

Perception of milk producers on the performance of milk procurement agencies in Salem district of Tamilnadu

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Abstract

This study was undertaken in Salem district of Tamil Nadu to study the perceptions of milk producers about the performance of Dairy cooperatives and prominent milk marketing agency in milk procurement. The two dominant milk procurement agencies namely, Dairy co-operative and a private agency were selected for this study. A total of 150 milk producers (75 from co-operative and 75 from private) were randomly selected from five selected villages to represent five randomly selected blocks of Salem district. Primary data were collected by personally interviewing the respondents with a structured schedule. The findings of the study show that the private agency pays one rupee more per litre of milk than Dairy co-operatives. Majority of the respondents were satisfied with the milk procurement performance of their respective agencies with location of the milk collection centre, time of milk collection, measurement of milk, payment interval and the behavior of staff at the centre. It was also clear that majority of the respondents of Dairy co-operatives were not satisfied with milk testing for fat and SNF. The main constraint faced by the members of co-operative was non-availability of veterinarian in time to deliver the services. Although, the private agency had less number of veterinarians, majority of its respondents were satisfied with the delivery of services by virtue of their effectiveness.

Key words : Perception of milk producers, Milk procurement, Dairy co-operatives

Introduction

The dairy sector in India is characterized by small-scale, scattered, and unorganized milk-animal holders, lack of an assured year-round remunerative procurement price for milk, an inadequate basic infrastructure for provision of production inputs and services, an inadequate basic infrastructure for procurement of milk and lack of professional management. The introduction of economic reforms in 1991 and MMPO in 1992 opened a gate for private companies to enter into milk marketing activities

in Tamil Nadu. In the recent years, private dairies started to play a substantial role in the dairy sector. State departments of animal husbandry play an important role in delivering veterinary services and from the date of NDDB formation, Dairy co-operatives are involved in milk procurement as well as in delivery of veterinary services to the milk producers. With the implementation of new economic policies private players entered into the milk marketing area. The private players also deliver various

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veterinary services to attract dairy farmers. The entry of private sector into the veterinary health care depends on the availability and sustainability of an economically profitable practice (Sen and Chander, 2003 and

Kumar *et al.* 2011). In general veterinary services are provided by DAH, Dairy co-operatives and private corporate dairies contribute towards dairy development and poverty alleviation.

Methodology

The study followed an exploratory research design aiming to understand Perception of Milk producers' for preferring Milk Procurement agencies in Salem district. A total of 150

milk producer respondents representing both the milk procurement agencies (75 milk producers from Dairy co-operative and 75 milk producers from private) from five villages of five selected blocks of Salem district were included for this study. The primary data were collected by personally interviewing the selected milk producers using a pre-tested interview schedule. The collected data were analyzed with appropriate statistical tools.

Results and Discussions

The perceived reasons and constraints faced by the milk producers of Dairy co-operatives and Private agencies were assessed from the respondents. Likewise

Table 1. : Reasons for preferring Dairy co-operatives for supplying milk

Sl. No.	Reasons	Frequency *	Percentage
1.	Loyalty	44	58.67
2.	Proximity of collection centre to the farm/ home	18	24.00
3.	Perceived as Government agency	12	16.00
4.	More reliable	11	14.67
5.	Expectation of credit	08	10.67

respondents' satisfaction was also accessed for the various criteria of marketing services provided by the agencies to their milk producers in milk procurement.

Reasons for preferring Dairy co-operatives for supplying milk

The study revealed that the private agency was paying Re. 1/- more per litre of milk collected and provided more

doorstep services to its members compared to Dairy co-operatives. But, a large number of dairy farmers are still supplying milk to the Dairy co-operatives and the reasons expressed by them for doing so are given in Table 1. The main reasons for preferring Dairy co-operatives for supplying milk were that the milk producers do not wish to change from their traditional milk marketing agency

Table 2. : Constraints in availing veterinary services from Dairy co-operatives

Sl. No	Constraints	Frequency*	Percentage
1	Non-availability of veterinarian in time	33	44.00
2	Non-availability of credit	10	13.33
3	Lack of extension services	03	4.00

*multiple responses

Table 3. : Constraints faced by the respondents in pouring milk to Dairy co-operatives

Sl. No	Constraints	Frequency*	Percentage
1	Low procurement Price	34	45.33
2	High feed cost	14	18.67

*multiple responses

(Dairy co-operatives) (59%), proximity of milk collection centre (24%), perception of the respondents that Dairy co-operatives is a government agency (16%), considered Dairy co-operatives as a more reliable marketing agency (15%) and expectation of getting credit for buying milch animals (10%).

Constraints in availing veterinary services from dairy co-operatives

The respondents indicated the important constraints in availing the services from the Dairy co-operatives and some

Table 4. : Perceived Reasons for preferring Private agency for supplying milk

Sl.No	Reasons	Frequency*	Percentage
1	Proximity of collection centre to farm/home	54	72.00
2	Higher procurement price	11	14.67
3	Transparency in milk testing	06	08.00
4	Timely availability of veterinary services	02	02.67

*multiple responses

of them are presented in Table 2. The constraints faced by the respondents in availing services from Dairy co-operatives were non-availability of veterinarian in time (44 %), non-availability of credit (13.33 %) and lack of extension

services from the agency (4 %). These are contradictory to the findings of Ahuja (1999) who observed that in Gujarat most of the cases (80%) were attended by the service providers of co-operatives at farmer's doorstep.

Table 5. : Perceived Constraints in availing dairy husbandry services from private agency

Sl.No.	Constraints	Frequency *	Percentage
1	Non-availability of credit	04	05.33
2	Veterinary officer coming late	01	01.33

*multiple responses

Perceived Reasons for preferring Private agency for supplying milk

The reasons for some of the respondents to prefer private agency for pouring milk were proximity of collection centre to farm or home (72 %), higher milk procurement price (14.67 %), transparency in milk testing (8.00 %) and availability of veterinarian in time (2 %).

Perceived Constraints in availing veterinary services from private agency

Very few respondents expressed their difficulties in availing dairy husbandry services from the private agency. These constraints include non-availability of credit (5.33 %) and veterinary officer coming late (1.33%). The results also showed that most of the respondents from private

agency were not facing serious constraints in availing dairy husbandry services.

Respondents' satisfaction with performance of milk collection centre

It has been found that the existing milk procurement players employ different strategies to attract the milk producers to pour milk to their pot. Majority of the respondents (83 %) were satisfied with the location of the dairy co-operative milk collection centres whereas all the respondents of private agency were satisfied with the location of the milk collection centre. Majority of the respondents of Dairy co-operatives were satisfied with the time of milk collection (95%) and milk measurement (99%). All the respondents of private agency were satisfied with the milk measurement done by the attendants/centre in-charge. With respect to transparency in fat and SNF

Table 6. : Respondents' satisfaction with milk collection centre

Sl. No	Criteria	Co-operative (n=75)		Private (n=75)	
		f	%	f	%
1	Milk measurement	74	98.67	75	100.00
2	Convenient time of collection	71	94.67	71	94.67
3	Behaviour of the staff	70	93.33	64	85.33
4	Nearness of milk collection centre	62	82.67	75	100.00
5	Payment interval	60	80.00	60	80.00
6	Transparency in milk testing for fat & SNF	2	2.67	30	40.00
7	Procurement price	1	1.33	19	25.33

testing only 2.67 per cent of the respondents of Dairy co-operatives were satisfied whereas it was 40 per cent in private agency. Only one respondent was satisfied with the price offered by Dairy co-operatives whereas 25.33 per cent of the respondents were satisfied with the procurement price offered by the private agency. About 80 per cent of the respondents of both agencies were satisfied with the payment interval of their agencies. Majority of the respondents of co-operative (93.33%) were satisfied with the behavior of the staff, and on the other hand 85.33 per cent of the respondents were satisfied with the behavior of the staff of private agency.

The milk collection centre represents the marketing agency at village level and producers' satisfaction with its activities such as collection, testing, and payment impinges on the quantum of milk procured by the agencies. The respondents' satisfaction on some of the aspects of milk collection centre is presented in Table 6. On the whole more number of respondents of private agency were satisfied with the various activities of milk collection centre compared to Dairy co-operatives. The respondents especially of the Dairy co-operatives were not satisfied with testing of fat and SNF.

Conclusion

The results of the study shows that reasons for good number of milk producers wish to continue to supply milk to the Dairy co-operatives were co-operative being a traditional milk marketing agency, proximity of milk collection centre and they consider it as a government agency. Similarly, main the reasons expressed by the respondents for supplying milk to the private agency were

proximity of collection centre to farm or home and high milk procurement price. Perceived constraints faced by milk producers of Dairy co-operatives were non-availability of veterinarians in time. Majority of the respondents were satisfied with the location of the milk collection centres, time of milk collection and measurement, payment interval and the behavior of the staff at centre in both co-operative and private agency. The results of this study lend credence to important findings a good number of respondents of Dairy co-operatives were not satisfied with the testing of milk for fat and SNF and non-accessibility of veterinary services in time. In order to increase the competitiveness of Indian dairy industry by attracting milk producers to pour milk to their pot they should computerize milk procurement system, provide nominal milk procurement price and ensure quality veterinary service delivery which also ensure profitability in dairying by milk producers.

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