A Comparative Study of Milk Producer Companies vis-à-vis Traditional Milk Cooperatives in Saurashtra Region of Gujarat

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Abstract

In a sector like dairy, that too in Gujarat, where a dairy cooperative giant, Gujarat Cooperative Milk Marketing Federation exists, the presence of the very first milk Producer Company, that is, Maahi Milk Producer Company Limited, has not gone unnoticed. This case study attempted to find if a milk producer company can be an alternative to traditional milk cooperatives or if both of them can coexist? The study focused on exploring the structural and operative differences between two institutions, assessing their profitability, and identifying the constraints facing their development. The study will be useful to the management of both institutions. The study revealed that milk producer companies could be an available alternative to milk cooperatives. However, the presence of both in the study area brought more milk to the organized sector, reducing the exploitation of milk producers by private dairies and milk vendors in terms of prices, milk weighing, and timely payment. There is a win-win situation for the farmers, which can further be strengthened by strong coordination between two institutions. However, it seems quite difficult as both organizations operate in the same region, and therefore, business competition cannot be ruled out. The milk producer company, unlike a cooperative, makes payment through a bank account, which has created a strong perception of its transparent operations in the minds of milk producers. The same needs to be practiced by dairy cooperatives too. It was observed that traditional milk cooperatives paid slightly higher procurement price, but appeared not to attract milk producers.

Keywords: **milk producer company, dairy cooperatives, structural and operative differences, milk procurement price, Gujarat**

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There is a view that co-operatives or producer collectivities are needed more in post-production stages like processing and marketing (Motiram & Vakulabharanam, 2007). The co-operatives have been perceived to bring well-being to local people by reducing poverty (Birchall, 2003). However, economic liberalization has opened cooperatives to global competition. It is a common knowledge that most of the cooperatives, like in case of sugar cooperatives in Gujarat (Ebrahim, 2000), have not been successful in achieving their basic objectives to meet the needs of their members in the current competitive economic environment. This is because, by and large, they continue to be regulated under restrictive and regressive cooperative laws. These laws allow little freedom to the cooperatives to operate as autonomous business entities.

Durai (2005) highlighted that the handloom cooperative societies in Tamil Nadu, too, faced functional problems. There have been, though, a few exceptions, like a few sugar and dairy cooperatives in Maharashtra and Gujarat (Baviskar & Attwood, 1991) which have been highly successful. However, there has been a constant

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search for alternative forms of collectivization or cooperation to achieve the objectives of development of poor people (Shah, 1996). In view of this, the Producer Company (PC) as a legal entity in India, was enacted in 2003 as per section IX A of the Indian Companies Act 1956, based on the recommendations of an expert committee led by an eminent economist, Dr. Y. K. Alagh. Since then, the PC has been hailed as the organizational form that will empower and improve the bargaining power, net incomes, and quality of life of small and marginal farmers/producers in India (Singh & Singh, 2014).

A 'Producer Company' is the hybrid between a private limited company and a cooperative society. It combines the goodness of cooperatives and efficiency of a corporate company. PCs are famously called as New-Generation Cooperatives (NGC). Most of the initiatives on producer companies are start-ups and promoted by NGOs/ development agencies/ sponsoring organizations (Venkattakumar & Sontakki, 2012). A minimum of 10 members, or two producer entities, or a combination thereof can form a PC. Existing cooperatives can also be reconstituted as PCs. However, the PC members have necessarily to be primary producers practicing crops, animal husbandry, horticulture, floriculture, pisciculture, viticulture, forestry, and so forth.

PCs have existed in other parts of the globe, as in New Zealand, Denmark, Australia, and so forth. They emerged in Sri Lanka in 1990s, where their membership ranged from 200-2200 each, and they were involved in different stages of the agricultural value chain (Hussain & Perera, 2004). Most of them in Sri Lanka failed as they were promoted by the state and had a large membership base. They suffered from low farmer participation, poor capital base, restriction on shareholding, and so forth (Esham, 2007). As of mid- 2011, there were over 156 PCs in India. As per NABCONS (2011), there were 25 PCs in India, which were registered before March 2008. In the dairy sector, the first of its kind PC was set up in Saurashtra region of Gujarat in November 2005. It was an initiative of the National Dairy Development Board to reconstitute Mother Dairy operating in the district of Junagadh (operating on cooperative model and incurring losses) into a milk producer company which is now known by the name of Maahi Milk Producer Company Limited (MMPCL). The company operates in seven districts: Amreli, Bhavnagar, Jamnagar, Junagadh, Kutch, Porbandar, and Surendranagar of Saurashtra region, and is headquartered at Rajkot. NDDB's rationale behind establishing a milk producer company was to bring more milk into the organized sector and also to strengthen the weak cooperatives by converting them into producer companies.

This study attempts to find if dairy producer companies (DPC) can be an alternative to dairy cooperatives (DCs), or if both of them can coexist? This case study focuses on exploring the structural and operative differences between DPCs and DCs by assessing profitability of both institutions, and identifying the constraints faced by the DPC farmers and cooperative farmers, and the problems faced by the two organizations as well. With NDDB's emphasis on producer companies in the National Dairy Plan, the proposed study holds high importance. The study will be useful to the managements of DCs and DPCs.

Data and Methodology

The study was conducted in Junagadh district of Saurashtra region of Gujarat for the period from April 2013- March 2014 and April 2014- March 2015. The district was selected purposely as it contributed highest in the total milk procurement by MMPCL in Saurashtra region in the year 2014-15. Sri Sorath Junagadh District Cooperative Milk Union Limited (a cooperative), which is also known as Sri Sorath Dairy (SSD) operating in area was also selected for the comparison. Two talukas- Maliya and Manglor were selected purposely (on the basis of high milk procurement). Similarly, two villages from each taluka were selected randomly. The selected villages were Panakua and Shantipura from Maliya Taluka , and Rahiz and Husainabad from Manglor Taluka. A sample of 15 MMPCL producer members and 15 SSD members were selected randomly from each village. Therefore, a total of 120 producer members, 60 belonging to MMPCL and 60 belonging to SSD were selected for this study.

The primary data was collected in the month of January 2015 on a pretested semi structured schedule, and the secondary data was gathered from the records maintained by the concerned organizations. Discussions were held

with officials at MMPCL Office in Rajkot and SSD office in Junagadh. Apart from this, discussions were also held with the National Dairy Development Board (NDDB) to substantiate the observations that emanated from the analysis of survey data. Mainly, tabular analysis was employed. To find the most significant constraint influencing the sample dairy farmers for the development of a dairy enterprise, Garrett's ranking technique was employed. It is calculated as percentage score and the scale value is obtained by employing the scale conversion table given by Henry Garrett.

↳ **Garrett's Ranking Technique:** The percentage score is calculated as :

$$\text{Percent score} = 100(R_{ij} - 0.50)/N_{ij}$$

where,
R_{ij} is Rank given for i^{th} item by j^{th} individual,
N_j is number of items ranked by j^{th} individual.

The percent position of each rank was converted into scores using Garrett's table. For each constraint, scores of individual respondents were added together and were divided by the total number of respondents for whom scores were added. Thus, the mean score for each constraint was ranked by arranging it in descending order.

Results and Discussion

(1) Profile of Selected Villages : The Table 1 depicts the profile of the selected villages. All villages had a total of 446 MMPCL members and 571 SSD members. For the month of January 2015, MMPCL members supplied 4050 lit of milk/day, while SSD members poured 3230 lit of milk/day. Private dairies were operating in Maliya Taluka. There were at least two private dairies in each of the two villages- Panakua and Shantipura of Maliya Taluka. Daily average quantity of milk procured by these dairies was around 900 liters. A good number of milk vendors existed in the area. In Husainabad village of Manglor taluka, the daily milk collection by milk vendors was more than the milk collected either by MMPCL or SSD. This shows the prevalence of an unorganized sector, and provides huge scope of expansion to the organized players in the dairy sector in the region. Prevalence of private dairies and milk vendors in some villages, inspite of existence of MMPCL and SSD, could be due to easy access to advance

Table 1. Profile of Selected Villages

Village	Population (No of heads)	Major Crops	Members		Milk Collection (Lit) /Day (Jan-15)		PVT. Dairy		Milk Vendors		Contribution of Women in Dairy	Dairy Animals (%)		
			MMPCL	SSD	MMPCL	SSD	No.	Qty/Day (Lit.)	No.	Qty/Day (Lit.)	Percent	Buffalo	Local Cow	Cross bred
Panakua	2200	Groundnut, wheat, Jawar, Bajra, Maize	121	50	750	250	2	300	2	90	75	70	20	10
Shantipura	3000	Groundnut, wheat, Jawar, Bajra, Maize	87	225	1400	1000	2	600	10	400	75	40	30	30
Rahiz	4000	Wheat, Groundnut, coconut, bajra, maize	75	246	600	1830	-	-	3	150	70	60	30	10
Husainabad	4000	Wheat, Groundnut, coconut, bajra, maize	163	50	1300	150	-	-	4	200	70	85	10	5

Table 2. Profile of Respondents in Selected Villages

Particular	Maliya - Taluka		Manglor- Taluka	
	Panakua	Shantipura	Rahiz	Huseinabad
Average Age (years)	39.00	42.00	35.00	40.00
Average Education (standard)	8.00	6.00	10.00	10.00
Average Family size (no of heads rounded off to near total)				
Adult Male	6.00	7.00	5.00	7.00
Adult Female	2.00	3.00	2.00	3.00
Children	2.00	2.00	2.00	2.00
	2.00	2.00	1.00	2.00
Dairy Profile (Average)				
Total animals	5.00	4.00	3.00	5.00
Indigenous Cows	1.00	1.00	0.00	0.00
Crossbred Cows	1.00	2.00	0.00	0.00
Buffaloes	3.00	1.00	3.00	5.00

payment, assistance in purchase of milch animals, and milk collection at doorstep, particularly from the milk producers located outside the villages in the fields (Vadis).

Dairy is a women nurtured enterprise in the area. It was found that more than 70% of the dairy operations were carried out by women. The male members of the families admitted that they would not be able to sustain dairy as a business without the active participation of the women family members. That said, promotion of MMPCL and SSD has improved the economic condition of the farmers on one hand, and on the other hand, the dairy business has added extra burden of work on women as compared to men, assuming other things constant. The area was dominated by buffaloes due to the high-fat content in the milk of the animal (milk prices are decided per kg fat). It was found during the survey that the villagers were moving towards large dairy farms. The inclination was also more towards high yielding animals. A good number of cross breeds of highest standards were found in the area. Major breeds of animals included Jersey, Holstein Friesian, Gir, and Jafarabadi. Kankrej bulls were also present in good numbers. However, with mechanization, their population has decreased over the years.

(2) Profile of the Respondents in the Study Area : The study covered 120 respondents, 60 each belonging to MMPCL and SSD, respectively. The profile of these respondents is depicted in the Table 2. Average age of these respondents varied between 35-45 years. The average family size was five to seven heads, while the average number of animals per sample households was between three and five. It was observed that the number of buffaloes per household was more in all villages, but Shantipura had more number of crossbred cows. This reveals the farmers' preference for high yielding animals or high fat content in milk (which is more in case of buffaloes). As milk prices are decided by the fat content in the milk, more fat content yields more money to a farmer.

(3) Structural and Operational Differences Between Cooperatives and Producer Companies : Some structural and operational differences between cooperatives and producer companies are depicted in the Table 3. Ten or more producers (individuals), or two or more producer institutions, or a combination of these two can form a producer company.

Singh and Singh (2014) summarized some of the salient features of PCs. The author duo wrote that these features provide PCs a competitive edge over traditional dairy cooperatives or dairy cooperative societies, as they are commonly called. The very first feature is: the PC format is more independent in nature and does not have space

Table 3. Structural and Operational Differences Between Dairy Cooperatives and Milk Producer Companies

Sr. no.	Parameters	Dairy Co-operatives	Milk Producer Companies
1	Legal framework	Registered under the State Cooperative Societies Act which is a state Act.	Incorporated under Part IXA of the Companies Act, 1956, which is a Central Act.
2	Area of operation	The area of operation within the state.	Entire country.
3	Powers to the Registrar	The Registrar may deny registration based on overlapping/ duplication of area of operation and/or non- viability.	No such powers.
4	Membership	Non-users of the services, including Government, may become a member.	Only producers as members. Share- transfer only to active members. Provision for special user right and bonus shares.
5	Size of Board of Management	Unwieldy Board. Government nomination on the Board.	Board strength up to 15. No Government nomination.
6	Restrictive Provisions	Presence of restrictive provisions like Powers of the Registrar to amend the byelaws., compulsory division and amalgamation, to conduct elections, audit, surcharge, to rescind the resolutions ,to supersede a Board.	No such restrictive provisions.
7	Management	Lack of professional management. Sometimes Managing Director (MD) is on deputation from the Govt., / common cadre from apex society.	Board appoints MD. Other employees appointed by the MD according to the rules framed by the Board. Experts' assistance by co-option on the board.
8	Elections	Elections are conducted under the supervision of the Registrar. If elections are not held, the duly elected Board is superseded, administrator/s is appointed.	Elections are internal affair arranged by the existing board. If elections are not held timely, the entire incumbent board becomes disqualified to continue and contest the election of board.
9	Audit	Audit is conducted by the Registrar and generally it is not conducted timely and qualitatively.	Audit is conducted by Chartered Accountant appointed by the General Body.
10	Expansion	The Law does not allow for entering into Joint Venture/s, floating subsidiary, and strategic alliances.	Liberty to enter into Joint Venture/s, floating subsidiary, and strategic alliances.
11	Shareholders	Only user members can hold shares.	Non-users can also hold shares.
12	Voting Rights	One member, one vote. However, registrar and government have veto power.	One member, one vote. Non producers cannot vote.

Source: Adapted from Singh and Pundir (2013)

for any external intervention which leads to their legitimacy and credibility in the immediate business environment. This feature breaks the PCs free of the welfare-oriented, inefficient, and corruption-ridden image of cooperatives. The second feature of a PC is that anyone - registered or non registered groups (SHGs, etc) can become equity holders in a PC. This is again an improvement over the existing legislation on cooperatives, which allows only individual producers to be members. Third, the PC act permits only 'primary producers'- persons engaged in an activity connected with or related to primary produce, to take an ownership. This ensures that outsiders do not capture control of the company and allows for raising investments from other players in the supply chain who have producer interest. According to the authors, the PC Act tries to mitigate professional capability asymmetry between private and cooperative organizations by allowing the cooption of professionals in the governance structure. Thus, small and marginal producers can avail of professional management inputs while retaining qualitative governance control (Singh & Singh, 2014).

One member, one vote principle is followed by both PCs and cooperatives. In cooperatives, the registrar has the

Figure 1. Pictorial Comparison of Existing Models of SSD and MMPCL

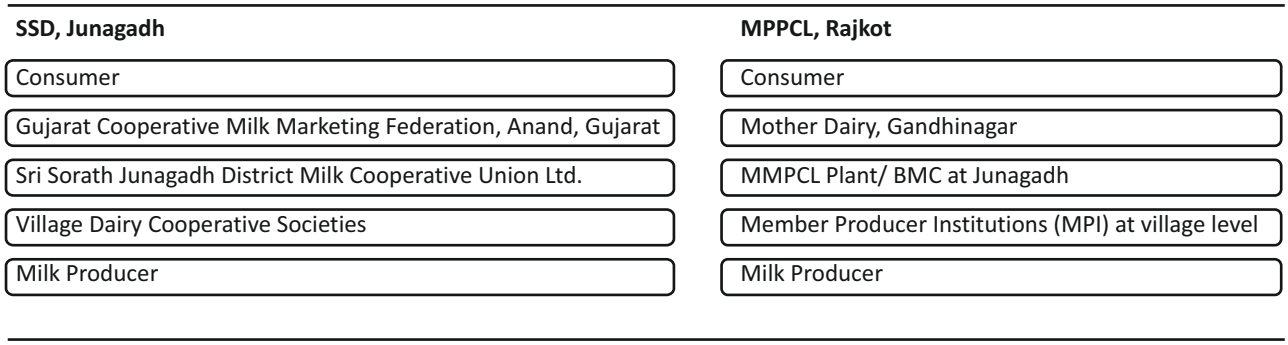

Table 4. Financial Performance of MMPCL vis- a- vis Sri Sorath Dairy (₹ crores)

Particulars	Maahi Milk Producers Company Limited		Shri Sorath District Cooperative Milk Union Ltd (Sri Sorath Dairy)	
	June 7, 2012-March 31, 2013	2013-14	2012-13	2013-14
Total Revenue	18.10	891.54	173.19	209.10
Total Expense	17.80	886.77	168.89	199.00
Profit/loss	0.30	4.77	4.31	10.12
Total Milk Procured (lakh liters)	NA	7957.00	532.92	551.34

Source: Derived from respective organization's Annual Report 2013-14

As MPPCL was registered in 2012, the information was available for June 2012- March 2013

veto power, while in PCs, the non members cannot vote. This is much like the New Generation Cooperatives (NGCs) in developed countries, which follow one member, one vote principle for major policy decisions (Harris, Stefanson, & Fulton, 1996 ; Nilsson, 1997). In India, NGCs and PCs, both terms are used interchangeably. Finally, unlike the cooperatives, PCs have stronger regulation, making statutory demands on the organization for better disclosure and reporting. This empowers the members to demand operational and fiscal discipline.

(4) A Comparison of the Existing Model of Dairy Co-operatives and Dairy Producer Companies : The Figure 1 provides a pictorial comparison of existing models of SSD (milk cooperative) and MMPCL (producer company) in the study area. Both the institutions follow a three-tier structure. In case of MMPCL it is: a milk producer institution (MPI) at village level, MMPCL BMC (chilling facility also known as bulk milk cooler) at district level (Junagadh), and MMPCL (distribution and marketing) at Rajkot (head office). In case of SSD it is: a village cooperative society at village level, milk union at district level, and finally, Mother Dairy, Gandhinagar is responsible for marketing and distribution.

In case of dairy MMPCL, it is mandatory for a member to supply milk to the village level MPI for at least 200 days of a year, otherwise his/her membership of PC is cancelled, and he/she loses his/her voting rights. This provision is to ensure the regular flow of milk to the organized sector and also to gain some control over the movement of milk towards the unorganized supply chain. However, adhering to this rule is hard for those who have just one milch animal. The role of the secretary in DCs and Sahayak in dairy PCs at the village level is vital for both the institutions. It was observed that the relationship of the secretary and sahayak with the people in the villages plays a key role in attracting membership. Performance of the secretary is linked with incentives (around 5%) in both the organizations.

Table 5. Maahi Milk Producer Company Limited (MMPCL) - Membership, Average Milk Procurement (lit/day), and Price/Kg Fat

	2013-14			2014-15		
	Members	Average Milk Procurement (Lits/Day)	Price/ kg Fat*	Members	Average (Lits/Day) Milk Procurement	Price/ kg Fat* *
Panakua	103	568	495	121	572	580
Shantipura	71	680	495	87	739	580
Rahiz	79	335	495	75	372	580
Huseinabad	169	894	495	163	898	580
Junagadh District	25696	182253	495	23099	186110	580

Note 1. A total of 9105 Artificial Insemination (AI) were performed during April 2014-Dec 2014 in 377 villages of Junagdh district. This information was not available at the village level.

Note 2. *Peak Price paid to producers in Nov 2013 month.

*Additional 10 % Bonus paid on their share capital plus Additional ₹ 0.40/ Lit paid to producer for the total quantity milk poured in 2013-14.

Note 3.**Peak Price paid to producers in July 2014 month.

For 2014-15, membership and procurement data was available for April 2014- December 2014.

Note 4: Price change is as per seasonal changes (Flush and lean). For example, the flush season price in 2014-15 was ₹ 580/ Kg fat, the lean season price at the time of survey was ₹ 500/Kg fat in these villages.

Table 6. Shri Sorath Junagadh District Cooperative Milk Union Ltd. (SSD)- Membership, Average Milk Procurement (lit/day), and Price/Kg Fat

	2013-14			2014-15		
	Members	Average Milk Procurement (Lits/Day)	Price/ kg Fat*	Members	Average Milk Procurement (Lits/Day)	Price/ kg Fat* *
Panakua	45	350	497	50	300	510
Shantipura	220	1100	497	225	1237	510
Rahiz	246	1353	497	246	1230	510
Huseinabad	45	202.5	497	50	250	510
Junagadh District	NA	151051	497	NA	NA	510

Note 1:

1. NA: Not available
2. Information for 2014-15 pertains for April 2014 - January 2015.
3. Price paid is average price for 2013-14, and lean season price (at the time of survey), for 2014-15.
4. * From Annual Report 2013-14.
5. ** During survey (lean season price).

Note 2:

1. Total number of Coop AI centers in the area: 10.
2. No of AI's performed 3197 in 2014-15.
3. Vet Camp conducted 22, and 1956 animals treated.

Table 7. Constraints Faced by MMPCL Dairy Farmers in the Study Area

Constraints	SUM GARETT's SCORE	MEAN GARETT'S SCORE	GARETT RANKING
Lack of veterinary facilities	4291	71.52	I
Low availability and high price of concentrate	4042	67.37	II
Non availability of AI services	3526	58.77	III
Low price of liquid milk	3509.00	58.48	IV
Inadequate knowledge about balanced feeding	2664	44.40	V
Lack of training facilities for scientific dairying	2270	37.83	VI
Lack of awareness on animal health care	1956	32.60	VII
Institutional constraints	1629	27.15	VIII

Table 8. Constraints Faced by Junagadh Milk Union (Sri Sorath Dairy) Dairy Farmers in the Study Area

Constraints	SUM GARETT's SCORE	MEAN GARETT'S SCORE	GARETT RANKING
Lack of veterinary facilities	4027.064	67.12	I
Low availability and high price of concentrate	3989.081	66.48	II
Low price of liquid milk	3496.49	58.27	III
Non availability of AI services	3055.034	50.92	IV
Inadequate knowledge about balanced feeding	2379.004	39.65	V
Lack of training facilities for scientific dairying	2135.004	35.58	VI
Lack of awareness on animal health care	1755.004	29.25	VII

(5) Profitability of a Dairy Producer Company vis- a-vis Dairy Cooperatives in Junagadh District of Gujarat : Secondary information (available / analyzed) from annual reports of MMPCL and SSD suggested that the profit earned by SSD was more than what was earned by MMPCL for the year 2013-14. However, the fact could not be ignored that MMPCL had procured more milk than the SSD in 2013-14. The financial performance of MMPCL vis- a- vis Sri Sorath Dairy is depicted in the Table 4. It can be inferred from the Table that business of both the organizations has been expanding over the years, which refutes the myth that these two organizations may not exist together as both will compete for business in the same area.

The information on membership, average milk procurement (lit/day), and price offered by the MMPCL in 2013-14 and 2014-15 is depicted in the Table 5. Corresponding information for Sri Sorath Dairy is listed in the Table 6. In 2014-15, SSD appears to pay slightly higher prices (over 2013-14) to the milk producers, though their milk collection was significantly less than the milk collection by MPPCL. This could be attributed to the lack of adequate chilling facilities and perception of milk producers that transparency is more in MPPCL due to the mode of payment through a bank account. Artificial insemination (AI) services are being provided by both MPPCL as well as SSD (refer the notes in Tables 5 and 6), however, not at the farmer's doorstep. Monthly veterinary camps are held by both organizations. However, during the survey, we came to know that most of the veterinarians showed unwillingness to go to such remote areas. This needs to be addressed.

(6) Constraints Faced by MMPCL and SSD Dairy Farmers in the Study Area : The Table 7 summarizes the constraints faced by MMPCL dairy farmers in the study area. The major constraints faced by the dairy farmers of MMPCL in the study area included lack of veterinary services, low availability and high price of concentrate, and non availability of AI services with mean Garett's score of 71.52, 67.37, and 58.77, respectively. Other constraints

included low price of milk, inadequate knowledge about balanced feeding, lack of training facilities for scientific dairy farming, lack of awareness of animal health care, and institutional constraints. A member must supply milk at least for a period of 200 days in a year to the MPPCL, otherwise, the membership stands cancelled, and he/she loses his/her voting rights. It emerged as one of the biggest concerns to farmers under the institutional constraints category. Furthermore, it was observed in some cases that the bank accounts of member farmers of MMPCL were opened; however, the ATM cards were not provided for easy access to their earnings from milk.

The Table 8 summarizes the constraints faced by Sri Sorath Dairy (SSD) farmers in the study area. Major constraints faced by the dairy farmers of SSD in the study area included lack of veterinary services, low availability and high price of concentrate, and non low price of milk with mean Garett's score of 67.12, 66.48, and 58.27, respectively. Other constraints included non availability of AI services, inadequate knowledge about balanced feeding, lack of training facilities for scientific dairy farming, and lack of awareness regarding animal health care.

Balance cattle feed (BCF) plays an important role in exploiting the production potential of dairy animals. However, neither of the organizations provided BCF in the area. Both the organizations had tried to provide the same (AMULDAN and RAJDAN by SSD and MMPCL, respectively) but failed due to reluctance of the animals for BCF, and thus, farmers had to feed their animals with locally available cottonseed and groundnut cakes. Farmers believed that the animals in the region did not like the taste of BCF provided by either institution. These animals find cottonseed and groundnut cakes more palatable, which is commonly grown in the region. Farmers, however, felt that the price of concentrate available through private traders was too high, and was also not available easily. Hence, the farmers expect both the institutions to address this issue appropriately.

(7) Problems Faced by MPPCL and SSD : The producer companies are not yet recognized by the union or state government for any incentive or support. These companies are not allowed to mobilize capital from the market. This capital constraint, like faced by their traditional counterparts, makes it difficult for producer companies to set up facilities for value addition and marketing. Banks refuse to lend to the producer companies due to the lack of state or government guarantees. Mandatory milk supply for at least 200 days by MMPCL members has resulted in shifting of members from MMPCL to SSD, as observed in the study area. The problem was mainly faced by farmers having only one milch animal. The cooperative face infrastructural challenges, and therefore, cannot procure more. While PC has bulk milk coolers (BMC) in a cluster of 30-40 villages for collection and chilling of milk, there is no such facility in case of SSD.

Managerial Implications

As all DCs do not have a bulk milk cooler (BMC), such facility is required to minimize the risk of souring of milk and reduce the cost of transportation and eventually expanding the business and profitability of the cooperatives in the study area. Likewise MMPCL, SSD should also link the payment through bank accounts. The role of the secretary at DCS level or Sahayak at Producers Institution (PI) level is vital for both the institutions and needs to be monitored properly to avoid any kind of harmful business implications. Women are majorly engaged in the dairying industry, and they must be trained in scientific dairying and management that will help them in decision making and in expanding the dairy operations accordingly. Balance cattle feed (BCF) plays an important role in exploiting the production potential of dairy animals. This issue needs to be addressed appropriately, with the preparation of a new formulation that suits the taste of the animals in different regions. To exploit the milk production potential of the area, which is very high, both the organizations of MPPCL and SSD should address these issues on a priority basis. This win-win situation can further be strengthened by strong coordination between MMPCL and SSD.

Conclusion

Both the institutions, MMPCL and SSD, follow a three tier structure. While MMPCL has BMC in a cluster of 30-40 villages for collection and chilling of milk, there is no such facility in case of SSD. Over the years, SSD appears to pay slightly higher prices to the milk producers, though its milk collection is significantly less than the milk collection of MMPCL. This could be attributed to the lack of adequate chilling facilities and perception of milk producers that transparency is more in MPPCL due to payment through a bank account. Business of both the organizations - MPPCL and SSD has been expanding over the years, which has refuted the myth that these two organizations may not coexist, as both will compete for business in the same area. Co-existence of these two provides good market facility and remunerative prices of milk to the milk producers, which may encourage farmers to shift from subsistence to commercial dairy farming in the area.

Co-existence of MPPCL and SSD in the villages has also reduced the exploitation of milk producers by private dairies and milk vendors in terms of prices, milk weighing, and timely payment. While promotion of MPPCL and SSD has improved the economic condition of the farmers on the one hand, the same has added extra burden of work on women. Both the organizations have tried to provide their respective balanced cattle feed, but failed due to reluctance of the animals, and thus, farmers feed them with locally available cottonseed and groundnut cakes. MPPCL and SSD, both provide AI and veterinary services, but these services are neither adequate nor do these suit the convenience of the farmers. Profitability of both the organizations has improved, however, the profitability of MPPCL is slightly better than that of SSD. Overall, there has been a win-win situation for both, milk producers organizations in the study area. While business of both the organizations has been showing a growing trend, the milk producers are also benefiting substantially.

Limitations of the Study and Scope for Further Research

The limitation of the case study approach is that the results cannot be generalized. Managers can learn from these observations and may try to improve the existing situations of their respective organizations. As MPPCL was registered in 2012, the time period of the case study was comparatively smaller. There is a scope for further expansion of this study, and it will be interesting to analyze the comparative performance of the two institutions over the next few years.

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