



PERFORMANCE OF MILMA A CASE STUDY IN KERALA

K. Latha* Dr. M. Ganesan**

*Assistant Professor, Department of Commerce, SCMS School of Technology and Management, Cochin.

**Assistant Professor, Department of Commerce, R.D.M Government. Arts College, Sivangai.

Abstract

Dairy sector has great contribution to the GDP of the country has come from the milk dairy cooperative sector. Milk and milk products are perhaps one of the very few consumption items common in all cultures around the world. Indian dairy sector contributes the large share in agricultural gross domestic products. Presently there are around 70,000 village dairy cooperatives across the country.

The main aim of this paper is to analysis the performance of Milk procurement and sales of MILMA in Kerala. The study based on secondary data has been collected from MILMA annual reports and the period of study from 2010-11 to 2015-16. The result also expressed that the Procurement and Sales of Milk Products has shown an increasing trend throughout the state of kerala.

Keywords: Gross Domestic Product, Milk Products, Procurement and Sales.

Introduction

The Co-operative 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. The golden era of Co-operative movement began after India had won freedom. Within two decades of independence the membership of primary societies had increased four times while the share capital and working capital increased 23 and 31 times respectively.

MILMA was established in early eighties as an implementing agency of the Operation Flood II programme by National Dairy Development Board in the State of Kerala. Through these years MILMA could accomplish spectacular progress in milk procurement and marketing of milk and milk products and become a household name in kerala. The goal of MILMA was the socio-economic progress of the dairy farmer through procuring, processing and marketing of milk and it works with the mission "farmers prosperity through consumer satisfaction" and it is also worthwhile to mention that MILMA is one the few co-operatives which work in the true democratic lines of "of the farmer, by the farmer, for the farmer". By implementing various welfare measures utilizing the funds from Central, State and from own funds. MILMA was able to guarantee welfare and financial security to the dairy farmers of the state. The farmers were given remunerative price for the milk poured by them to the society at regular intervals. Necessary inputs like cattle feed, mineral supplements, medical aid and AI facilities were provided to the farmers through the Regional Unions. Whenever the farmers faced difficulties, because of the rise in production cost, MILMA has taken bold steps to reduce the burden of the farmers by revising the procurement price of milk. MILMA was also committed to provide nutrition to lakhs of satisfied consumers of the state by providing quality milk and milk products constantly at affordable price by understanding the needs and desires of the consumers.

Review of Literature

Tejani Rachana (2011) In an Index of Financial Inclusion, India has been ranked 50 out of 100 countries. Only 34% of the India's population has access to basic banking services. The objective of the paper is to study financial inclusion in rural areas, reasons for low inclusion, satisfaction level of the rural people toward banking services and to assess the performance of the banks which are working in the rural areas which mainly include the co operative banks and regional rural banks. Structured questionnaire designed on the basis of literature review was used to collect data from 200 people residing in Ambasan, Jotana and Khadalpur villages of Gujarat. There is lot of opportunity for the commercial banks to explore the rural unbanked areas. Though RRBs and PACS have good coverage but most of them are running into losses. Again, the number of kisan credit cards issued and the amount of credit granted under it is also showing a declining trend. Commercial banks should seize this opportunity rather than looking at it as a social obligation. Going with Mahajan and Laskar (2010), let us enable every Indian to conduct a financial transaction, a deposit or a withdrawal, a payment or a receipt, of up to Rs 1000, in a secure and convenient way, by going less than 1000 metres away from home or work place, at an all-in cost, including authentication, transaction authorisation, cash-in/cash-out and non-repudiation (using printed paper receipts), for less than 1000 paise, or Rs 10. At a transaction size of Rs 1000, this would be one percent. Let us all in the financial sector take a pledge to usher Universal Financial Inclusion for all Indians by 2020.

Ruchira Prasad and Ruchira Prasad (2013) in the research article revealed that the Organizational Structure can improve the working condition of an organization and a poor structure can ruin all the possibilities of openness, dynamism and



decision-making. Organizational effectiveness on the other hand, is the extent to which an organization, given certain resources and means, achieves its objectives without placing undue strain on its members. Another important role is played by the technology. More an organization is able to adapt itself to the changing technology the better will be its efficiencies.

In the present research paper a relationship between the designs of an organization with its operational efficiency indicators has been examined in the context of Amul. The factors were studied in context to a cooperative form of organization and while comparing with the corporate form, it was found that the design of the basic structure is somewhat different as it believes in the federal form of structure each unit is independent of each other. It is a popular belief that co-operatives are a failure, but Amul with Co-operative Structure is a grand success. Amul has an appropriate blend of policy makers, technology and a support system to the milk producers without disturbing their agro-economic system and ploughing back the profits, by prudent use of men, materials and machines.

Looking back at the path traversed by AMUL, the following features make it a pattern and model for emulation elsewhere. Producing an appropriate blend of the policy makers, farmers board of management and the professionals, bringing the best of the technology to rural producers, providing a support system to the milk producers without their agro-economic system and plugging back the profits, by prudent use of men, material and machines. Even though growing with time and on scale, it has remained with the smallest producer members. AMUL is an example par excellence, of an intervention for rural change.

Patel Dilipkumar & Patel Alkaben (2016) This paper provides the guidelines about analysis of Profitability ratio of The Waroli Milk Producer Co-operative Ltd. located at Valsad District of Backward area Kaprada Taluka. It can be concluded from the study of 3 financial periods of Co operative society, Waroli in Valsad District that the maximum Financial Indicators of co operative society are not at a very good position but Medium Situation. From the analysis of main Financial Indicators it is clear that Gross Profit ratio, Net profit ratio, And operating profit ratio etc are at a Medium position.

Objectives of the Study

- To analyze the performance of Milk procurement and sales of MILMA in Kerala.
- To offer suggestions to improve the financial performance of the MILMA co operative milk producing society.

Methodology of the Study

Data Source and Period of Study

The study is based on the secondary data. Secondary data have been obtained from the records maintained by MILMA annual reports, magazines and books. Period of the study from 2010-11 to 2015-16.

Analysis and Interpretation

Table 1: Progress of Registered and Functional Societies under MILMA

Union	Registered	Functional
TRCMPU	1048	871
ERCMPU	1003	883
MRCMPU	1188	1137
Total	3239	2891

Source: MILMA Annual Report

Table 1 shows the number of registered societies under MILMA during 1981 to 2016. The total numbers of registered societies are 3239 of which 2891 societies are functioning in Kerala.

Table 2: Progress of Procurement of Milk Per Day in Litres

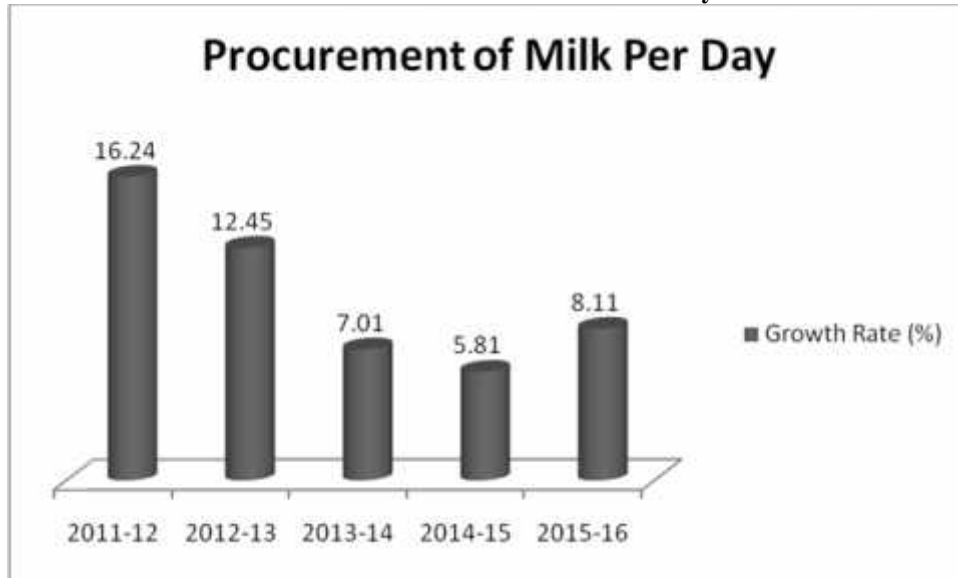
Year	Procurement	Growth Rate (%)
2010-11	6,73,030	-
2011-12	7,82,352	16.24
2012-13	8,79,789	12.45
2013-14	9,41,506	7.01
2014-15	9,96,187	5.81
2015-16	10,77,023	8.11

Source: MILMA Annual Report



Table no.2 expose that, As in previous years the growth rate in milk procurements showed steady progress. In the year 2015-16, the three Regional Unions collected an average quantity of 10,77,023 litres of milk per day with 8.11% increase compared with the 2011-12 year (16.24%).

Chart 1: Details of Procurement of Milk Per Day in Litres



The procurement could be increased by better pricing of raw milk and by providing useful welfare activities undertaken by the federation and regional unions. More new farmers were attracted to this field because of high remuneration from the industry. The milk procurement has shown an increasing trend throughout the state of Kerala, which is a healthy sign for the future National Dairy Plan also has helped in increasing the milk production by the formation of new societies in unexplored areas.

Table 3: Progress of Procurement of Milk on Union-wise Per day (litres)

Union	2010-11	2015-16	Growth Rate (%)
TRCMPU	1,50,477	2,41,857	60.73
ERCMPU	1,56,309	2,68,892	72.03
MRCMPU	3,66,244	5,66,274	54.62
Total	6,73,030	10,77,023	60.03

Source: MILMA Annual Report

Table no.3 explored that, As in previous years the growth rate in milk procurements showed steady progress from 2010-11 to 2015-16. Among the three Union, ERCMPU procurement has highest growth rate (72.03%), followed by TRCMPU growth rate of 60.73% and MRCMPU procurement has least growth rate of 54.62%.

Table 4: Progress of Sales of Milk Per Day in Litres

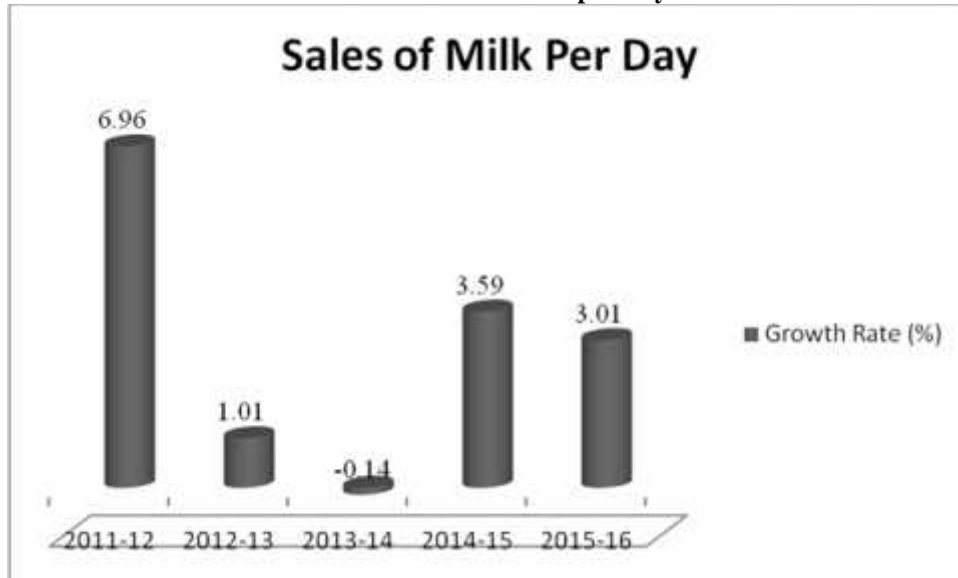
Year	Sales	Growth Rate (%)
2010-11	10,99,096	-
2011-12	11,75,561	6.96
2012-13	11,88,507	1.01
2013-14	11,86,798	-0.14
2014-15	12,29,369	3.59
2015-16	12,66,427	3.01

Source: MILMA Annual Report



Kerala State which is giving maximum milk price to the farmers. The demand of milk is increasing day by day and the sale of MILMA milk also showed improvement in the present year of 2015-16. The sales of milk in all the variant showed increase in the present year also showing the consumers' continued confidence in MILMA.

Chart 2: Details of Sales of Milk per Day in Litres



The average sale during 2015-16 was 12,66,427 litres and growth rate of 3.01% per day, which was higher by 90,866 litres than during 2012-12 figure of 11,75,561 and growth rate of 6.96% per day. i.e. with an increase in 3.01%. The present year, we had depend our neighboring states to cover the shortage of milk requirement but by proper monitoring and planning there was no shortage of milk for supply during the year. The shortfall between milk procurement and sales was met by arranging milk mostly from state milk federation of Karnataka, Tamilnadu and purchase of Skimmed Milk Powder (SMP).

Table 5: Progress of Sales of Milk on Union-wise Per day (litres)

Union	2010-11	2015-16	Growth Rate (%)
TRCMPU	4,34,408	4,72,397	8.74
ERCMPU	2,72,647	3,18,501	16.82
MRCMPU	3,92,041	4,75,529	21.30
Total	10,99,096	12,66,427	15.22

Source: MILMA Annual Report

Table no.5 showed that, As in previous years the growth rate in milk procurements showed steady progress from 2010-11 to 2015-16. Among the three Union, MRCMPU sales has highest growth rate (21.30%), followed by ERCMPU growth rate of 16.82.73% and TRCMPU procurement has least growth rate of 8.74%.

Summary and Conclusion

- The total numbers of registered societies are 3239 of which 2891 societies are functioning in kerala.
- The milk procurement has shown an increasing trend throughout the state of kerala, which is a healthy sign for the future National Dairy Plan also has helped in increasing the milk production by the formation of new societies in unexplored areas.
- It is observed that among the three Union, ERCMPU procurement has highest growth rate (72.03%) per day.
- The demand of milk is increasing day by day and the sale of MILMA milk also showed improvement in the present year of 2015-16. The sales of milk in all the variant showed increase in the present year also showing the consumers' continued confidence in MILMA.
- It is found that the MRCMPU sales has highest growth rate (21.30%), followed by ERCMPU growth rate of 16.82.73% and TRCMPU procurement has least growth rate of 8.74%.



The present year, we had to depend on our neighboring states to cover the shortage of milk requirement but by proper monitoring and planning there was no shortage of milk for supply during the year. The shortfall between milk procurement and sales was met by arranging milk mostly from state milk federation of Karnataka, Tamilnadu and purchase of Skimmed Milk Powder (SMP). The result also expressed that the Procurement and Sales of Milk Products has shown an increasing trend throughout the state of Kerala.

References

1. Soundarapandian M and Srividya Gayathri K (2008), Karukkampalyam Milk Producers Co operative Society- A Case study , Indian Co-operative review, 46(1), July 2008, New Delhi, 23-33.
2. Jayakumari. J.J (2008), Dairy Co-operatives- Crafting India's Economic Development, Tamilnadu Journal of Co-operation, 8(3), July 2008, 21-23.
3. Veerakumar G. (2009), Problems and Prospects of Milk co-operatives in Kerala, The Cooperator, 46(90), March 2009, NCUI, New Delhi, 399-402.
4. M. Sridhar, B. Ramchandara Reddy (2013) in article "Structure of Working Capital in Sample Micro, Small and Medium Enterprises in Kurnool District of Andhra Pradesh" Indian Journal of Applied Research, Volume : 3 | Issue : 12 | Dec 2013 | ISSN - 2249-555X.
5. Mrs. K. Parimala Kanthi, Dr. M. Ashok Kumar(2013) in the article "The Impact of Business Strategies on Readymade Garments Market at Thrissur District in Kerala" GRA - Global Research Analysis, Volume : 2 | Issue : 1 | Jan 2013 ISSN No 2277 – 8160.
6. Dr. Ramesh A. Dangar (2012) in the research article "A Comparative Analysis on Profitability of Selected Petroleum Industries" PARIPEX - Indian Journal of Research, Volume : 1 | Issue : 5 | May 2012 ISSN - 2250-1991.