
EXPERIMENT 10 PREPARATION OF CHECK-LIST OF PROBLEMS IN PROCUREMENT AND DISTRIBUTION OF MILK

Structure

- 10.1 Introduction
- 10.2 Functions of the Cooperative Milk Producers Union
- 10.3 Objectives
- 10.4 Experiment
 - Principle
 - Requirements
 - Procedure
 - Observations
 - Results
- 10.5 Precautions
- 10.6 Exercise

10.1 INTRODUCTION

The total milk production of India has increased from 21 million tonnes in 1961 to 91.4 million tonnes in 2004-05. Milk in India is produced in the rural areas by small, scattered individuals farmers, who face problems related to the production as well as marketing of milk. Milk being a perishable commodity, it needs quick delivery for processing. The milk producers boil the milk and a part is converted into milk products like, dhari, khoa and ghee etc. After meeting their home requirement, the rest of the milk is sold to different milk marketing agencies operating in the milk-shed area. There are organized and unorganized sectors involved in collecting milk from the producers. The organized sector consists of milk producer's cooperative society at village level, union at district level and federation at state level. Milk is collected through the member's cooperative society and supplied to the cooperative milk plants. The unorganized sector comprises of milk vendors, private milk contactors, halwaies and creameries. They collect milk from the milk producers and supply to private plants, direct consumers and process the milk at their own micro level processing units. In spite of many efforts, the organized sector, is able to procure only 15 % of the surplus milk in the country. Rest of the 85 % milk is procured by unorganized sector. There is general impression that the milk vendors exploit the consumers as well as producers. To increase the producer's share in consumer rupee, the middlemen in the marketing of milk should be eliminated. In order to eliminate agents and

middlemen from the marketing chain, the cooperative system of milk marketing was established. The cooperative movement began at Amul Dairy in Gujarat. The village milk co-operative is a society of primary milk producers under the guidance of a supervisor or the milk supply officer of the cooperative dairy union (District Cooperative owing the processing plant). A milk producer becomes the member by buying a share of cooperative society and agreeing to sell milk only to the society. Cooperative society elects a managing person and a chairperson responsible for the recruitment of staff to manage the day-to-day operations of the society. Each society has milk collection centre where farmers take their milk in the morning and evening. The payment to the milk producers is made weekly on the basis of the milk FAT and milk SNF. The functions of union are as follows:

10.2 FUNCTIONS OF THE COOPERATIVE MILK PRODUCERS UNION

- i) Collection of milk from member societies.
- ii) Develop processing manufacturing and storage facilities.
- iii) Organize dairy extension activities.
- iv) Organize available technical inputs for its primary societies i.e., cattle feeds, A.I. facilities.
- v) Green Fodder seeds, vaccination etc.
- vi) Organize consumer oriented marketing system for milk & milk products.

10.3 OBJECTIVES

- 1 to see the milk collection procedure at a milk union;
- 1 to observe the mode of milk payment by the union or plant;
- 1 to observe different tests conducted to judge the quality of milk for its acceptance;
- 1 to undertake activities necessary for clean and quality milk production and increase permitted officials to give necessary guidance and assistance to the members/producers to carry out these activities;
- 1 Organize milk collection, testing and payment to the producers;
- 1 Organize marketing facilities for milk from members; and
- 1 Provide leadership for various economic and social activities.

10.4 EXPERIMENT

i. Principle

Due to the perishable nature of milk, the problems of milk processing and marketing are different. The experiment is based on the fact that the milk union faces different types of problems in procurement of milk and its distribution.

ii. Requirements

Students shall be provided with a checklist of different problems of milk union encountered during the procurement and marketing of milk, so that they can visit a nearby milk union and with the help of the list they can examine the problems faced by that of the milk union selected for study.

iii. Procedure

A checklist prepared on the basis of the information about the problems faced in procurement and distribution of some milk unions is to be supplied to the students (schedule-I). They will visit a nearby milk union /dairy and ask the problems faced by the selected union and compare with the checklist and rank the order of problems so that the steps for improvement in the desired direction can be taken.

iv. Observations

The checklist of problems will provide the back ground and types of problem may exist and faced by the milk union and milk producers in procurement and distribution of milk.

v. Results

The students shall draw inferences from the observations recorded against each problem in the three columns, as the 'severe problem', 'mild problem' and the 'problem do not exist' marking tick in the relevant column.

10.5 PRECAUTIONS

The problems of the milk unions established and functioning in different states of the country may differ due to the different rules and regulations of the states and due care is need to be taken while drawing inferences and interpretation of the results.

10.6 EXERCISE

In the absence of adequate storage facilities, milk and milk products are sold at very low price due to the fact that the milk & milk products are perishable commodities. Individual producer finds it difficult to sell his produce at reasonable price because lack of resources. This leads to exploitation of milk producers by the middleman. In order to eliminate middleman and provide remunerative prices to the milk to producers, Cooperative Dairying came into to existence. The milk union also faces some problems in procurement of milk and distribution of milk. Therefore, a checklist of problems is prepared on the basis of some milk union studies. Twice a day, farmers in rural India gather to sell their milk to their local milk cooperative. Weighing, testing of fat content to determine quality, and pricing are all done manually, resulting in long lines, large staff requirements, and inaccurately recorded information. Extended wait times frequently cause the milk to spoil in the hot weather. Corruption is also common, and poor infrastructure often results in payments getting held up making life difficult for farmers who depend on dairying as an important primary or supplementary source of income.

Schedule-I

Preparation of Check-list of Problem in Procurement and Distribution of Milk

Checklist of Problems of milk union in procurement and milk distribution	Severe	Mild	Not exist
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Producer Members are not enough educated

Members may not able to supply milk due to limited collection time

Members do not know the price of milk at the end of 10 days session

Members have to walk long distance to reach the collection centre

Long wait at society resulted in spoil of milk in hot season

Members have to wait for few days to get the payment for milk

Absence of storage facilities of milk with the milk union

Problem to collect milk from the scattered and small scale producers

Problem to balance the seasonal fluctuations in procurement to milk

The problem of excessive milk collection and conversion to products

Inadequate transport and distribution system

Stiff competition from the milk vendors and other private milk procurement agencies as

they make the payment for milk in advance

Twice a day weighing, testing fat for determining quality resulting in large staff requirements and improper book keeping

Corruption among the staff of the milk union

High transportation cost for milk collection and distribution

Manual system of recording and maintaining the passbook of the members delay the payment of the producer members

Shortage of refrigerated vehicles

