Project Outline

‘Income Enhancement through animal husbandry’

KEY OBJECTIVE:
To increase the income of the rural poor through ensuring better returns through the sale of milk and milk products in an organized manner.
1. Collect base line data on the local livestock population.

2. Discover why the UP region not exploited the Amul model of co-operative dairy to the same extent as the Gujarat region?

3. Explore opportunities for milk marketing through exiting dairies.

4. Identify the scope and feasibility for setting up a dairy unit in the area.

5. Design a model of implementation that would be sustainable and profitable for the rural milk producers?
1. Collect baseline data on the local livestock population.

- Average number of milk selling animals owned is 2.83
1. Collect baseline data on the local livestock population.

![chart](chart.png)

**Average total milk produced per household per day (litres)**

<table>
<thead>
<tr>
<th>Season</th>
<th>Volume of Milk (litres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kharif</td>
<td>5</td>
</tr>
<tr>
<td>Rabi</td>
<td>8</td>
</tr>
<tr>
<td>Zaid</td>
<td>6</td>
</tr>
<tr>
<td>Average</td>
<td>6.5</td>
</tr>
</tbody>
</table>
Approach

2. Discover why the UP region not exploited the Amul model of co-operative dairy to the same extent as the Gujarat region?

3. Explore opportunities for milk marketing through existing dairies.

- Academic papers.
- Interview with PCDF manager.
- PRA exercise with the cattle owners who are members of the local cooperative (PCDF).
- Focus Group Discussions with female SHG.
- Questionnaire data
- Interview with Heinz dairy manager.
4. Identify the scope and feasibility for setting up a dairy unit in the area.

- Academic papers.
- Female SHG Focus group discussions.
  - determine the current level of understanding in the villages of the different methods of milk sales.
  - judge whether female SHGs are willing to federate to form a dairy cooperative to increase household income from milk sales.
  - find the main difficulties faced by the cattle owners in setting up such a cooperative.
Problem Tree Analysis

FOCAL PROBLEM

Lack of additional income through milk sales

CAUSES

Limited awareness of selling options
- Limited access to sources of information

Exploitation by local middle men
- Lack of transport causing limited direct market access for cattle owners
- Exclusivity: The initial loan to purchase cattle loaned from the milk vendor

Poor milk production from cattle
- Limited uptake of breed improvement activities
- Poor animal husbandry

- Lack of readily available capital to buy cattle
- Limited use of medical services
- Inadequate fodder
**Problem Tree Analysis**

**EFFECTS**

- A poor price in summer with a market surplus of milk, and poor production in winter with a milk market deficit.
- Limited bargaining power of cattle owner.
- Milk sales seen as ‘free’ small additional income rather than a means of large income generation.
- Large profits for the milk vendors at the expense of cattle owners.
- Low price for milk produced by cattle owner.
- Lack of motivation to expand cattle for dairy production.
- Poor development of alternative milk sales routes.

**FOCAL PROBLEM**

- Lack of additional income through milk sales.
Key Objectives

3. Explore opportunities for milk marketing through exiting dairies.

4. Identify the scope and feasibility for setting up a dairy unit in the area.
Is the long term solution to increasing profits encouraging the farmers who currently don’t sell milk in an organised manner to sell to the private dairies?
Private Dairy Model

- Farmers must sell exclusively, so no choice
- Poor price
- Farmers have no control over the milk and the direction of company
Is the long term solution to increasing profits encouraging the farmers who currently don’t sell milk in an organised manner to sell to the private dairies?

Would the best solution be to encourage farmers to supply to the exiting cooperative system in the region?
Existing Cooperative

- Corruption at the local level.
- No larger rates for milk than in the private route

A comparison of the rate achieved by cattle owners selling their milk to cooperative or to a private milk vendor

<table>
<thead>
<tr>
<th>Season</th>
<th>Cooperative</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kharif</td>
<td>13.0</td>
<td>13.6</td>
</tr>
<tr>
<td>Rabi</td>
<td>11.3</td>
<td>12.1</td>
</tr>
<tr>
<td>Zaid</td>
<td>12.9</td>
<td>12.9</td>
</tr>
<tr>
<td>Average</td>
<td>12.4</td>
<td>12.9</td>
</tr>
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</table>

Rate for milk (Rs/Litre)
Is the long term solution to increasing profits encouraging the farmers who currently don’t sell milk in an organised manner to sell to the private dairies?

Would the best solution be to encourage farmers to supply to the exiting cooperative system in the region?

Would the best solution be to encourage farmers to unite to form a new co-operative? What is the best method of implementation?
5. Design a model of implementation that would be sustainable and profitable for the rural milk producers?

**Current Cause**

- Limited awareness of selling options
- Exploitation by local middle men
- Poor milk production from cattle

**Co-operative Solution**

- TCSRD acts as a facilitator agency to knowledge of milk selling options
- Informed farmers have choice whether to co-operate
- Farmer owned and run business, so returning the power to the producer
- Co-op could provide loans internally for animal purchase
- Society could provide veterinary and breed improvement support services
- Society could provide subsidized fodder
5. Design a model of implementation that would be sustainable and profitable for the rural milk producers?

Advantages of co-operatives

- Lower costs
- Improved market reach
- Increased bargaining power
- Improved access to services
- Incentive for value adding
- Increased confidence
Recommendation

5. Design a model of implementation that would be sustainable and profitable for the rural milk producers?

Suggested model to follow the AMUL pattern

District level committee

Village level committee

Village level society

General manager

Junior staff
5. Design a model of implementation that would be sustainable and profitable for the rural milk producers?

Role of Female SHGs in the Model

- TCSRD has strong links to established groups
- SHG have savings to invest and existing bank linkages
- Federating shown to increase sustainability of SHG
- Empowering of women
**Personal Learnings**

**India**

- Country of contrast:
  - Culture
  - Urban vs rural
- Friendliness of people

**TCSRD**

- Corporate vs NGO demands
- Size of department and extent of work

**Personal Growth**

- Team work
- Patience
- Expansion of knowledge