

## Evolution of Karaikal Milk Cooperative Society – An Overview

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### Abstract

This paper aims at studying and revealing the role of the milk cooperatives in village development through the recovery and growth of the overall dairy chain in Karnataka. The study reviews and analyzes the outcomes of the milk cooperative Development Program implemented by the KMF Marketing Assistance Program and continued by the Center for Agribusiness and village Development. The paper also identifies and discusses the forms of vertical integration occurring in the dairy sector of the State and concentrates on several important issues viz., contractual mechanism between farmers and cooperatives and farmers and processors, problems and challenges milk producers face, farm social investments. The paper also aims at studying the relationships between member farmers and milk marketing cooperatives.

**Keywords:** Milk cooperatives, Dairy Development and Society.

### INTRODUCTION

India is agriculture - oriented country and majority of population is engaged in forming. Animal husbandry activities persist side by side and are an important component of Indian agriculture economy. Through food grains provide us the required calories; animal proteins further enhance the quality of our food as milk and milk product are the best source of animal protein. It is obvious that dairy development plays a vital role in improving socio - economic status of rural population, it being most popular and prosperous business in rural areas.

The organized dairy sector made – up of distinctly different sub –sector, namely, the government, the cooperative and private take care of barely about 20 percent of dairying. However in terms volume of milk actually handled, installed processing capacities and is marketing infrastructure, the cooperative sector by far the largest.

Milk is the most widely accepted and used animal product in India. Today, India is highest milk producing country in the world. Milk is the main source of animal protein. Dairy business in India has an increasing importance with the increase in population. As per the statistical information of Dairy Development in India (SIDD) 2005 Milk Production is more than 84 million metric tons and 10.5 million liters in a day are marketed by 170 milk sheds. The average procurement of milk in a day during the flush period may be 14.65 million liters and during the lean period may be 12.16 million liters in 9 day.

Marketing also has expanded to supply hygienic and fair priced milk to over 300 million consumers in more than 550 cities and towns. In rural areas, there are about 70 million farmers engaging in dairy activities. India represents one of the world's largest and fastest growing markets for milk and milk products due to increasing disposable income among the 280 million strong middle class "Traditionally" cows have been primary reared to produce bullocks – while buffaloes are largely reared for milk production. For the rural poor cattle is perhaps the only tangible.

Established dairy farming had its in Capitan a small way at the end Nineteenth century with a few private farms. The first major dairy farm was started in 1891 at Allahabad. Prior to 1947 there were about 60 farms with thousands of cross breed cows. At end of 19<sup>th</sup> century Mr. Edward Kaventer established modern dairy the farm at the hill stations of Simla and Darjeeling. During 1915 the first military creamery was set at Anand for sending better for troops in Mesopotomia. Later it was transferred to the Kaira District Cooperative Milk Products Union in 1948.

Established of Polson model dairy was the first better making factory at Anand in 1929 by the late M. Postony, E. Polson. It was pioneering and significant event in the modernization of Indian dairy. During Second World War the situation in milk supply was worst. The civil supplies department introduced the subsidized scheme was encouraged by the Bombay Government to think in terms of having a Government Milk Scheme to cater the needs of Bombay city people.

## **DAIRY DEVELOPMENT IN INDIA**

In 1923, government milk colonies were established by municipal corporations in large, cities which promoted huge dairy farms in their peripheries. Thus Bombay, had its milk colony at Agracy, Calcutta's was near Haringhatta and the milk colony in Madras was Madhavaram. Their dairy farms equipped with A-1 and veterinary health cover housed a large number of cattle, mainly buffaloes. Their owners fed and milked and reared the animals in the sheds provided to them and sold the milk at pre-determined price to the milk colonies. The colonies, in their turn, owned large processing plants. These edifices were thus a legacy of the colonial dairy policy. It was at this stage that R.A. Peperall, the Milk Marketing Advisor to the Government of India, proclaimed that the sewage water in London. As a result, separate department and /or milk commissioner were created with state Government to hasten the pace of dairy development. The milk sub - committee of the policy. Committee on Agriculture (1950) recommended for the monopolization of milk supply and distribution through Milk Control Boards. It is from this recommendation that the city milk scheme originated.

After independence, with the systematic initiation of the Five Year Plan programmes, dairying progressively been receiving more and more emphasis and getting greater allocation of funds.

## **INDIA: WORLD'S LARGEST MILK PRODUCER**

India has become the world's No.1 milk producing country, with output in 1999 - 2000 (Marketing year ending march 2000) forecasted at 78 million tones. United States, where the milk production is anticipated to grow only marginally at 71 million tones, occupied the top slot till 1997. In the year 1997, India's milk production was on par with the U.S. At 71 million tones. The world milk production in 1998 at 557 million tones would continue the steady progress in recent years. Furthermore, the annual rate of growth in milk production in India in between 5 - 6 percent, against the world's at 1 per cent. The steep rise in growth pattern has been attributed to a sustained expansion in domestic demand. Although per capita consumption is modest – at 70 kg of milk equivalent.

India's annual milk production has more than trebled in the last 30 years, rising from 21 million tones in 1968 to an anticipated 80 million tones in 2001. This rapid growth and modernization is largely credited to the contribution of dairy co operatives, under the Operation Flood (OF) project, assisted by many multi-lateral agencies, including the European Union, the World Bank, FAO and WFP (World Food Program). In the Indian context of poverty and malnutrition, milk has a special role to play for its many nutritional advantages as well as providing supplementary income to some 70 million farmers in over 5,00,000 remote villages.

## **EVOLUTION OF KARAikal CO-OPERATIVE MILK SOCIETY**

The Karaikal co-operative milk supply society was registered on 5<sup>th</sup> April 1955 with the main object of bringing about the economic development of agriculturists, agricultural tenants and rural labourers residing in Karaikal by organizing effective production, processing and marketing of milk.

In the society was started by K.M. Gurusamypillai who was prominent citizen of karaikal. He was the founded president of the society. The society started its business on 1<sup>st</sup> may 1955 with a share capital of Rs.2710 contributed by 128 members. The society set up the office and the milking yard in a plot of land owned by srikailasantha temple. Members were prevailed upon to bring their milk animal to the milking yard and the milk collected in the yard was immediately distributed throughout the town. Latter milking yards at different places were gradually opened and, milk collected from these yards, was brought to the office and distributed.

Ten years later the office of the society was shifted to a rented building in the main bazaar. There was a slow expansion of the activities of the society and as a result there was an increase in the number of member and the amounts of share capital contributed by them.

In 1967 the society introduced a new scheme for the supply of cattle feed to the members. This was done in order to help the members to obtain uninterrupted supply of cattle feed at fair price and to get assured yield of quality milk.

In the subsequent years the society arranged to open coffee bars in different places in Karaikal town for selling hot coffee and milk. These coffee bars were used to dispose of surplus milk available during flush season. The society also prepared and sold curd, ghee and khoa from out of the surplus milk.

In 1972-73 the society introduced a loan scheme with the object of increasing the milk production. Under this scheme the society lent its owned funds to the members for purchase of milk animal and arranged for recovery of the amount from

payment made to the members for the milk supplied by them to the society. As result there was a considerable increase in the number of members. Similarly there was a significant increase in the volumes of sales of milk. This scheme continued till 1980 and during the entire period the society gradually expanded its operation. Simultaneously with the introduction of loan scheme the society arranged to establish a chilling plant of the capacity of 2000 liters in order to process the large quantity of milk and distribution it subsequently. The plant started its operation in August 1973.

To facilitate collection of large quantities of milk, the society started opening milking yard at different place throughout the town and adjacent villages. The milk collected at different yard was transported to the chilling plant on bicycle by employees. Subsequently the society purchased a van for collecting milk from different yards. Latter funds were received from the government and in 1975 the society constructed its own building in Karaikovilpathu a place two kilometers away from the Karaikal town and the chilling plant was shifted to the new building.

A new chilling plant with the capacity of 4000 liters was also set up in the same building in that year. In 1983 the society installed a new can cooler of the capacity of 1000 liters. In 1990 the society purchased a new packing machine with the capacity of packing 250 ml, 500 ml, and 1 liter milk was also set up in the same building.

In 1996 July Ice-cream parlors was set up nearer to Karaikal Ammaiyan Koil and on 28<sup>th</sup> September 1998 another popular was started near Taluk office, Karaikal. Now the society has decided to start a dairy at Nagapattinam.

### **MAIN OBJECT OF THE SOCIETY:**

The object of the union shall be to carry out activities conduction to the economic and socio economic development of the milk producers of the Karaikal region by organizing effectively production, processing and marketing of commodities.

1. Make arrangements for transports of commodities.
2. Impart co-operative knowledge amongst the members and its application to business method.
3. Render technical, financial, administrative and other necessary assistance to on the milk schemes.
4. Settle all matters of common interest of its members.
5. Carry on co-operative propaganda.
6. Organize and encourage saving schemes.

### **ACTIVITIES OF THE SOCIETY:**

- Acting as on 9 per society for affiliated primary co-operative milk producers' societies.
- Procuring milk from primaries.
- Marketing milk to consumers in packet after standardization and pasteurization at a lesser rate.
- Supply milk on credit to government departments and government undertaking in Karaikal as an agent of government.
- Purchase of cattle feeds from ponlait and supplied to the primaries with government subsidy.
- Selling milk and by-products through ice-cream parlor and milk parlor.
- Procure of raw milk from adjacent areas of Tamilnadu.
- Newly establishment of two 24 hours parlor with maximum margin.

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