Reviews and Reflections on Operating Pattern and Challenges of Cooperative Dairies in Belgaum District of Karnataka

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ABSTRACT: Dairy farming is one of the leading agricultural activities in many parts of the world and India is no exception for that. Dairies in India are important tool for eradicating poverty on one hand and providing employment opportunities on other hand especially in rural areas. Cooperative dairies are means to upgrade weaker sections of the society, hence they are the right instrument for socio-economic change. In the present study researcher used both primary and secondary data. Questionnaire is designed and it is tested prior to its administration. Secondary data is collected from books, research articles and various publications of concerned authorities on dairy farming. The present study will enhance understanding about the challenges and their possible solution for the improving efficiency and effectiveness of cooperative dairies.

Key Words: Cooperative Dairy, SWOT analysis, Challenges.

Theoretical Backdrop –
In India dairying is an unusual combination of economic endeavors. Cows and buffalos are source of family milk, self-employment and also they provide income from sale of milk and dung production. In India Dairying is viewed as a means for socio-economic change. Dairying in India is a major tool of self-employment for rural women and youth. There is a strong resistance from many stakeholders for providing subsidies to dairy imports because they have adverse impact on the domestic dairies which are operating at small scale. Cooperatives are good means which provide their members with an organizational arrangement at the local level to upgrade their socio-economic status.

Cooperative dairies in India are good source of secondary income as well as a source of nutrition for rural residents. But unfortunately today Indian cooperative dairies are facing many challenges, hence it’s high time for deep introspection for all stakeholders on cooperative dairies.

Research Methodology –

Statement of the Problem
India accounts for more than 13% of world’s total milk production which ranks it at world’s largest milk producer. Also India is the world’s largest consumer of dairy products, consuming almost 100% of its own milk production. Crop and cattle population are economic symbiosis of Indian agriculture. Among others milk and its products are the main food items. Besides a source of employment and secondary income, dairy and its products are helpful in improving the nutrition and health among the people. But recent now, this sector is facing several challenges. Therefore, present study throws light on operating pattern of dairy sector in India in general and in Belgaum district in particular. Also, this study will highlight some of the challenges which are critical and need an attention of policy makers to improve the conditions of dairy industry.

Objectives of the Study –
The present study has following core objectives.

1. To know challenges of dairy cooperatives in the Belgaum district.
2. To make SWOT analysis of Indian dairy industry.
3. To know operating pattern of cooperative dairies in study region.
4. To offer suggestions to improve the dairy cooperatives.
Data Collection -

For the present study primary and secondary data has been collected. Data has been generated at two stages.

At the first stage, data has been collected from various officials of cooperative Dairies like secretaries, managers, etc. Questions were asked relating to the major challenges of cooperative dairies using structured questionnaire. Information was collected about perception of sample cooperative dairies on challenges facing by cooperative dairies in Belgaum district and perception of sample cooperative dairies on organizational challenges.

In second stage, information has been gathered from members of dairy cooperative societies. Questions have been asked regarding the nature of organizational challenges. The collected data has been tabulated using simple percentage and mean has been calculated in order to know the various challenges and their impact on dairy activities. Suggestions have been made on the basis of collected data.

Sampling procedure

The present study is based on sampling method. Random sampling technique has been used for selection of sample units. Belgaum district has 10 talukas. 5 cooperative dairies from each talukas has been selected as sample units. Hence sample size is 50 cooperative dairies.

Results and Discussion –

Table No.-1

<table>
<thead>
<tr>
<th>Parameters</th>
<th>MSC</th>
<th>SC</th>
<th>LSC</th>
<th>NC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-scale operations.</td>
<td>42</td>
<td>84</td>
<td>05</td>
<td>10</td>
</tr>
<tr>
<td>Milk-animal holders are unorganized and scattered.</td>
<td>31</td>
<td>62</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>Low milk price.</td>
<td>34</td>
<td>68</td>
<td>06</td>
<td>12</td>
</tr>
<tr>
<td>Inadequate and inappropriate animal feeding and health care.</td>
<td>36</td>
<td>72</td>
<td>04</td>
<td>08</td>
</tr>
<tr>
<td>Milk prices are fluctuating.</td>
<td>38</td>
<td>72</td>
<td>02</td>
<td>04</td>
</tr>
<tr>
<td>Difficulties in provision of inputs services.</td>
<td>46</td>
<td>92</td>
<td>01</td>
<td>02</td>
</tr>
<tr>
<td>Poor basic infrastructure for procurement, transportation, processing of milk and marketing etc.</td>
<td>38</td>
<td>76</td>
<td>04</td>
<td>08</td>
</tr>
<tr>
<td>Low productivity of milk animals.</td>
<td>24</td>
<td>48</td>
<td>08</td>
<td>16</td>
</tr>
<tr>
<td>Improper dairy development policies and programs at national level.</td>
<td>26</td>
<td>52</td>
<td>06</td>
<td>12</td>
</tr>
<tr>
<td>Unskilled Staff</td>
<td>356</td>
<td>56</td>
<td>69</td>
<td>31</td>
</tr>
<tr>
<td>Mean</td>
<td>35.6</td>
<td>05.6</td>
<td>06.9</td>
<td>03.1</td>
</tr>
</tbody>
</table>

(Source – Field Survey)

MSC- Most Serious Challenge, SC- Serious Challenge, LSC- Less Serious Challenge, NC- Not a Challenge.

Data in Table No.-1 reveals Perception of Sample Cooperative Dairies on Challenges Facing by Cooperative Dairies in Belgaum district. Data indicates that Cooperative Dairies are facing Most Serious Problem (35.6 mean score) on various aspects like small-scale operations, Scattered, and unorganized milk-animal holders, Low milk price etc.

Table No.-2

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Ranks I</th>
<th>Ranks II</th>
<th>Ranks III</th>
<th>Ranks IV</th>
<th>Ranks V</th>
<th>Total Wtd. Pts.</th>
<th>Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts are not maintaining properly.</td>
<td>17 (85)</td>
<td>10 (40)</td>
<td>08 (24)</td>
<td>03 (16)</td>
<td>12 (12)</td>
<td>177</td>
<td>III</td>
</tr>
</tbody>
</table>

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Research Paper
2. Benefits are not distributed properly. 13 (65) 10 (40) 12 (36) 05 (10) 10 (10) 161 IV
3. Lack of cooperation among cooperative dairy members 23 (115) 16 (64) 06 (18) 03 (06) 02 (02) 205 I
4. Meetings are not conducting at regular intervals 12 (60) 10 (40) 08 (24) 06 (12) 14 (14) 150 V
5. Low profit. 21 (105) 12 (48) 04 (12) 05 (10) 08 (08) 183 II

[Source – Field survey](Note - Figures in the brackets indicates weighted points)

(Wtd. Pts. – Weighted Points)

Respondents are asked to rank the items in the order of their importance. Total ranks are multiplied with the respective weighted points to get total weighted points.

Data in Table No.-2 throws light on Perception of Sample Cooperative Dairies on Organizational Constraints facing by the Cooperative Dairies in Belgaum district. Data indicates that among others 'Lack of cooperation among cooperative dairy members (205 TWP)’ is the main constraint followed by ‘Low profit from cooperative dairy activities (183 TWP)’ and ‘Accounts are not maintaining properly (177 TWP)’.

Table No.-3

<table>
<thead>
<tr>
<th>Area in sq.m</th>
<th>Number of Dairies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 100</td>
<td>23</td>
<td>46</td>
</tr>
<tr>
<td>100-200</td>
<td>17</td>
<td>34</td>
</tr>
<tr>
<td>200-400</td>
<td>03</td>
<td>06</td>
</tr>
<tr>
<td>Above 400</td>
<td>07</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source - Field Survey

Data in Table No.-3 indicates Dairy Farming Area by sample units. Data reveals that majority of units 46% collects milk within 100 sq. meter followed by 34% collects milk within 100-200 sq. meter.

Operating Pattern of Cooperative Dairies –

SWOT Analysis of Dairy Industry –

StrengthWeaknessOpportunity and Threat Analysis is a major tool used to identify strengths and weaknesses (i.e. internal factors) and opportunities and threats (i.e. external factors) facing by the industry
or a firm. The dairy industry has its own strengths, weaknesses, opportunities and threats.

**Strengths -**
- India is world’s largest milk producer.
- India accounts about 13% of world milk production and India consume about its 100% of production.
- Milk production growth rate is higher compare to other countries.
- India has large number of livestock which is an asset for dairy industry.
- In recent years new food safety and standards law has been introduced which assures good quality milk.
- Compare to its counter parts Indian milk productivity is low, it provides scope for improvement in coming years.
- In recent years it has been observed that growth in the income of middle class population which results in to high purchasing power.
- Cheap labor and low cost fodder leads to low cost of milk production. It provides an competitive edge for Indian dairies.
- Developed cooperatives structure legacy.

**Weaknesses -**
- Unfriendly WTO regime.
- Milk and milk products are importing from other countries.
- Due to illiteracy and low exposure to hygienic dairy practices milking animals are not screened properly which leads to transmission of few diseases to human beings.
- Milk producers are price takers because milk is a perishable item, which has very short life.
- No sufficient cold chains.
- Retailing is unorganized.
- Limited number of cross breeds.
- No awareness about good and hygienic dairy practices
- Low productivity.
- Milk collection system is not scientific.
- Poor connectivity creates problems in supplying milk to processing facility.
- Poor financial services
- Operating cost of running animal husbandry is very high.
- Lack of awareness among farmers about modern dairy farming.
- Investor are not willing to invest in dairy farming due to low returns on investment, low growth rate, lack of research, lack of reliable milk production data etc.
- It is difficult to maintain proper record of vaccination and health history of livestock.
- Traditional way of rearing cattle.

**Opportunities –**
- Untapped sector.
- Due to globalization milk producers have opportunity to sell their milk and its products in world market.
- Due to changing life style, people are preferring milk.
- High growth rate in economy has provided huge opportunity to invest in dairy farms.

**Threats -**
- Milk safety is challenging.
- Insufficient feed supply.
- Illiteracy is the main constraints in improving dairy performance.
- No awareness about hygienic dairy practices.
- Import of milk and milk products at low cost has created big challenge on local Indian dairies.
- Insufficient grazing land due to urbanization and industrialization.
- MNCs and corporates have start cattle farms with huge capital investments due to increase in milk prices.
- Many valuable indigenous cattle breeds have facing threat due to new crossbreeds.
- Now a days milk and milk products are producing from Soya and coconut.
Recommendations -

By considering importance of dairies in India it's time to think and rethink on various policies, schemes and measures taken to improve dairies. As discussed in early part of this paper cooperative dairies are facing many challenges, the sector requires forward looking, renewed attention and robust institutional and governance support. The future of this sector is mainly depend upon how these challenges are tackled by governments and concerned authorities.

The following important recommendations are useful for the dairy development.

- Village level veterinary centers should be opened and equipped with modern technology and necessary services.
- Current dairies should expand milk procurement area.
- Cooperative dairies are recommended to share marketable surplus milk.
- Qualified and competent staff should be recruited.
- Training and development should be provided at regular intervals.
- Govt. should distribute selected cross breeds to increase milk production.
- Adopt and upgrade modern technology in dairy farming.
- Modern farming should be used in place of traditional cattle herding.
- An active industry academia interface should be established. Research in dairy farming should be encouraged.
- In order to improve efficiency and effectiveness experts from the ministry of agriculture should make a regular contact with the dairy farmers and give them necessary suggestions.
- Central market should be established.
- Govt. should provide adequate amount of credit at subsidize interest rate to farmers as well as cooperative dairies.
- Autonomy and flexibility in operations should be provided to dairy cooperatives.
- Collection and cooling center should establish in each Taluks.
- Traditional retailing should be replaced with modern retailing techniques.

Conclusion-

Irrespective of largest milk production, India is a very minor player in the world market compared to other countries. Globalization and Liberalization have opened new market opportunities, industrial production is rapidly moving. The dairy industry is no exception for that. Operation Flood has been successful programme, in respect of socio-economic up gradation of rural masses. Liberalization and globalisation of world trade in dairy products under the new trade regime of the WTO created new challenges and has opened up new export opportunities for the dairy industry in India. It is observed that, in co-operatives in Belgaum district of Karnataka state, need to control their higher operating costs, apply modern management techniques, new supply chains systems, scientific recruitment and selection etc.to have competitive edge in the market place. Modernisation is the need of hour for survival and revival of dairy industry. Technology changed all spheres of life and dairy is no exception for that, hence now it become necessary to adopt modernization in cattle farms and increase the use of technology and shifting towards modern tools and techniques in dairy farming. Cooperative dairies must focus on innovative marketing strategy for procurement and distribution of milk and milk products. The development in this sector will lead to more balanced development of the rural economy.

References