



# TOPIC: ROLE OF MILK CO-OPERATIVES IN DAIRY DEVELOPMENT OF KARNATAKA -A STUDY

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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. Dairy farming is a supplementary activity of rural formers in India. It plays very important role in rural development. This paper tries to analyze the Historical background of dairy development in Karnataka. (Before and after independence) by the end, try to say the role and activities of KMF (Karnataka milk federation)

**Keywords:** Milk cooperatives, livestock, animal husbandry. Formers, Milk, Dairy Development & KDDC.

## **Introduction:**

The dairy cooperatives of Karnataka have played an important role in the expansion of milk and dairy production in India. The expansion of the dairy co-operative network in India was by far the most important factor in the remarkable increase in milk production in India. Milk production increased from about 20 million tonnes in 1950s, when India was an importer of milk and milk products, to over 144 million tonnes, when India became the second largest producer of milk in the world in 2014. In India, it is generally observed that in the north and west the cow are better milkers, but as one gets to the south and east the milk producing quality deteriorates. This characteristic of milk production system coupled with perishable nature of milk imposes several constraints on devising improved system for assembling, processing and distribution of milk and its product. Dairy cooperatives were among the first type of agricultural cooperatives organized in the India .The Cooperative movement started in India in the last decade of the 19th Century with two objects in view, i.e. to protect the farmers from the hands of the private money lenders and to improve their economic condition. Madras province was the birth place of this movement. With the setting up of an Agricultural Cooperative Bank there the movement took root in our Land and slowly gained strength. The history of the Dairy Development Movement in India is a new one. During the pre-independence period this movement was limited to a few pockets of Calcutta, Madras, Bangalore and Gujarat. The most notable of this venture was Kaira District Cooperative Milk Producers' Union Limited of Anand, Gujarat. But after independence, the National Government took great initiative in setting up new Dairy

Co-operatives in many parts of the country. The National Dairy Development Board (NDDB) was set up to make the ambitious project a success over the span of three decades, India has been transformed from a country of acute milk shortage to the world's leading milk producer, with production exceeding 144 million tonnes in 2014 gains of 4–5 percent per annum. This phenomenal success is attributed to a Government initiative known as Operation Flood (1970–1996) and its intense focus on dairy development activities. In that initiative, rural milk shed areas were linked to urban markets through the development of a network of village cooperatives for procuring and marketing milk. And milk production and productivity were enhanced by ensuring the availability of veterinary services, artificial insemination (AI), feed and farmer education. The investment paid off, promoting production Livestock in general and dairying in particular play a vital role in the Indian economy.

Now, Karnataka with milk production of 4.10 metric tons is the 11th largest milk producing state, constituting about 5 per cent of the country's total milk production. Further, Karnataka ranks 3rd in India in the procurement of milk by the Milk Producers' Co-operative Societies (MPCSs). MPCSs functions at village level, which acts as Catalyst between farmers & co-operative milk unions. Functions throughout the year in two shifts and helps the farmers to produce more milk. In Karnataka there is 1,33,00,000 households seeking employment as per 2011 censuses in this 60% of households got the employment directly and indirectly. In these connection milk cooperatives play a significant role in providing supplement income and employment.

### Objectives

1. To understand milk cooperatives facilities available and village development.
2. To understand impact of milk cooperatives on social development.

### Methodology and Data Source:

The study is based on Primary data and secondary data. In the back-drop of pre-stated objective, the study relied on field observations and interviews and the reports of KMF. Sample Design. Milk farmers are selected randomly. were analyzed using simple statistical tools such as average, data regarding the cattle census, the district milk production and productivity, animals inseminated, calves born, vaccinations, mini kits distributed, women milk cooperatives, milk subsidy and growth of milk cooperatives analysed for the reference period from 2000-2014. The Variables Of The Study :The present study is conducted in the state of Karnataka The variables of the study included the livestock holding, land holding, dairy type/category, herd size and composition, family labour utilization, annual family income, family milk consumption pattern, inter caving period, proportion of crossbred animals, breed up gradation efforts, cost of milk production, cropping pattern, feeding practices, extension support and service delivery, technology adoption, productivity, access to market, price realization, market channels, effect of processing units/dairies, income and employment generation, Social development aspects like migration, school dropouts, infant mortality rates, malnutrition.

### The Role of Co-Operatives in Villages Development in Karnataka:

Role of Co-Operatives in villages development is crucial and that is why this paper aims to understand milk cooperatives and village development in selected areas of Karnataka region and to understand the impact of milk cooperatives on social development.

And hence, the study included the livestock holding, land holding, dairy type/category, herd size and composition, family labour utilization, annual family income, family milk consumption pattern, inter caving period, proportion of crossbred animals, breed up gradation efforts, cost of milk production, cropping pattern, feeding practices, extension support and service delivery, technology adoption, productivity, access to market, price realization, market channels, effect of processing units/dairies, income and employment generation, Social development aspects like migration, school dropouts, infant mortality rates, malnutrition, incidence of farmers suicides, etc., Data were also collected from secondary sources of information such as official documents, records, registers and reports of Department of Animal Husbandry, Milk Unions / Private dairies.

## Karnataka Dairy Development Project (KDDP)

In Karnataka, after Independence, the Karnataka Dairy Development Project (KDDP) was a first intensive-oriented dairy development programs implemented by the Karnataka Dairy Development Corporation (KDDC) under the financial aid of the World Bank. The project sought to develop an integrated programme for increasing milk production in the rural areas through a seven -year plan (1975-1982) of action focusing on quality cross-breeding, animal health care and development facilities of milk collection, processing and marketing. The KDDC is the biggest venture in the field of dairy development in Karnataka. The objective of this venture is to bring about white revolution (ksheerakranthi) by developing an integrated programme for increasing milk production in the eight districts of southern Karnataka, namely, Bangalore, Mandya, Mysore, Hassan, Tumkur, Kolar, Chickmagalore and Coorg with the financial target of 51 crores (Setty, 1980). The developmental organization of the KDDC is based on the Anand Milk Producers' Co-operatives in Gujarat, known as 'Anand Pattern'. This pattern is composed of the milk producers' cooperative societies (MPCS or DCS) which work at the village level and the district Dairy Cooperative Unions works at the district level. The cooperative system is the main institutional source of milk procurement and developing dairy at the farm level in the villages. The National Dairy Development Board (NDDDB) and the Indian Dairy Corporation (IDC) are act as consultants. It is felt by the planners and policy makers that Karnataka is suitable to implement this project through crossbreed programme due to the following reasons,

- The state already has a large concentration of crossbreed cattle (about 100,000 heads) and many are located in rural areas.
- It has an infrastructure and a network of health care provided by the state department of animal husbandry and veterinary services
- It has the southern regional station of the NDRI and the University of Agricultural Sciences
- It has around 15 per cent of the land under forests and about 8 per cent under permanent pastures and grazing lands.

The objectives of dairy development programmes in Karnataka are to develop an integrated programme for increasing milk production by organizing milk collection, processing and marketing; providing technical inputs for animal health care and breeding; establishing dairy co-operatives (DCS), unions, and the corporation / federation, creating facilities for artificial insemination, fodder and feeds improvement, establishing dairy plants, cattle feed plants and regional diagnostic laboratories etc. Though the 'Anand' model DCS is based on a single village, DCS in Karnataka are also formed, wherever it is required, with a group of 3 to 4 villages or hamlets (cluster of villages/hamlets) to make it more viable. Even 2 or 3 unions have been formed covering more than one district in the state. The approach of dairy development programme in Karnataka is similar and based on the approach adopted at the national level (Pasha and Ramakrishna, 1999).

### Karnataka Milk Federation (KMF) in Dairy Development:

Karnataka Milk Federation is a State level Co-operative Organization, implementing dairy development activities in the State. This organization has the responsibility of providing remunerative price and market to the rural milk producers of the State and of supplying pure milk and milk products to the consumers. Almost all the districts of Karnataka have been covered under the co-operatives through 13 milk unions and a federation. And the programme has been successful in creating dairy co-operatives at the grassroots level on a large scale. The first dairy in Karnataka was set up at Kudige in Kodagu district in 1955. The biggest dairy in the state with 150,000 liters per day liquid milk processing factory was set up in Bangalore in 1965. In 1975, the first spearhead team was positioned and also first registered milk producers' cooperative society was activated. At the same time, the government dairies were transferred to the KDDC. Further, the Karnataka Milk Products Limited was established in 1980. In 1982, the first milk product dairy was started at Gejjalagere, in Mandya district. The corporate brand name of 'NANDINI' was given and the first cattle feed plant was also commissioned at

Rajanakunte in 1983. In 1984, KDDC was transformed into Karnataka Milk Federation (KMF) and it came into existence in May 1984.

KMF is a cooperative apex body in the state of Karnataka representing primary milk producers' organization and also implementing dairy development activities. The major activities of the KMF are;

- Providing assured and remunerative market for the milk producers;
- Milk productivity enhancement;
- Providing quality milk to urban consumers;
- To establish and strengthen village level dairy cooperative societies;
- To facilitate rural development by providing opportunity for self-employment at the village level; and
- To provide technical inputs and extension services to milk producers' members.

### Conclusion:

In developing countries, the dairy cooperative has been recognized as an important means of organizing the supply of agricultural inputs, processing and marketing agricultural produce and providing agricultural credit, among other related activities. It has proved to be a strong economic institution and a vehicle for improving the condition of the impoverished rural population. The farmer cooperative system has proved to be an effective vehicle for livestock development in general and for dairy development in particular in rural areas.

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