



MARKETING PERFORMANCE OF TAMILNADU MILK COOPERATIVE SECTOR

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Abstract

Milk among all commodities, is the largest contributor to the rural economy in India. Milk accounts for more than 18 percent of the total value of output from agriculture and allied sector activities. Today India is home to the largest cattle population in the world and is number one in milk production in the world with a total milk production of 138 Million Tonnes annually. Dairy cooperatives in India have strived to provide better returns to milk producers from milk production, through their efforts in reducing costs and improving efficiencies along the supply chain. What is true for India holds true for Tamil Nadu which produced a record 70 lakh Metric Tonnes of milk in 2012-13. In Tamil Nadu, milk group contributes more than 43 percent share in value of output from Livestock sector. This paper highlights the Marketing Performance of District level Milk Producers Cooperative Union in various aspects like number of societies, number of pouring members, Milk procurement, Milk Sales and the Marketing Evaluation of District level Milk Producers Cooperative Union. The researcher used percentage analysis, trend analysis and correlation analysis to project the results. It is concluded from the study that both in number of unions and the membership, Kancheepuram – Tiruvallur union and Coimbatore union perform well, Milk procurement and sales all over the state of Tamilnadu is uneven. Hence it is suggested that the excess milk procured can be utilized by the unions in which shortage arise and also steps can be taken to convert the surplus milk as milk by products.

Key Words: Dairy, Milk Cooperative Sector, Performance, Procurement, Trend, Sales.

Introduction

Milk among all commodities, is the largest contributor to the rural economy in India. At an all India level, the value of milk produced per annum is higher than the combined production of rice and wheat. Milk accounts for more than 18 percent of the total value of output from agriculture and allied sector activities. Today India is home to the largest cattle population in the world and is number one in milk production in the world with a total milk production of 138 Million Tonnes annually. Dairy cooperatives in India have strived to provide better returns to milk producers from milk production, through their efforts in reducing costs and improving efficiencies along the supply chain. Apart from providing linkage to the consumer market, they have also provided services for productivity enhancement in the areas of animal breeding and nutrition along with efforts in building capacity of producers. What is true for India holds true for Tamil Nadu which produced a record 70 lakh Metric Tonnes of milk in 2012-13. The value of milk produced annually in Tamil Nadu is more than one and a half times of value of paddy annually produced in the State. In Tamil Nadu, milk group contributes more than 43 percent share in value of output from Livestock sector. Milk has additional advantage in terms of being a reasonably steady and daily source of income to rural households. The Dairy Development Department formed in the year 1958, is headed by the Commissioner for Milk Production and Dairy Development whose office is located at Madhavaram Milk Colony, Chennai. The Commissioner is also the Functional Registrar of all the Dairy Co-operatives across the State. In this capacity, various statutory functions like registration of societies, revival of dormant societies, inspection of societies, settlement of disputes, conduct of elections for constitution of Boards, issue of directions to societies in the interest of public etc., are exercised by the Commissioner for Milk Production and Dairy Development Department under the relevant provisions of the Tamil Nadu Co-operative Societies Act, 1983 and Tamil Nadu Cooperative Societies Rules, 1988.

Three Tier Structures of Milk Cooperatives in Tamilnadu

Tier-1-Village level: Primary Dairy Cooperatives are formed at village level as “Anand Model”. It forms the base level of the 3 tier system which has direct contact with milk producers at villages.

Tier-2-District level: District level Milk Producers Cooperative Union (DCMPU) comprises of all the village level Primary Dairy Cooperatives in a district. It procures surplus milk from the societies, processes it and sells it to milk consumers.

Tier-3- State level: The Tamil Nadu Cooperative Milk Producers Federation (TCMPF) is the apex level society in which all the District Unions are members. Federation is arranging for marketing of own liquid milk and products produced by all DCMPUs in the brand name of “Aavin”

Milk Cooperative Sector at a glance

- Total number of functional Milk Producers' Coop. Societies: 11,503



- Milk Producers' Co-operative Societies formed during 2013-14 (in Nos.): 977
- Total Number of members in Milk Producers' Cooperative Societies (In Lakh): 22.94
- Total No. of milk pouring members (In lakh): 4.29
- Milk Production by societies (In llpd): 25 to 30
- No of District Cooperative Milk Producers Union: 17
- State Level Federation: 1
- No. of Registered private Dairies in the State: 42
- Milk Procurement by Unions on a seasonal average (In llpd): 21 to 25
- Milk marketing in Chennai City (In llpd): 11.28
- Milk marketing in District Unions (In llpd): 9.92
- Number of Union Dairies: 17
- No. of Federation Dairies: 4
- Handling Capacity of Union Dairies (In llpd): 21.07
- Handling Capacity of Federation Dairies (In llpd): 10.00
- Number of Chilling Centres: 35
- Handling Capacity of Chilling Centres (In llpd): 14.75
- Number of Bulk Milk Cooler Units: 262
- Handling Capacity of Bulk Milk Cooler units (In llpd): 11.19
- Number of rural milk collection routes: 530
- Number of milk distribution routes at the level of District Cooperative Milk Producers Union: 266
- Number of milk distribution routes in Chennai Metro: 113
- Number of Powder plants (Erode, Salem, Madurai and Dharmapuri District Unions): 4
- Capacity of powder plants for drying Milk (MT/day): 70
- Butter storage capacity (in MT): 1750.

Table 1: Union wise Societies and members in Tamilnadu

No	Name of the Union	No. of Societies				No. of pouring members			
		2013-14	2014-15	Change	%	2013-14	2014-15	Change	%
1	Kancheepuram - Tiruvallur	510	612	102	20.0	13,428	23,222	9,794	72.94
2	Villupuram	1,199	1,221	22	1.83	39,602	52,586	12,984	32.79
3	Vellore	1,164	1,165	1	0.09	91,352	57,165	-34,187	-37.42
4	Dharmapuri	823	898	75	9.11	21,207	27,592	6,385	30.11
5	Salem	1,298	1,208	-90	-6.93	48,783	59,536	10,753	22.04
6	Erode	782	538	-244	-31.20	38,913	27,114	-11,799	-30.32
7	Coimbatore	652	913	261	40.03	21,927	30,031	8,104	36.96
8	The Nilgiris	105	105	0	0.00	4,821	3,547	-1,274	-26.43
9	Madurai	1,172	1,002	-170	-14.51	22,911	19,663	-3,248	-14.18
10	Dindigul	365	224	-141	-38.63	7,415	8,605	1,190	16.05
11	Tiruchirapalli	786	907	121	15.39	53,107	55,365	2,258	4.25
12	Thanjavur	686	634	-52	-7.58	22,244	20,336	-1,908	-8.58
13	Pudukottai	327	230	-97	-29.66	4,259	4,977	718	16.86
14	Sivagangai	538	539	1	0.19	8,604	15,023	6,419	74.60
15	Virudhunagar	309	399	90	29.13	5,084	5,023	-61	-1.20
16	Tirunelveli	566	844	278	49.12	15,921	14,183	-1,738	-10.92
17	Kanyakumari	115	64	-51	-44.35	5,498	5,112	-386	-7.02
	Total	11,397	11,503	106	0.93	425076	429080	4,004	0.94
	Trend %	100	101			100	101		

Source: Dairy Development Policy notes



As far as the union wise societies are concerned, the change is apparent in case of Tirunelveli union (49.12%) which is closely followed by Coimbatore (40.03%), Virudhunagar (29.13%), Kancheepuram – Tiruvallur (20%) and Tiruchirapalli (15.39%). The change is negative in the unions like Kanyakumari (-44.35%), Dindigul (-38.63%), Erode (-31.20%), Pudukottai (-29.66%) and Madurai (-14.51%). The membership is more in the union Sivagangai (74.60%), Kancheepuram – Tiruvallur (72.94%), Coimbatore (36.96%), Villupuram (32.79%) and Dharmapuri (30.11%) while the membership is low in the unions like Vellore (-37.42%), Erode (-30.32%), The Nilgiris (-26.43%) and Madurai (-14.18%). Both number of societies and number of pouring members have just one percent increase over the years as per trend analysis. Hence it is ascertained that both in number of unions and the membership, Kancheepuram – Tiruvallur union and Coimbatore union perform well with positive improvement over the year 2013-14 during the year 2014-15.

Table 2 District Union-wise Milk procurement

No	Name of the Union	(Average Ltrs. per day)			Change	% of Change
		2011-12	2012-13	2013-14		
1	Kancheepuram – Tiruvallur	56,000	75,000	82,000	26,000	46.43
2	Villupuram	1,52,000	1,78,000	1,73,000	21,000	13.82
3	Vellore	2,52,000	2,97,000	2,81,000	29,000	11.51
4	Dharmapuri	1,09,000	1,46,000	1,28,000	19,000	17.43
5	Salem	4,24,000	4,67,000	4,50,000	26,000	6.13
6	Erode	2,31,000	2,51,000	2,34,000	3,000	1.30
7	Coimbatore	2,30,000	2,40,000	2,34,000	4,000	1.74
8	The Nilgiris	17,000	18,000	16,000	-1,000	-5.88
9	Madurai	1,68,000	1,93,000	1,76,000	8,000	4.76
10	Dindigul	40,000	46,000	41,000	1,000	2.50
11	Tiruchirapalli	2,94,000	3,14,000	3,04,000	10,000	3.40
12	Thanjavur	42,000	53,000	51,000	9,000	21.43
13	Pudukottai	14,000	18,000	15,000	1,000	7.14
14	Sivagangai	33,000	44,000	47,000	14,000	42.42
15	Virudhunagar	12,000	17,000	15,000	3,000	25.00
16	Tirunelveli	58,000	69,000	67,000	9,000	15.52
17	Kanyakumari	9,000	10,000	8,000	-1,000	-11.11
	Total	21,40,000	24,36,000	23,22,000	182,000	8.50
	Trend %	100	114	109		

Source: Dairy Development Policy notes

Milk procurement all over the state of Tamilnadu is presented in Table 2 from the year 2011-12 to 2013-14 and the change is measured by taking 2011-12 as the base year. The trend analysis shows a growth rate of 14 percent in the year 2012-13 and 9 percent in the year 2013-14. The percent of change is positive and comparatively high for Kancheepuram – Tiruvallur union (46.43%), Sivagangai (42.42%), Virudhunagar (25.00%) and Thanjavur (21.43%). The change is negative in the unions Kanyakumari (-11.11%) and The Nilgiris (-5.88%). However, the overall change is recorded as 8.50. Hence it is ascertained that the growth is uneven among the different unions in the state.

Table 3 District Union-wise Milk Sales

No	Name of the Union	Avg. Milk Sales Litres Per Day			Change	% of Change
		2011-12	2012-13	2013-14		
1	Kancheepuram – Tiruvallur	7,560	6,103	6,161	-1,399	-18.51
2	Villupuram	30,086	26,435	24,718	-5,368	-17.84
3	Vellore	87,847	79,164	79,896	-7,951	-9.05
4	Dharmapuri	21,690	20,888	25,060	3,370	15.54



5	Salem	1,76,854	1,75,746	1,86,777	9,923	5.61
6	Erode	79,371	72,483	71,867	-7,504	-9.45
7	Coimbatore	1,58,175	1,48,606	1,49,880	-8,295	-5.24
8	The Nilgiris	16,543	16,226	17,955	1,412	8.54
9	Madurai	1,46,605	1,57,789	1,64,767	18,162	12.39
10	Dindigul	15,155	13,668	14,756	-399	-2.63
11	Tiruchirapalli	1,11,284	1,12,991	1,20,382	9,098	8.18
12	Thanjavur	19,529	18,766	20,556	1,027	5.26
13	Pudukottai	6,830	6,819	8,336	1,506	22.05
14	Sivagangai	27,605	27,807	30,274	2,669	9.67
15	Virudhunagar	10,623	8,768	7,378	-3,245	-30.55
16	Tirunelveli	48,818	47,508	47,063	-1,755	-3.59
17	Kanyakumari	13,825	14,576	16,068	2,243	16.22
	Total	9,78,400	9,54,343	9,91,894	13,494	1.38
	Trend %	100	98	101		

Source: Dairy Development Policy notes

The District Union-wise Milk Sales is presented in table 3 which explains the change in the milk sales from the year 2011-12 to 2013-14. The change is positive and comparatively high in the Pudukottai union with the change percentage of 22.05 which is followed by Kanyakumari union (16.22%), Dharmapuri union (15.54%), Madurai union (12.39%), The Nilgiris union (8.54%) and Tiruchirapalli union (8.18%). The sales performance is negative in the unions like Virudhunagar (-30.55%), Kancheepuram – Tiruvallur (-18.51%), Villupuram (-17.84%), Erode(-9.45%) and Vellore (-9.05%). The trend percentage reveals the fact that the sales was lower during the year 2012-13 and then picked up in the year 2013-14. Hence it is ascertained that the change in the sales performance is high in case of Kanyakumari union and is low in Virudhunagar during the period under study.

Table 4 Marketing Evaluation of District level Milk Producers Cooperative Union (DCMPU)

No	Name of the Union	Average Milk Procurement	Average Milk Sales	Balance	%
1	Kancheepuram – Tiruvallur	71000	6608	64392	91
2	Villupuram	167667	27080	140587	84
3	Dharmapuri	127667	22546	105121	82
4	Vellore	276667	82302	194364	70
5	Erode	238667	74574	164093	69
6	Dindigul	42333	14526	27807	66
7	Tiruchirapalli	304000	114886	189114	62
8	Thanjavur	48667	19617	29050	60
9	Salem	447000	179792	267208	60
10	Pudukottai	15667	7328	8338	53
11	Virudhunagar	14667	8923	5744	39
12	Coimbatore	234667	152220	82446	35
13	Sivagangai	41333	28562	12771	31
14	Tirunelveli	64667	47796	16870	26
15	Madurai	179000	156387	22613	13
16	The Nilgiris	17000	16908	92	1
17	Kanyakumari	9000	14823	-5823	-65
	r		0.85		

Source: Dairy Development Policy notes.



Fullest utilization of the procured milk is done by The Nilgiris union as only 92 litres (1%) left as balance whereas there is an acute shortage prevails in Kanyakumari union as the balance is negative to the tune of -5823 (-65%). Surplus is recorded in all the other unions viz Kancheepuram – Tiruvallur (91%), Villupuram (84%), Dharmapuri (82%), Vellore (70%), Erode (69%), Dindigul (66%), Tiruchirapalli (62%), Thanjavur (60%), Salem (60%), Pudukottai (53%), Virudhunagar (39%), Coimbatore (35%), Sivagangai (31%), Tirunelveli (26%) and Madurai (13%). The relationship between the milk procurement and milk sales is calculated as 0.85 which is positive and high. Hence it is suggested that the excess milk procured can be utilized by the unions in which shortage arise and also steps can be taken to convert the surplus milk as milk by products.

Conclusion

The dairy industry in India has come a long way from dependence to self reliance. Indian dairy is unique in the sense that it is characterized by very small individual producers and is predominantly a rural based industry. As the world's largest milk producing country, India is well positioned to be one of the global market leaders for dairy products. Milk is the major source of income generated on dairy farms, and over the past several decades, milk production by dairy cows has increased markedly. This study is an attempt to analyse the performance of Tamilnadu Milk Cooperative Sector District Union. It is ascertained from the study that both in number of unions and the membership, Kancheepuram – Tiruvallur union and Coimbatore union perform well with positive improvement over the year 2013-14 during the year 2014-15. Milk procurement all over the state of Tamilnadu is uneven with the highest performance of Kancheepuram – Tiruvallur union (46.43%) and Sivagangai (42.42%) districts. the change in the sales performance is high in case of Kanyakumari union and is low in Virudhunagar during the period under study. the change in the sales performance is high in case of Kanyakumari union and is low in Virudhunagar during the period under study. The relationship between the milk procurement and milk sales is calculated as 0.85 which is positive and high. Hence it is suggested that the excess milk procured can be utilized by the unions in which shortage arise and also steps can be taken to convert the surplus milk as milk by products.

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