only 10 percent families have dairying as a main occupation and other category farmers have a subsidiary occupation.
17. Milk production is high in case of medium farmers i. e. 33.69 litres per day, and very less in case of landless milk producers i. e. 14.92 litres. Due to his poverty milk production is less. They can not provided good quality fodder, feed and concentrates, cattle shade etc.
18. Per day per cow milk production is high in case of marginal farmers i. e. 10.33 litres and very low in case of large farmers i. e. 7.37 litres. The milk production is high in the marginal farmer group because his own personal management but large farmer totally depends upon labour. Due to this milk production is less.

19. Per day per cow cost of feed, fodder, concentrates is high in case of large farmers i.e. Rs. 57.06, because they depend upon the labour and they use more feed, fodder, etc. In case of landless milk producers per day per cow cost of feed, fodder, concentrates is less i.e. Rs. 26.83, because they use dry fodder, green fodder some time without any cost. per cow per day labour charges is high in case of marginal farmer i.e. Rs. 10.67, because marginal farmer use more labour due to his lack of management of dairying. Semi medium farmers labour charges is very less i.e. Rs. 4.27 because of his personal attention.
20. Per cow per day medicine expenditure is high in case of marginal farmers i. e. Rs. 3.06 and very low in case of medium farmers i. e. Rs. 1.08, marginal farmers medicine expenditure is very high because lack of management and dirty cattle shade, and very less in medium farmers due to utilization of modern dairying system like time to time vaccination to the milch anima and clean cattle shade.
21. Insurance expenditure on per day per animal is high in case of medium farmers i. e. Rs. 0.87 and very less in case of landless milk producers i. e. Rs. 0.04. In the landless milk producers they are unaware of the insurance scheme. Due to poverty and illiteracy. Medium farmers are aware of the insurance scheme.

22. Total milk production cost is high in the large farmers i. e. Rs. 83.23 and very low in case of medium farmers i. e. Rs. 57.71. Large farmers major amount is spent on the feed, fodder and concentrates, interest on fixed capital. Due to this milk production cost high. In case of landless milk producers milk production cost is less because landless milk producer use dry fodder, feed some time without any cost and his personal attentions and management of dairying.
23. Income from cow dung is high in case of large farmers i. e. Rs. 9.25 because they use more fodder and very low in case of marginal farmers i. e. Rs. 2.52 per day per cow.
24. Income from dairying in case of semi medium get more income i. e. Rs. 21.45 per cow per day and large farmers are going in loss i. e. Rs. (-) 20.37 due to his more expenditure on feed, fodder and concentrates and interest on fixed capital. On the other hand average milk production is very less.
25. Per family milk consumption is high in case of medium farmers i.e. 3.23 litres per day and very less in landless families i.e. 1.92 litres. In landless families milk consumption is less because of their poverty they sold more milk to the dairy.



## **5.1 CONCLUSIONS**

In this chapter we present the conclusions and suggestions regarding Shivamrut Sahakari Dudh Sangh. It is clear that these co-operative dairy societies have made satisfactory progress in the Malshiras taluka. Therefore, there is tremendous development in Malshiras taluka. Due to dairy farming socio-economic changes made possible. But today co-operative dairy societies and milk producers are facing various problems. They are as under :

### **1. INCREASE IN PRICES OF CATTLE FEED AND FODDER**

Profitability of dairying depends on the cost of cattle feed and fodder. In the dairy business production cost of milk is high and price received for milk is very low. Therefore, today milk industry is in loss.

The prices of cattle feed and fodder have been increasing from last five years but the price of milk has not increased to that extent.

Only medium farmers are getting profit compared to the other milk producers i.e. Rs. 27.13 and large farmers dairying is going in loss i.e. Rs. (-) 20.37 (per day per cow). Therefore, there is a need of increase in milk rate.

### **2. GOVERNMENT POLICY**

Government is not adopting any firm policy in this regard. Shivamrut Sahakari Dudh Sangh adopted "Anand Pattern", which is know as "Operation Flood". But in the Anand Pattern there is a stress

only one co-operative society in a village. But in Malshiras taluka at the end of 1998-99 total co-operative milk societies are 351 and they are spread over 110 villages in the taluka. Due to Government's policy there are sometime three to six dairies in a village. Despite of this fact, the Government continues to give permissions to start new dairy co-operative societies, Government is not working according to the set rules and because of the political influence the number of dairies is increasing without any limit. The policy of the Government creates cut-throat competition among the co-operative dairying.

### **3. ADULTERATION**

Lack of proper control of society management it is found that, there is adulteration in the milk i. e. adding of sugar, starch, soda etc. Adulteration is the open fact. But co-operative dairy keeps it secret. This is a symbol of lose control by the dairy co-operative and Sangh. In case of Malshiras taluka adulteration shows very less or negligible..

### **4. NO PROPER MILK TESTING**

Shivamrut Sahakari Dudh Sangh provided milco testers to the co-operative dairies. Till 1998-99 total 333 milco testers were supplied. But co-operative dairy staff is not operating these milco testers properly.

Payment for milk is made according to the quality of milk supplied. So it is necessary to take a sample for testing. Low quality milk is accepted by co-operative dairy staff and there are economic contacts

between milk suppliers and staff. The milk sample is supposed to undergo Fat, S.N.F., Lactometer test and Adulteration tests. But without testing milk is accepted and societies go in loss.

#### **5. RATE OF MILK IS VERY LOW**

Profitability of dairy business depends on the cost of milk production. In dairy business now-a-days, the cost of feed and fodder is increasing day by day but rate of milk is not increasing. Therefore, dairy business goes in loss. Co-operative dairy pays only Rs. 8.38 per litre. This is the high milk rate in the Malshiras taluka, to those who have supplied high quality milk with good fat, S.N.F. and other tests. Whereas average milk rate in the taluka is Rs. 6.67 only.

#### **6. NO AWARENESS ABOUT INSURANCE SCHEMES**

Insurance is the most important factor in any business. Insuring the costly dairy animals is very essential to safeguard, such a heavy investment by small farmers. But farmers have not been insuring their milch animals. That is why, there is a too much risk in the dairying.

#### **7. NO CATTLE SHADE AND CHOP CUTTER**

In dairying cattles shade and chop cutter is very necessary, because it provides shade and health to the cattle. Very few milk producers made available shades for their cattle.

Chop cutter is essential equipment in dairying. But very few milk producers kept chop cutter. Use of chop cutter shaves 50% fodder and reduces the production cost.

#### **8. LACK OF PROPER MILK COLLECTION METHODS**

Milk is essential food for human being. Therefore, it should be collected and handled by proper method. The Sangh has provided clean cans. Milk collection is made in a shady and open place on the road side. Some societies do not have their own buildings. At some places it has been found that a person is standing on the road side with one or two cans and one register or note book and collecting milk. The condition of the cans, truck and shade in which they are transported is so unhygienic.

#### **9. POLITICAL INFLUENCE**

In the Malshiras taluka Shivamrut Sahakari Dudh Sangh is working in 110 villages. Each village has three to six dairy co-operatives working under the Sangh. Co-operative dairy societies are working under pressure of local political influence. Each society collects milk and supplies to the Sangh. But political influence is there. There are two to three local political parties in each village and each party has one or two co-operative dairy societies. Therefore, cost of milk collection is increased and local political conflict arises.

## **10. LACK OF TRAINED PERSONS**

For the proper working of the dairy co-operative society there is need for the appointment of trained persons. But in the Malshiras taluka very few secretaries and helpers are trained. Therefore, records were not properly maintained. For milk collection trained persons must be appointed but this is not found in a single co-operative dairy society. Therefore, milk collection method is wrong.

### **5.3 SUGGESTIONS**

Co-operative dairy development is the best way of rural development. But today dairy business is facing a number of problems. Therefore, following measures should be adopted to the dairy development in the Malshiras taluka.

#### **1. There should be one co-operative dairy society in a village :**

To avoid the cut-throat competition, there should be only one co-operative dairy society in a village. So there is a need to use the Anand Pattern principles promptly. Then the milk collection will be increased and cost of milk collection will be reduced. Due to this the rate of milk will be automatically increased and milk production will also be increased.

**2. Inefficient co-operative milk societies should be dissolved or amalgamated.**

In 1998-99 total 351 co-operative milk societies working under Shivamrut Sahakari Dudh Sangh in Malshiras taluka. The number of dairy co-operatives which provide below 100 litres milk per day is 57, and 101 to 500 litres 198, 500 to 2000 litres 90 and above 2001 litres per day collection societies are only 6. According to this data economically sound co-operative dairy societies are very few. Therefore, small and inefficient dairy co-operatives should be dissolved or amalgamated in the economically sound dairy societies. So it is better to reorganise these societies on the basis of Anand Pattern. Therefore, efficient co-operative societies will come up. It means quantity of societies will decrease but at the same time the quality of the societies will improve.

**3. Fodder development programmes must be strongly implemented.**

Sangh has been started fodder development programme to provide nutritionally rich fodder to the dairy milch animals. Sangh has undertaken seed production multiplication and distribution programme of fodder crop like maize, cow pea, Lucerne on extensive scale. But farmers are not aware about this programme. Therefore, fodder development programme should

be strongly implemented and awareness be made in the milk producers.

**4. Manufacturing of milk by-products.**

Milk can be spoilt due to many reasons. A number of products can be prepared such as milk likewise Butter, Cheese, Ghee, Shrikhand, Paneer, Flavoured Milk, Pedha, Burfi, Gulab Jamun etc. Sangh has been started manufacturing of milk products but its quantity is very less. There is a need of large scale products it will be beneficial to the milk producers. The Sangh should advertise the production and it will increase the sale.

**5. Provision of incentives.**

From the last two decades Sangh has paid incentives such as Bonus and Rebate on the sale of milk and cattle feed. But from the last two years Sangh has stopped incentive policy. Due to this fact milk production is decreased and milk producers are unhappy on the Sangh. Bonus and Rebate is the real income of the milk producers. Therefore, the need of incentives.

**6. Milk quality**

Cow milk production is high in the Malshiras taluka. Buffaloes milk production is in very less quantity. Therefore, the demand of milk of the Sangh is very low in the urban area. Therefore, there is need of increase in the buffaloes milk. Buffaloes milk density

is very high. That is why there is a more demand of buffaloes milk.

**7. Reduce the administrative/management and other cost**

If administrative, management and other cost is reduced Sangh will get more profit. But due to excessive labour force profit is less. About 100 technical, administrative and other supporting staff is working, therefore, there is a need of the educated and skilled people. If all these measures are brought into practice there will be definite improvement from the present conditions in the co-operative dairying. Dairy farming will have achieved it's objective of socio and economic change in the rural people.

- 8.** There should not be any kind of political influence in this business. Importance should be given to improve the good quality milk and increase of production.
- 9.** Sangh should take care to inform the societies to apply proper milk collection methods. So that the societies will see that the milk collected is of good quality, proper hygienic conditions should be made available the persons appointed by the societies.
- 10.** Sangh should pay attention to propagate the importance of chop cutters among the milk producers. Because by its use the fodder will be used properly and it will solve the problem of shortage of fodder.



10. The Government should apply the Nilangekar Committee recommendation. Because they will give justice to the milk producers. The prices should be fixed according to the production cost for the milk. Then only this business will be beneficial to all the farmers. They will become happy and interested in milk production.

If the above suggestions are accepted then the milk production will be increased and it will be beneficial for the milk producers.

11. The dairy co-operative and Sangh are also required to organise member's education programme in milk production with hygienic milk.