



## A STUDY OF RURAL DAIRY RETAILERS IN GUJARAT STATE

**A. K. Makwana\***      **M. D. Gurjar\*\***

\*Associate Professor, SMC College of Dairy Science, Anand Agricultural University, Anand – (Gujarat).

\*\*Assistant Professor, SMC College of Dairy Science, Anand Agricultural University, Anand– (Gujarat).

### **Abstract**

Amul products are available in every nook and corner of the country beginning from the corner mom-n-pop stores to the fashionable trendy malls. The present study was conducted to evaluate the status of rural retailers (involved in selling milk and milk products) in Gujarat state. The study covered all districts of the state and information was collected by using questionnaire. After analyzing the collected data it could be concluded that the strengths of Retailer (rural) were increase in literacy, Business hours greater than 15 hours, satisfactory dealer services, and ability to earn sufficient profits in milk and milk product business. However, the major weakness was lack of FSSAI License, Inability to obtain complete items indented with the suppliers and less scope of expanding the business.

**Keywords:** Milk Retailers, Gujarat Dairy, Cooperative Dairies, Dairy Business.

### **1. Introduction**

#### **Indian Dairy Sector**

The Indian Dairy cooperatives structure has a huge contribution in raising the milk production in the country upto approximately 146 million tonnes in the year 2014-15 from a meagre milk production 17 million tonnes in the year 1951. The per capita availability of milk in the country has increased to 340 g /day (GCMMF Annual Report 2015-16). Further, milk is the largest agricultural crop in India with market value exceeding Rs 4 lakh crore per annum and the milk group contributes the highest to the total output of our agricultural sector, surpassing the output value of wheat, rice and oilseeds.

Amul products are available in every nook and corner of the country beginning from the corner mom-n-pop stores to the fashionable trendy malls. It has been possible due to its robust and largest distribution network for which FMCG company can be proud of. It has 60 sales offices spread all over the country, more than 10,000 wholesale dealers and more than 1,000,000 retailers, all of whom contribute to the making AMUL The Taste of India

### **2. Methodology**

The study was spread over the entire state and primary data was collected by way of a Questionnaire. The study covered all 26 Districts of Gujarat state, 227 talukas and further, three villages were selected from each taluka. In total 681 villages from the state were selected and data was collected from retailers.

### **3. Results and Findings**

#### **a) FSSAI Registration/ License No. of retailers ( Village)**

Sr. No	Response	N	Percentage
1	Yes	4	3%
2	No	154	97%
	Total	158	100%

Around 97% of the Village retail shop did not have FSSAI Registration/ License Number for their business. This is a matter of concern in the dairy sector.

#### **b) Type of Ownership. of retailers ( Village)**

Sr. No.	License	N	Percentage
1	Sole Proprietor	150	95%
2	Partnership	8	5%
3	Private ltd.	0	0%
	Total	158	100%

Most of the village retail shops fell in the category of “Sole Proprietorship” .



**c) Years in Business of retailers ( Village)**

Sr. No	Business Years	N	Percentage
1	< 5	60	38%
2	5 - 10	52	33%
3	11 - 15	30	19%
4	16 - 20	8	5%
5	> 20	8	5%
	Total	158	100%

As seen from the above table, majority (71%) of the Village retail shops were in existence for less than 10 years. This indicates a considerable number of village retail shops have been established recently.

**d) Educational Qualification wise Distribution. of retailers ( Village)**

Sr. No	Educational Qualification	N	Percentage
1	Illiterate	0	0%
2	1 - 9	42	27%
3	10th	51	32%
4	11th	4	3%
5	12 th	34	22%
6	UG	24	15%
7	PG	3	2%
	Total	158	100%

Around 83% of the Village retail shop owners had educational qualification upto HSC or lower. However, there were no illiterate shop owners.

**e) Business Time Per Day of retailers ( Village)**

Sr. No	Business time ( in hours)	N	Percentage
1	< 5	10	6%
2	5 - 10	21	13%
3	11 - 15	94	59%
4	> 15	33	21%
	Total	158	100%

The above table indicates that most of the village retail shop (selling milk and milk products) are open for a time period of 5 to 15+ hours, indicating that the shops are open for the whole day.

**f) Total Employee/Worker of retailers ( Village)**

Sr. No.	Employee/Worker	N	Percentage
2	1 - 2	139	88%
3	3 - 4	16	10%
4	> 4	3	2%
	Total	158	100%

Around 80% of the Village retail shops employed less than 2 employees in their shop.

**g) Total Investment in Business. of retailers ( Village)**

Sr. No	Investment in Business(Rs.)	N	Percentage
2	< 10,000	8	12%
3	10,000 - 30,000	12	18%
4	31,000 - 65,000	19	28%
5	66,000 - 1,00,000	10	15%



6	> 1,00,000	18	27%
	Total	67	100%

Around 61% of Village retail shop had investment in the range of Rs. 10,000 to Rs. 1, 00,000. Also 27% of Village retail shop had investment above Rs. 1,00,000.

**h) Own fund or Borrowed Fund Investment. of retailers ( Village)**

Sr. No	Investment	N	Percentage
1	Own fund	61	82%
2	Borrowed Fund	13	18%
	Total	74	100%

Majority (82%) of the village retail shop had invested their own fund in the business. This may indicate less prevalence of credit schemes in the region.

**i) Milk and fermented product Sales (Daily) of retailers ( Village)**

Sr. No	Daily Sales(Rs.)	N	Percentage
1	< 1000	118	84%
2	1000 - 5000	23	16%
3	5001 - 10,000	0	0%
4	10,001 - 20,000	0	0%
5	20,001 - 30,000	0	0%
6	Above 30,000	0	0%
	Total	141	100%

As seen from the above table the average daily sales of milk and fermented products was below Rs. 5000.

**j) Milk Product Sales (Monthly) of retailers ( Village)**

Sr. No.	Monthly Products Sales (Rs.)	N	Percentage
1	< 10,000	43	47%
2	10,000 - 30,000	48	53%
3	30,001 - 60,000	0	0%
4	60,001 - 90,000	0	0%
5	Above 90,000	0	0%
	Total	91	100%

As seen from the above table the average Monthly sales of Milk Products was below Rs. 30,000.

**k) Problems faced by retailers (village) from dealers (Liquid Milk)**

**i) Problem of Late delivery**

Sr. No	Late delivery	N	Percentage
1	Less	43	66%
2	Normal	15	23%
3	Frequent	7	11%
	Total	65	100%

As seen from the above table, around 89% of the respondents stated that problem of late delivery from milk dealers is Normal or less.

**ii) Problem of Leakage of pouches**

Sr. No	Leakage of pouches	N	Percentage
1	Less	51	64%
2	Normal	14	18%



3	Frequent	15	19%
	Total	80	100%

As seen from the above table, around 82% of the respondents stated that problem of leakage of pouches from milk dealers is Normal or less.

**iii) Other Problems related to Milk Dealers**

Sr. No	Other	N	Percentage
1	Less	19	90%
2	Normal	0	0%
3	Frequent	2	10%
	Total	21	100%

As seen from the above table, around 90 % of the respondents stated that other problems related to milk dealers is less.

**l) Problems faced by retailers (village) from dealers (Milk Products)**

**i) Problems of late delivery of milk products**

Sr. No.	Late delivery	N	Percentage
1	Less	40	75%
2	Normal	10	19%
3	Frequent	3	6%
	Total	53	100%

Around 94% of the village retailers indicated that the problem related to late delivery of milk products was less or normal.

**ii) Problems of damaged milk products**

Sr. No.	Damaged products	N	Percentage
1	Less	40	77%
2	Normal	7	13%
3	Frequent	5	10%
	Total	52	100%

Around 90% of the village retailers indicated that the problem related with damaged milk products was less or normal.

**iii) Problems of Inability of dealer to supply all items indented in purchase order of milk products**

Sr. No	Inability of dealer to supply all items indented in purchase order	N	Percentage
1	Less	15	35%
2	Normal	24	56%
3	Frequent	4	9%
	Total	43	100%

Around 91% of the village retailers indicated that the problem related with Inability of dealer to supply all items indented in purchase order of milk products was less or normal.

**iv) Other Problems of milk products**

Sr. No.	Other	N	Percentage
1	Less	9	100%
2	Normal	0	0%
3	Frequent	0	0%
	Total	9	100%

Almost all of the village retailers indicated that there were no other major problems related to Milk dealers.



**m) Perception related to other business related issues of retailers ( Village)**

**i) Norms for establishing an Shop/ APO / Centerman**

Sr. No	Norms for establishing an Shop/ APO / Centerman	N	Percentage
1	Very Liberal	12	12%
2	Liberal	37	36%
3	Normal	47	46%
4	Strict	3	3%
5	Very Strict	4	4%
	Total	103	100%

Almost 93% of the village retailers indicated that Norms for establishing a Shop were normal to very liberal.

**ii) Problems faced while running the Shop/ APO / Centerman in a rented premises**

Sr. No	Problems faced while running the Shop/ APO / Centerman in a rented premises	N	Percentage
1	Very less	19	21%
2	Few	18	20%
3	Normal	28	31%
4	Many	17	19%
5	Too Many	9	10%
	Total	91	100%

Almost 72% of the village retailers indicated that Problems faced while running the Shop in a rented premises were normal to very less.

**iii) Timely information related to promotional schemes**

Sr. No	Timely information related to promotional schemes	N	Percentage
1	Always Delayed	19	20%
2	Sometimes delayed	21	22%
3	Normal	17	18%
4	Sometimes on time	23	24%
5	Always on time	14	15%
	Total	94	100%

Almost 42% of the village retailers indicated that information related to promotional schemes was delayed.

**iv) Benefits/Incentives derived from Promotional schemes**

Sr. No.	Benefits/Incentives derived from Promotional schemes	N	Percentage
1	Negligible benefits	38	39%
2	Low benefits	16	16%
3	Average	39	40%
4	High benefits	0	0%
5	Extremely beneficial	5	5%
	Total	98	100%

Almost 95% of the village retailers indicated that Benefits/Incentives derived from Promotional schemes of Milk product dealers were in the range of Average or negligible. Further, 55% of the respondents said that the Benefits/Incentives derived from Promotional schemes of Milk product dealers were in the range of Low to negligible.



**n) Perception for profitability of business of retailers ( Village)**

Sr. No.	profitability of business of retailers ( Village)	N	Percentage
1	Highly loss making	0	0%
2	Loss making	6	6%
3	Average profits	42	41%
4	Somewhat profitable	52	51%
5	Highly profitable	2	2%
	Total	102	100%

Almost 94% of the village retailers indicated that profitability of business of retailers (Village) was in the range of Average or highly profitable.

**4. Conclusion**

From the above analysis is can be concluded that the strengths of Retailer (rural) were increase in literacy, Business hours greater than 15 hours, Satisfactory dealer services, and ability to earn Sufficient profits in milk and milk product business. However, the major weakness was lack of FSSAI License, Inability to obtain complete items indented with the suppliers and less scope of expanding the business.

**Acknowledgement**

This research article has been prepared from the work carried out under the Research Project entitled “Challenges, Opportunities and Expectations of Stakeholders of Dairy Industry of Gujarat and its Implication for Strategy and Policy Formulation: An In-depth study” which was sponsored by Indian Council of Social Science Research (ICSSR), New-Delhi-11006. The authors acknowledge the support extended by ICSSR.