

A COMPARATIVE STUDY OF MILK MARKETING THROUGH DAIRY CO-OPERATIVE AND OTHER AGENCIES IN ALIGARH DISTRICT OF U.P.

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ABSTRACT

The present study compares the marketing system of milk in organized and unorganized sectors of the Aligarh district (U.P.). The study is based on the data collected from a member of Brooke Bond Lipton India Ltd. (BBLIL) and non-members of BBLIL. Multistage stratified sampling technique was adopted to select 75 sample households each from member and non-member class which were further post-classified into I, II and III herd size groups. The data on milk production, market surplus and quantity of milk sold to different agencies along with the price offered was collected for three seasons, namely summer, rainy and winter over the period 1995-96. The results of the study revealed that the level of milk production was higher in members than non-members in all the milk producer groups. Interestingly, 77 per cent of the marketed surplus of milk in member class was sold to co-operative societies, the milkman and private dairies covering 7 per cent each and the remaining milk is sold directly to consumers. The milk producers got the higher price of their milk in case of member than the non-member. It was due to milk being sold to cooperative societies. Milkmen (Dudhia) offered the lowest price of milk in both classes, thus exploiting the milk producers. The price of milk provided by the dairy cooperative was highest as compared to the price provided by other agencies. This clearly shows the cooperative advantage of having organized cooperative marketing infrastructure in rural areas to save milk producers from the clutches of the milkman and enable them to receive a remunerative price of other milk.

KEYWORDS:: Rural Economy, Dairy, Marketing, Cooperative

INTRODUCTION

The present study compares the marketing system of milk in organized and unorganized sectors of Aligarh district (U.P.). The study is based on the data collected from a member of Brooke Bond Lipton India Ltd. (BBLIL) and non-members of BBLIL. Multistage stratified sampling technique was adopted to select 75 sample households each from member and non-member class which were further post-classified into I, II and III herd size groups. The data on milk production, market surplus and quantity of milk sold to different agencies along with the price offered was collected for three seasons, namely summer, rainy and winter over the period 1995-96. The results of the study revealed that the level of milk production was higher in members than non-members in all the milk producer groups. Interestingly, 77 per cent of the marketed surplus of milk in member class was sold to co-operative societies, the milkman and private dairies covering 7 per cent each and the remaining milk is sold directly to consumers. The milk producers got the higher price of their milk in case of member than the non-member. It was due to milk being sold to cooperative societies. Milkmen (Dudhia) offered the lowest price of milk in both classes, thus exploiting the milk producers. The price of milk provided by

the dairy cooperative was highest as compared to the price provided by other agencies. This clearly shows the cooperative advantage of having organized cooperative marketing infrastructure in rural areas to save milk producers from the clutches of the milkman and enable them to receive a remunerative price of other milk.

The disposal of milk in a milk-producing household consists of liquid milk consumption and conversion of milk into products at the producer household and the balance is available for sale as liquid milk. However, several factors influence the sale of milk, which is considered a marketed surplus. To provide milk to millions of non-producers of milk, the marketed surplus has to be increased substantially to meet the demand for milk as well as provide minimum nutritional requirements of milk to the non-producers. To have smooth economic development, the marketed surplus must increase with the increase in production. This emphasizes the need to adjust supply and demand through orderly marketing as a means to prevent undue price fluctuations.

The initiation of the 'operation flood' programme and introduction of co-operative societies have considerably improved the proportion of milk handled through the

organized sector, which currently stands at 15 per cent of the total milk produced. This system has also created an adequate market infrastructure for the sale of available surplus milk. The milkman (dudhia) who collect a large proportion of milk exploit a large number of milk producers. It is, therefore, necessary to keep away the milk from the clutches of the milkmen so that they may get a remunerative price for the milk. This is particularly true in the flush season when milk is in abundance and being a perishable commodity, the producers have to resort to distressed sales at lower prices. The success of the dairy enterprise depends upon the market outlets available to the producers. An efficient market infrastructure provides a remunerative outlet for milk and also acts as an incentive for higher milk production. Aligarh is one of the progressive districts of Uttar Pradesh in milk production and a higher concentration of buffalo population indicated the commercial nature of dairy enterprises in the district. The present investigations, therefore, is an attempt to study the market system for the disposal of surplus milk produced by different herd size groups of producers in the Aligarh district of Uttar Pradesh.

MATERIALS AND METHODS

The study is based on primary data collected by survey method in Aligarh district of U.P. The district comes under the purview of Brooke Bond Lipton India Ltd. (BBLIL) dairy federation since then, there is well- established market for milk in the district through BBLIL. The Village Dairy Co-operative (V.D.C.) are functioning in the villages adopted by BBLIL in all blocks of the district.

A multistage random sampling technique was used for the study. There are 12 development blocks in the district, out of which the Iglas block was selected randomly. The list of V.D.C. (BBLIL) villages in the selected blocks was obtained and ten villages were selected randomly. First of all, the list of producers of milk was prepared in the selected villages. Then the whole list was divided into two members and non-members of BBLIL (VDC). The milk producers in the selected villages were categorized based on their herd size groups as Ist group (1 milch-buffalo), IInd group (2 milch-buffaloes) and IIIrd group (3 and more milch buffaloes). A sample of 75 members and 75 non-members was proportion to size technique. Thus, the number of households selected in the Ist, IInd and IIIrd herd size groups in member class were 25, 31 and 19 respectively. While the cases come to 39, 25 and 11 in the case of non-members, respectively. The data were collected with help of well structured pretested schedules by the personal interview method.

The selected households were visited once in each of the three seasons, viz. Summer (March-June), Rainy (July-October) and Winter (November-February), for the collection of relevant information on milk production, marketed surplus,

the quantity of milk to be sold to different agencies and prices offered by the agencies. The relate to March 1995 to Feb. 1996.

RESULTS AND DISCUSSION

Annual milk production and marketed surplus

The production of milk and marketed surplus of milk in the case of members and non-members were shown in Table- 1.

Table -1: Annual milk production and marketed surplus per household (in litres).

Herd size (Household)	Members			Non-members		
	Milk production	Marketed surplus of milk	Percentage marketed surplus	Milk production	Marketed surplus of milk	Percentage Marketed surplus
Ist group	1423	733	51.5	808	214	26.4
IInd group	3088	1847	59.8	1871	685	36.6
IIIrd group	5896	3705	62.8	2665	1000	37.5
Overall	3469	2095	60.4	1781	633	35.5

On average, the milk production was 3469 litres in the case of members and 1781 litres in the case of non-members. The milk production increased with the increase in herd size group which is due to the increased number of milch buffaloes. The study indicates that the production of milk, as well as marketed milk, came highest in the case of members as compared to non-members. The extent of marketed surplus increase with the increase in herd size groups in both categories of milk producers. Further, the higher milk production, as well as marketed surplus in member class, clearly indicated a positive impact of village dairy co-operatives in the district. Similar, findings were also observed by Vyas and Choudhary (1971), Balister et al. (1982), Singh and Chattarji (1989), Bhagwan Das et al. (1990) and Shah et al. (1996).

Market system

A study of the market system in the district showed that both organized and unorganized were in operation for milk marketing. The organized sector is comprised of cooperative societies (VDC). The co-operative societies collected milk from the producers based on fat percentage and advanced money on weekly basis. The producer had to bring his milk to the society located in the village. The unorganized sector, comprising of private dairies, supplies milk directly to consumers and sells it to milkmen (dudhia). The individual producers sell their milk to the private dairies in their milk cans. The milkmen (dudhia) collects milk from the doorsteps of the milk producers. Both private dairies and dudhia advanced money to milk producers for the purchase of inputs as well as milch buffaloes. In Aligarh district, both organized

and private sectors supplied milk to Brooke Bond Lipton India Ltd. (BBLIL), Thaper Dairy, Ajanta Raj Dairy, Agra, Bhole Baba dairy, Agra, PDDC, Lucknow, etc. It was of interest to study the share of marketed surplus sold by different agencies and the same is presented in Table 2. Since the cooperative market infrastructure was prevalent in member class, 77 per cent of the marketed surplus was sold to co-operative societies (VDC). Milkmen (dudhai) covered 7 per cent, private dairies and other 7 per cent and 9 per cent

Table -2: The percentage share of a marketed surplus of milk sold through different agencies.

Herd size group (household)	Consumers Directly	Private Dairy	Co-operative Society (VDC)	Milkman (Dudhai)
Members				
I st group	8.00	8.00	80.00	4.00
II nd group	16.13	6.45	67.74	9.68
III rd group	-	5.26	89.48	5.26
Overall	9.33	6.67	77.33	6.67
Non-members				
I st group	15.40	20.50	-	64.10
II nd group	16.00	28.00	-	56.00
III rd group	18.19	36.36	-	45.45
Overall	16.00	25.33	-	58.67

Table -3: Milk price provided by different marketing agencies to the producers of milk.

(In Rupees/litre)

Herd size group (household)	Consumers Directly	Private Dairy	Co-operative Society (VDC)	Milkman (Dudhai)	Average Price
Members					
I st group	9.10 (2)	8.70 (2)	9.00 (20)	7.00 (1)	8.45
II nd group	9.25 (5)	8.75 (20)	9.00 (21)	7.50 (3)	8.63
III rd group	-	9.00 (1)	9.04 (170)	8.00 (1)	8.70
Overall	9.20 (70)	8.82 (50)	9.01 (58)	7.75(5)	8.60
Non-members					
I st group	7.00 (6)	6.75 (8)	-	6.75 (25)	6.75
II nd group	7.25 (4)	7.00 (7)	-	6.75 (14)	7.00
III rd group	8.00 (2)	7.50 (4)	-	7.00 (5)	7.50
Overall	7.42 (12)	7.10 (19)	-	6.75 (44)	7.10

The figure in parentheses indicates the total number of households selling milk to the different marketing agencies directly to consumers, In the case of the non-member class, 59 per cent of the surplus milk marketed was covered by milkmen (dudhia), 25 per cent by private dairies and 16 per cent to consumers directly. It was observed that Ist herd size group producers sold 64 per cent of their marketed surplus to

milkmen in non-member class and nearly 37 per cent of the milk was sold to private dairies by IIIrd herd size group of buffalo keepers. In the case of member class IInd, herd size group producers sold 68 per cent to co-operative societies and their share to consumers directly was of the order of 16 percentage. More than three-fourth of the milk marketed, by Ist and IIIrd herd size group of buffalo keepers was sold to co-operative societies and their share to other agencies was less. Thus, co-operative societies (VDC) dominated over all other agencies in the member class.

CONCLUSION

The milk prices offered by different marketing agencies are presented in table 3. The average price of Rs. 8.60 per litre realized by milk producers of member class was higher than the price of Rs. 7.10 per litre realized by non-member class. In the IIIrd herd size group, the producers realized the highest price followed by IInd and Ist herd size group producers in both member and non-member classes. It was also observed that the price offered by the consumers to milk producers was the highest followed by, co-operative societies, private dairies and milk men in that order. Milkmen (dudhia) offered the lowest price in both classes. The dominance of milkmen in the non-member class was mainly due to the non-acceptance of BBLIL (VDC) membership.

The milkmen attract the producers of milk by advance payment of money mainly in the case of non-members. And they purchase the money at the lowest price. Thus there is an exploitation of producers of milk by milk vendors. Therefore, there is a need to organize dairy co-operative in rural areas for the benefit of milk producers.

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