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ORIGINAL ARTICLE

ROLE OF DAIRY INDUSTRY IN EMPLOYMENT OF INCOME GENERATION IN DROUGHT PRONE REGION OF ANANTAPUR (A.P)

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Abstract:

Indian Economy is mainly based on agriculture, as nearly 70 per cent of the population engaged directly or indirectly in it. But agriculture alone is unable to provide adequate employment, income and creation assets of the people. Our country has had a rich tradition in dairying since the time of Lord Krishna. Dairying has been inherent in Indian culture, for centuries. Milk and milk products have always been an Integral part of our consumption habits. It constitutes an important activity of the rural population, mostly as a subsidiary occupation. In India more than 80 per cent of the cattle population is in rural areas and about 75 per cent of the rural population is contributing towards milk production.

INTRODUCTION

However, this was not always the case. In the 40's both production as well as processing of milk was largely in the hands of the unorganized sector. Hence to save the milk producers and consumers from unscrupulous middlemen exploitation, both central and state Governments have launched many programmes. one among such programmes is "Operation Flood", under this programme incentives in the form of fodder seeds and fertilizers, veterinary services, assured marketing price for milk etc., were provided to the members of dairy farmers of milk producers Cooperatives Societies.

Anantapur is the most drought hit district after Jaisalmir in the country. Agriculture is mainly depending upon rain fed. Rain is not fall in correct season. At the same time there are no permanent irrigation facilities to cultivate Agricultural activities. Hence in recent year's majority of farmers opted dairy farming as primary occupation.

A small village by name Utukur in Anantapur district (in Andhra Pradesh), a permanently drought stricken region, has successfully proved as a model village in dairy farming to supplement and support the agricultural Income. The farmers and non-farming families (small and marginal) in this village have derived the utmost benefits from the dairy business and contributed a lot to increase income, employment generation and asset creation.

METHODOLOGY:

To study the impact dairy farming in providing job opportunities, income generation and assets formation Utukur village has been selected for detailed investigation. The present study is micro-level case study of milk producing activities in Utukur village. The study covers 300 families (small and marginal farmers). These families are supplying milk to milk producer's cooperative society situated at Utukur. The live stock data are collected in the village through live stock census.

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OBJECTIVES:

1.To identify the factors responsible for the growth of dairy farming.
2.To analyze the trends in milk production during 2001 to 2012.
3.To examine prices fluctuations of major inputs used in dairy farming.
4.To compare the changes in the growth rate of live stock and to identify the main causes influencing.
5.To observe the approach and changing trend about dairy farming and marketing of milk.
6.To reveal potential opportunities and capabilities of dairy farming in the village.
7.To know the impact of Utukur milk producers cooperative society on the income, employment and asset generation of farmers.
8.Finally to identify the problems and to suggests the suitable remedial measures for progress of dairy farming.

PROGRESS OF MILK PRODUCTION :

There was not much awakening about dairy farming up to 1974; the first dairy co-operative dairy in Utukur was farmed in 1974. In the beginning, there was only 40 liters of milk collection in the village. In December 2012 same dairy co-operative society has collected 38700 liters of milk per month. The increase in active participation of village women in dairy activities stimulated more milk production from 1990 on wards. But due to severe drought in the years 2004-2005, there was a decline in milk production. Despite the intensive scarcity of water for irrigation and drinking, the villagers have managed to keep the dairy farming alive. The milk producers in Utukur village maintained dairy cattle more rigorously by purchasing the green and dry fodder from outside the village at higher prices. The intensive drought situation in the year 2003-2004 stressed the need of creating and maintaining the safe buffer fodder stock, to be used during scarcity period.

TABLE-1
Trends in Milk Production

Year	Monthly Milk Production (in Liters)	No. of milk producing families	Monthly Gross Income (in Rs.)
1974	1200	20	16800
2001	6750	90	121500
2002	14025	170	266475
2003	10800	120	226800
2004	10725	110	204500
2005	18270	174	365400
2006	22500	200	472500
2007	24570	210	515970
2008	26880	224	591360
2009	30258	246	695934
2010	33615	270	773145
2011	38313	297	919512
2012	38700	300	992268

Source: Records of Utukur co-operative Society.

The progress in milk production can be visualized in terms of monthly income generated through dairying before and after joining the cooperation society will give a clear picture about the economic impact of dairying on the two categories of farmers who have earned the income in terms of cash and manure in kind. The families were increasingly aware the importance of high yielding cows and buffaloes in their live stock for producing more milk.

GROWTH IN LIVE STOCK :

The growth in the overage live-stock holding per family during the period is shown in Table 2. The total live stock consists of the dairy cattle's such as buffaloes, cows.

In the total live-stock, the quantity of Hybrid cows and buffaloes are less number in 1974. This was due to lack of awareness, financial problems and support from Governmental agencies. The villagers purchased of 43 Murha Buffaloes, Cows from Haryana in 2002 indicate the professional awareness developed among the villagers, for holding dairy cattle with more milking capacities.

TABLE – 2
Growth in Live Stock

Census Year	Indigenous Cows	Hybrid Cows	Indigenous Buffaloes	Murrah Buffaloes	Total
1992	22	02	210	02	236
1997	100	16	209	14	339
2002	99	25	200	18	342
2006	96	37	190	25	348
2012	89	78	182	51	400

Source: Primary data.

One distinctive characteristics of structural aspect of live – stock in the village is in an increasing trend of holding the indigenous cows and built, which are known as ONGLE breed. It is very famous and valuable breed in costal areas of Andhra Pradesh. Nowadays the dung urine and milk of ONGLE cows have been proved useful for human consumption as well as agricultural purpose. The ONGLE bulls are increasingly used for stone dragging competitions. Hence they are strong, healthy and beautiful and racer bulls are being in great demand in rural areas.

Input Costs :

The net profit depends on the input cost and revenue in the form of milk and dung production. The input cost consists of expense on green and dry fodders, cattle feed, veterinary medicines, construction of cattle sheds, rope and labour charges etc. Except the prices of cattle feeds, the prices of all the remaining inputs have increased during the period 2003 to 2012. The total input cost of dairy farming has been raised form 9 to 11 per cent from the year 2012. The total revenue earned from milk and animal dung is marginally more than the total input cost incurred in maintenance of dairy cattle. It is observed that there was a great chance of earaning more profit, if the cost of cattle feed is reduced a little. If the milk producers learn to prepare cattle feed at domestic level, the cost of cattle feed will be reduced by 30 per cent. If this happens, then dairy family will be a more profitable business.

Milk marketing process:

The milk collected by the dairy co-operatives was solely purchased by the State Govt. The various private milk processing firms are purchasing the milk from milk collection centers. So there is competition in marketing. If the competitive market is developed the milk producers have a chance to earn more profits.

The milk rates of private as well as cooperative firms are based on the fat contents and degree in the milk. The cow milk rate in 2006-2012 November was Rs. 19.75 to 21.17 per liter, which qualify 5.4 fat and 20 degrees and above and Rs. 20.56 to 41.00 was that of buffaloes milk per litre, which qualify 8.5 fat and 30 degrees and above.

The competitive market in milk marketing has created a new awareness among the milk producers participating in maintaining the best quality of milk for earning more profit in the Utukur village.

Income generation :

A comparative study of the income earned through dairying before and after joining the cooperative society will give a clear picture about the Economic impact of dairying the two categories of farmers. The following table shows the variation in income through dairying before and after joining the milk cooperative society.

TABLE – 3
Impact of Milk Producers Cooperative Society on Income of Marginal and Small Farmers

Sl.No.	Particulars	Marginal Farmers	Small Farmers
1.	Dairy income before joining milk cooperative society.	12900	19200
2.	Dairy income after joining milk cooperative society.	20300	27800
3.	Change in income	7400(57.36)	8600(44.79)

Source: Primary Data.

From the above table it can be observed that the income of these two categories of farmers increased through dairying. But the increase in income of marginal farmers is 57.36 higher than small farmers income of 44.79. It can be inferred that the Household income in pre-joining and post – joining in society was significantly changed.

Income from all sources :

The table given below shows the income of marginal and small farmers from all sources before and after joining the milk cooperative society and also the net effect of the increase or decrease.

TABLE – 4
Total Income of Small and Marginal farmers before and after Joining the Cooperative Society (on an average)

(In Rupees)

Sl. No.	Particulars	Marginal Farmers	Small Farmers
1.	Total income before joining the society	21300	27300
2.	Total Income after joining the society	30400	37700
3.	Changes in total income	9100(42.72)	10400(38.09)

Source: field data in Utukur

The above table clearly shows shows that the total income of marginal and small farmers increased to 42.72 percent and to 38.09 percent respectively, however, the increase in total income is less when compared with the increase in dairy income of the farmers. It reveals that the farmers are not getting the expected income from sources other than dairying.

TABLE-5
Proportion of Dairy Income to Total Income

Sl. No.	Particulars	Marginal Farmers	Small Farmers
1.	Proportions of dairy income before joining the milk co-operative society	60.56	70.37
2.	Proportion of dairy income after joining the milk cooperative society	66.77	73.02
3.	Increase in proportion of income	5.98	2.70

Source: field data in Utukur.

The table reveals that of the two categories of sample beneficiaries has significantly increased. However, the increase is significantly more in the case of marginal farmers when compared to small farmers.

ROLE OF VILLAGE DEVELOPMENT:

Since independence Government of India in general and Government of Andhra Pradesh in particular have formulated and implemented various (Welfare) Economic Programmes. But still nearly 50 per cent villages in Andhra Pradesh are lacking the standard Economic and Human development indices. But the Utukur village of Anantapur district with the help of dairy farming has attained impressive development. It is clear from the above analysis that the increase in income from dairying is Rs. 7400(57.34) in case of marginal farmers and Rs. 8600(44.79) in the case of small farmers per annum. As against total income, dairy income constitutes nearly 66.77 per cent in the case of marginal farmers and in the case of marginal farmers and in the case of small farmers 73.74 percent. Both marginal and small farmers have been able to create new employment opportunities through dairying. It has been made possible to transform the dry land into productive irrigation by using funds, raised out of dairy farming. The recurring and current dairy income has proved helpful for purchasing various inputs required for various agricultural activities. In this respect dairy farming is not onloy complementary but playing a supportive role in business and agriculture. Hence, in the light of these findings it could be said that dairying activities offer a wide scope for increasing the income, employment opportunities. It improves the purchasing power and over all standard of living which have a favourable and positive impact on the villages.

MAJOR FINDINGS :

The micro-level study of dairy farming in Utukur village revealed following major facts and findings.

1.The positive approach regarding the profitability, gainfulness in dairy farming is spreading among the villagers.
2.The milk producers have realized the importance of holding the Hybrid cow and high yielding Buffalloes for more milk and dairy business.
3.Interest rates on credit supply available to buy dairy cattle's are still higher compared to the other sector.
4.The higher interest rates increases the capital cost and many milk producers do not attract towards dairy farming.
5.It is observed that still many milk producers are not interested and prompt about the construction of cow pens. The dairy cattle's are dept in(lumber cow pens) huts.
6.There is no awareness among the milk producers regarding the proportional composition of green and dry fodder to dairy cattle.
7.The rates and remuneration price of milk of both cows and buffaloes are lower compared to the cost of milk production.

POLICY IMPLICATIONS :

The drought prone regions have a potential for substantial dairy forming. It is not only agro-based but agro complementary and agro-supportive business. On the basis of study of dairy farming in Utukur village following suggested can be offered.

1.The co-operative dairy farming functions successfully.But the successful ratio depends upon the approach of the leaders in cooperative and the desire to work honestly.
2.The strategy and programmes for rural development should be based on the approach of Macro-level entrepreneurial support, rather than micro level financial support.
3.The dairy cooperative units at local level can establish “permanent dairy crisis probative fund” by contributing Rs. 1.00 per liter of milk sold by the milk producers at the dairy cooperative level. The same fund can be used for financing the milk producers during non-lactic and in the period of shortage of green and dry fodder arise due to natural calamities.
4.There is an urgent need of credit supply at lower interest rates to promote the dairy farming. Separate financial corporation and banking system is required to be developed to finance the various dairy activities based on the performance analysis of dairy activities.
5.Advanced scientific dairy farming requires the proper update and timely guidance with active cooperative experts in dairy farming, veterinary doctor needs. So the provision of veterinary doctor to each village is highly essential. Such doctor cum development officer may shoulder the responsibility for promoting the dairy industry in the village. This will definitely help in expanding and promoting dairy business in the state as well as in the country.

CONCLUSION:

In the light of these findings, the case study of dairy farming in Utukur village reveals that there is a vast scope for increasing the income. This will motivate villagers towards dairy farming, because it will show the way of life. Hence, it could be concluded that dairying is an appropriate and beneficial occupation to increase the purchasing power of rural farmers, which will increase longevity and healthy life in rural areas.

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