PERCEPTION OF THE MEMBER SOCIETIES TOWARDS WORKING OF THE PONDICHERRY CO-OPERATIVE MILK PRODUCERS' UNION LIMITED

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INTRODUCTION

Dairying has been inherent in Indian culture for centuries. In the vast field of animal husbandry, the contribution of dairying has been most significant, in terms of employment generation, as well as income generation. In the post-independence India, co-operative dairying has been one of our major success stories, having a profound impact on socio-economic development of rural areas. The development of co-operative dairy industry is on the lines of a three-tier structure in India i.e. the primary co-operative milk producers’ society at the village level, the co-operative milk producers’ union at district level and dairy federation at the state level. The co-operative dairy unions are engaged in the provision of input services for animal health, breed improvement, feed resources development, extension services, finance and marketing. However, the ability of such co-operatives to attain their objectives is influenced by the quality of services rendered to the members apart from resource mobilization and economic growth. Hence, the fulfilment of the members' demand of timely and in a cost effective manner is very important for the success of co-operatives.

Keywords: Co-operative Milk Producers, Perception of the Member Societies

STATEMENT OF THE PROBLEM

India has emerged as the largest producer of milk in the world due to the untiring efforts of millions of rural milk producers across the countries who with their sweat and toil have earned a living with the support of the institutional structure provided by 1 lakh dairy co-operatives throughout the country. The farmers’ sense of ownership of the co-operatives has been the single
biggest ingredient in their unique success against all odds. The policy of the Indian government during the 1970s and 1980s was to promote dairy development on the basis of co-operative organizations. Therefore the government has implemented the Operation Flood Programme. However, there are a number of problems regarding the organization and management of dairy industry, which drag the dairy industry into the whirlpool of stagnation. The main problems are non-optimal units with the under-utilization of installed capacity; closure of co-operative dairies; lack of credit facilities; lack of organized system of marketing and observing product identification; shortage of technically qualified persons and skilled personnel; cut-throat competition with organized sector; poor quality of products and lack of quality control devices; excessive legal formalities to be observed on all steps; lack of business ability amongst co-operative dairy officials; and lack of effective legislative measures to regulate the market.

In 1991 a new licensing policy was introduced which made it easier to establish private processing plants than it had been in the past. The new market-oriented policy provided an opportunity for private entrepreneurs to enter all areas of the milk business such as procurement, processing and marketing. Over 100 new dairy processing plants were established within one year of the new policy. At the same time, there were some private dairies producing milk in certain regions prior to 1991. These private plants required government approval prior to 1991; hence, the co-operative sector was protected. At present, a large number of co-operative dairy plants have not been able to achieve a satisfactory level of capacity utilization due to inadequate milk availability in the area. The low capacity utilization resulted in doubling and trebling of processing costs which could not be recouped by increasing milk prices. As a result, many of the units have incurred losses and become non-viable. The co-operative dairies have to bear the losses and resort to additional borrowing from banks to replenish their working capital which in turn leads to higher interest charge and further losses thus creating a vicious circle. The small sized dairy farms, the low volume of milk produced and the widespread nature of farmers makes the problem of collection, processing and marketing an enormous one. This constraint is the major one that kept dairy production at traditional levels. The organization of milk collection at the rural level is in itself a massive problem. Changing market and economic conditions, while providing new opportunities through increasing demand for milk and milk products, are posing challenges for the co-operative milk unions. Absence of a rational policy on milk prices, lack of consistent price structure, and existence of hazard controls and subsides on milk prices are the causes inhibiting the growth of the dairy co-operatives. Therefore, an understanding of the perception of the member societies is imperative. In this chapter, an attempt has been made to study the perception of the member societies towards working of the Pondicherry Co-operative Milk Producers’ Union Limited

OBJECTIVES OF THE STUDY

1. To review the dairy activities of the Pondicherry Co-operative Milk Producers' Union Limited.
2. To elicit the opinion on the working of the Pondicherry Co-operative Milk Producers' Union Limited by member societies.
3. To offer suitable suggestions for the efficient functioning of the Pondicherry Co-operative Milk Producers' Union Limited.

TESTING OF HYPOTHESES

The study is based on the formulation of the following null hypotheses.

**Ho:** There is no significant association among the satisfaction levels of the member societies belonging to different organizational set up towards working of the Pondicherry Co-operative Milk Producers' Union Limited.
Hoj: There is no significant relationship among the satisfaction levels of the member societies belonging to different organizational set up towards various activities of the Pondicherry Co-operative Milk Producers' Union Limited.

MATERIALS AND METHODS

The study is empirical in nature. As said already, the study is confined to the Pondicherry Co-operative Milk Producers' Union Limited only. The scope of the study is delimited to study the perception of the member societies towards working of the Pondicherry Co-operative Milk Producers’ Union Limited. The primary data for the study were collected during the period from October 2012 to December 2012. Regarding the respondents, the member societies are considered total population. The total number of member societies was 97 as on 31.03.2012. By using simple random sampling, 73 member societies i.e. 75 per cent of the population were taken up for this study. The first-hand information for this study was collected from the establishment section of the Pondicherry Co-operative Milk Producers’ Union Limited. The study encompasses both primary and secondary data. The primary data were collected from the Secretaries of the member societies with the help of the pre-tested questionnaire. A pilot study was conducted during the period August 2012, selecting 10 member societies. The secondary data were extracted from the published annual reports of the Pondicherry Co-operative Milk Producers’ Union Limited. These reports are the financial statements, books of accounts, minutes, audit reports, annual reports, and circulars. In order to study the perception of the member societies towards working of the Pondicherry Co-operative Milk Producers’ Union Limited, various statistical analyses such as chi-square test, student t test, analysis of variance, co-efficient of variation, multiple regression analysis and percentage analysis were employed.

FINDINGS

1. Out of 73 member societies, 24.66 per cent have existed for less than 10 years. 21.92 per cent of the societies have 11-20 years of existence. 38.35% and 15.07% of the member societies have 21-30 years and above 30 years of existence respectively.
2. 34.24 per cent of the member societies have less than 200 members. 19.18 per cent of the societies have 201-400 members. 38.36% and 8.22% of the societies have 401-600 and above 600 members respectively.
3. Majority of the respondents (41.09%) collect an average of 501-750 litres of milk per day, and 16.34% of the societies collect below 250 litres per day. 17.81% and 24.66% of the member societies collect average milk in the range 251-500 litres and above 750 litres per day respectively.
4. Out of 73 member societies, 16.34% are women operated societies and 83.56% are mixed societies. As regards economic status, 84.93% are making profit and 15.07% of the societies incurred net loss.
5. According to 31.51 per cent of the member societies PCMPUL has been established as the first co-operative milk society in Pondicherry. 52.05 per cent of the member societies say that it is the only co-operative milk producers’ union functioning in Pondicherry Union Territory. Manufacturing range of byproducts and supply of quality milk are the special features of the PCMPUL according to member societies at 57.53% and 69.86% respectively. Remunerative price for the milk procurement and extensive dairy activities are also the special features of the PCMPUL according to member societies at 84.93% and 91.78% respectively.
6. No significant association is found between satisfaction level of the member societies belonging to varied years of existence, number of members, average milk collection per day, type of society and economic status of the society and working of the Pondicherry Milk Producers’ Union Limited.

7. Member societies having up to 10 years of existence, societies having 201-400 members and above 600 members, societies collecting milk above 750 litres per day, mixed societies and loss making societies are more satisfied with the working of the PCMPUL.

8. There is no significant relationship among the satisfaction level of the member societies belonging to varied years of existence, varied number of members, collecting varied quantum of milk, type of society and economic status of the societies towards various activities of the PCMPUL.

9. Member societies having existence up to 10 years, societies having up to 200 members, societies collecting an average milk of 501-750 litres per day, mixed societies and loss making societies are more satisfied towards various activities of the PCMPUL.

10. Consistency is found (10.78) in the satisfaction level among the member societies having existence up to 10 years, societies having up to 200 members, societies collecting below 250 litres of milk per day, mixed societies and profit making societies (11.86%) towards various activities of the PCMPUL.

11. Years of existence and number of members of the societies have significant effect on the satisfaction towards various activities of the PCMPUL at 5 per cent level of significance. Average milk collection, type of society and economic status of the society have no significant effect on the satisfaction level of the member societies towards various activities of the PCMPUL.

12. Out of 73 member societies, majority of the sample societies are dissatisfied (50.68%), followed by highly dissatisfied (27.40%) and highly satisfied (9.59%) towards various activities of the PCMPUL. 4.11% and 8.21% of the member societies are satisfied and neither satisfied nor satisfied respectively with the various activities of the PCMPUL. The average satisfaction score reveals that the sample societies have higher satisfaction level (2.369) towards conduct of training, followed by supply of technical inputs and extension services (2.342), and animal breeding services (2.260). However, the member societies have low level of satisfaction towards supply of input services (1.945).

13. Ranging from 36.98 per cent to 56.16 per cent of the member societies state that political interference, lack of value added products, inadequate infrastructure and inadequate government assistance are the problems encountered by the PCMPUL. Financial problems, increasing operating expenses and entrance of private milk societies are also the problems of the PCMPUL stated by the member societies at 71.23%, 79.45% and 86.30% respectively.

14. Ranging from 30.13 per cent to 50.68 per cent of the respondents suggest that prevention of political intervention, launching value added products, development of infrastructure and government assistance will get better the working of the PCMPUL. 60.27%, 67.12% and 79.45% of the respondents suggest that remedies to the financial problems, control over the operating expenses and cope up private milk societies will make certain the efficient functioning of the PCMPUL.

**SUGGESTIONS**

1. There is vast scope for value-added products like desserts, puddings, custards, sauces, mousse, stirred yoghurt, nectars and sherbets to capture the dairy market. Introduction of these byproducts will contribute to increase in the profitability of the PCMPUL. Therefore, the PCMPUL can introduce value-added byproducts to meet the needs of the target consumers in the market.
2. Scaling down the government participation in the equity base of the PCMPUL, assisting the PCMPUL with the timely grant of managerial subsidies and other forms of assistance enabling the PCMPUL for its efficient functioning. Further the Government of Pondicherry should recognize the role played by PCMPUL at all levels in increasing the milk production and in ameliorating the economic condition of the weaker sections of society. The work related to artificial insemination, disease control, etc. now done by Animal Husbandry and Veterinary Department should be transferred to the milk producer's union.

3. PCMPUL has not been following a concrete production policy for byproducts. Innovations in dairy technology for the preparation of new products will make the milk more effective in its utilization in the PCMPUL. Therefore, PCMPUL should further develop proper dairy production, processing and marketing infrastructure, which is capable of meeting international quality requirements. Making infrastructure for rapid transportation, refrigeration and proper human resource development in the PCMPUL and arranging proper training for the manager, and officials are need of the hour.

4. Efforts should be made to bring down the high incidence of procurement cost and bring it at the level of profitability. In order to increase the competitiveness of the PCMPUL, efforts should be made to reduce the cost of production. This can be achieved through increasing productivity, improve animal health care and breeding facilities and management of professional dairy management. The PCMPUL and state government will need to play a vital role in this direction.

5. The Indian Dairy Corporation may be directed to review the financial position of the PCMPUL installed under Operation Flood and in appropriate case reschedule the payment of interests and principles on the loans sanctioned for PCMPUL to prevent from incurring continued losses and becoming viability. The financing institutions may be directed to provide adequate working capital loans to the PCMPUL adversely affected by the losses caused by low capacity utilization.

6. PCMPUL should be given maximum autonomy and there should be minimum government interference in a day to day working. For that self-reliance and self-management are required.

CONCLUSION

In this chapter, an attempt has been made to study the perception of the member societies towards working of the PCMPUL. For this reason 73 member societies which are affiliated with the PCMPUL were selected based on random sampling. The results of the analysis revealed that no significant association is found in the satisfaction level of the member societies belonging to varied years of existence, number of members, average milk collection per day, type of society and economic status of the society towards working of the PCMPUL. Political interference, lack of value added products, inadequate infrastructure, inadequate government assistance, etc. are the problems encountered by the PCMPUL according to member societies. To ensure a positive outcome, attention to the factors identified in the suggested framework is important for the efficient functioning of the PCMPUL. If this study provokes the people concerned to take some positive measures, the researcher will feel amply rewarded.
REFERENCES