

Challenges and Barriers faced by Small Scale Dairy Owners in Pune Region.

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Abstract :

Dairy business is one of the oldest and traditional businesses in India. This business contributes more to the rural Indian economy more than any other business, and provides employment opportunities to the rural people. Despite of efforts made by government of India, small scale dairy owners are facing several problems and therefore, small scale dairy farms have not developed satisfactorily. Through the present study, an attempt has been made to identify the major problems/constraints faced by the small scale dairy owners in terms of financing and marketing. The present study also focused on the opinion of small scale dairy owners about the developmental measures to be taken by the government preferentially. The result of the study shows that, there are many financial and marketing related problems faced by small scale dairy owners. There is a wide scope for the government intervention in the development of infrastructural facilities, transportation, training and skill development program etc, in this area of business.

Key words: Small Scale Dairy, Financial Problems, Marketing Related Problems.

I) Introduction:

Dairy business provides livelihood to the millions of rural people in India. This business helps to generate additional income and employment opportunities for the rural people. Dairy business is a largest contributor to the Indian economy with it profound social impact. Now days, majority of produced milk is marketed by the unorganized sector and very less is marketed by organized sector in India. Dairy business in organized and unorganized sectors is facing a lot of problems. Especially small scale dairy owners have multiple challenges in terms of financial support and marketing of produced milk. There are several other problems such as lack of infrastructural facilities, limited generic resources, inadequate veterinary resources etc. Although India is leader in milk production in the world, its potential is not fully explored due to these barriers that come in the way of adoption of modern technology. Thus, a study of problems in development and growth of small dairy farmers was considered essential. If these problems are identified, it will be helpful to remove the gap between existing condition and expected status of the small scale dairy owners.

In Maharashtra State production of milk and dairy cooperative network is well established and specially concentrated in Western parts of the State, however at state level also, the development of small scale dairy farms is not satisfactorily in Western region, particularly in and around Pune district. Therefore, in the present study an attempt has been made to focus on the major problems faced by the small scale dairy owners. An attempt has also been made to understand the measures those should be taken by the government authorities for the growth and development of small scale dairy owners in Pune district.

II) **Significance of the Study:**

Small scale dairy business is an integral part of Indian economy, because it generated additional income, food and employment at local level. Profitability in the dairy business is crucial in ensuring continuity and if streamlined it can provide continuous and adequate income to the small dairy owners. The present study is beneficial to small scale dairy owners as it enumerated the major problems related to finance, and marketing activities in Pune district. Majority of the availed studies are at macro level but not at the micro level with empirical studies. Apart from the financial and marketing problem there are some other problems which are considered to have influence on the development and growth of small scale dairy owners. In this context, the present study assures the significance and important understandings about the challenges faced by the dairy owners which are in turn impacting the development of dairy business.

III) **Objectives of the Study:** The present study is planned with following objectives-

- 1) To understand the major financial problems faced by the small dairy owners.
- 2) To understand the major marketing related problems facing by the small scale dairy owners.
- 3) To know the marketing channels adopted by the small scale dairy owners.
- 4) To understand other problems faced by the small scale dairy owners.
- 4) To understand the expectations of small scale dairy owners about the measures, those should be taken by the government authorities for the growth and development of small scale dairy business.

IV) **Literature Review:**

- 1) A. Kumar, S. J. Staal and D. K. Singh, (2011), have pointed out that, in spite of growing presence of modern milk supply chain, the traditional milk supply chain is still dominant

in the dairy business in India. Authors have stated that, cooperative dairy development is failed to affect the dominance of the traditional milk marketing channels. Authors have focused on the structure of milk production and marketing of milk in India. Through the study authors have also focused on the share of various segments of household in milk production in Bihar and Punjab. Authors have concluded that, the modern milk supply chain seems to have an inclusive structure and the resources. Small scale dairy owners are not excluded from the modern milk supply chain. In the opinion of authors the scalability of modern milk supply chain will depend on the improvement in milk collection and development of transportation and other facilities and good pricing structure.

- 2) Kotresh P., S. Savale and M. Pawan, (2017), have attempted to examine the major constraints and problems faced by small scale dairy owners. Through the study authors have focused on various patterns of rearing of dairy animals, crops grown and status of milk production. Through the study authors have pointed out that, small dairy owners are facing challenges like low price for milk, frequent disease outbreaks, unavailability of fodders, etc. According to authors, the price offered for the milk should be increased so that small dairy owners can improve their socio-economic status and productivity. Through the study the authors have observed majority of dairy owners are satisfied with their present dairy business situation and majority of them frequently consulting with veterinary doctors about their cattle health. Authors have observed that, majority of small dairy owners are having financial problems. In this context authors have suggested that, to overcome the financial problems, dairy owners should adopt the scientific dairy practices which will lead to good future outcome for them.
- 3) S. D. Baliyan and D. S. Gosalamang, (2016), have stated that, despite the efforts of government, dairy business in Botswana has not grown satisfactorily, due to this the local demand of milk is met by imports which increases the cost of milk. Through the study authors have attempted to identify constraints and opportunities in dairy business in Botswana. The constraints identified by authors are, higher cost of feed, shortage and unavailability of feed, lack of technical support and knowledge about disease, lack of skilled manpower etc. The result of the study shows that, the strategies to mitigate the existing problems in dairy business were increase in local production of animal feed, increase in local roughage feed production, easy access to sufficient financial assistance, training etc. The findings of the study also revealed that the opportunities in dairy business are more than the constraints. Authors have concluded that, the strategies to mitigate the constraints are required to be considered carefully by the policy makers.
- 4) J. S. Manhas and V. P. Sharma, (2008), has pointed out that, the milk production in Jammu district was not in accordance with their bovine population due to various

problems and constraints faced by the dairy owners. Through the study authors have focused on the various constraints faced by the dairy owners such as, related to technical factor, economic factor, infrastructural factors, market related factor and socio-psychological factor etc. Authors have also focused on the fact that, the constraints and problems in dairy business were felt more intensively by large scale dairy owners as compared to small and medium scale dairy owners in Jammu district. Through the study authors have observed that, there is a need to start milk marketing cooperative societies which will provide technical guidance and guidance related to market and marketing factors.

- 5) S. H. Surkar, S. W. Sawarkar and R. P. Kolhe, (2014), have stated that, potential of India's leadership in milk production is not explored fully due to many problems and constraints. Through the study authors have pointed out that, in the rapidly changing scenario due to globalization and liberalization and transition from a centrally planned to a market oriented economy, and rural out migration, etc., are several constraints and challenges faced by the small dairy owners. Authors have also focused on the historical background of small dairy owners in India. The survey study was conducted in Wardha district of Maharashtra State. These constraints are unavailability of cold storage facility, unavailability of nutritious food for Cattles. Apart from this, lack of knowledge about quality of milk, lower price, lack of milk testing and animal screenings facilities, lack of cooperative societies, and financial institution etc. Authors have suggested that, there is a need to re-evaluate and reinvent themselves and adapt to the changing paradigm and re-establish their relevance as effective rural institutions. Through the study authors have highlighted its potential to coping with the new perspectives in the context. Authors have concluded that, all these constraints may adversely affect the milk production in terms of quality and quantity.

V) **Research Methodology:**

The present study is conducted in Pune district of Maharashtra state. This study is descriptive in nature and based on the primary data collected from 200 small scale dairy owners in four blocks of Pune districts. These four blocks capture geographical and institutional diversity of milk production and marketing. These blocks are Maval, Mulshi, Haveli and Bhor. The primary data has been collected through the small questionnaire. The secondary data has been collected from various national and international journals, periodicals, etc. and published books. The survey method has been followed to explore the facts, as the study has to explore the perception of small dairy owners about the current situation of their dairy business. All the primary information is presented in a tabular form by using percentage method.

VI) Selection of Sample:

Samples of 200 small dairy owners, has been selected by using convenient sampling method from four blocks of Pune districts. These blocks are Maval, Mulshi, Haveli and Bhor. The following table indicates the blocks and number of respondents.

Blocks/Segments	No. of Respondents
BHOR	50
HAVELI	50
MAVAL	50
MULSHI	50
TOTAL	200

Convenient sampling method has been adopted for the purpose of sample selection.

VII) Scope and limitation of the Study:

- 1) The present study deals with small dairy owners in selected four blocks of Pune district. The target population was only confined small dairy owners who have less than 10 Cattles.
- 2) Financial problems, marketing problems and other major problems were only selected variables.
- 3) There was a problem of inadequacy of secondary data about small dairy owners.
- 4) The survey for the study is confined to Bhor, Haveli, Maval and Mulshi blocks only.

VIII) **Result and Discussion:**

Table No.1

Major Financial Problems Faced by Small Scale Dairy Owners.

Financial Problems	No. of Respondents	Percentage (%)
Low Price / Non Competitive price for Milk	15	7%
Inadequate Credit Available from Financial Institutions	16	8%
High Cost of Cattles	09	5%
High Cost of Feed	11	6%
High Charges for Cattle Care Takers	20	10%
Problems in Getting Initial Capital for Adopting Modern Technology	08	4%
All the Above Problems	121	60%
Total	200	100%

In India small scale dairy business has grown considerably ever since the white revolution. But small scale dairy owners still suffer from several financial constraints. As per the information provided by the respondent, 7% stated the problem of getting low price for the milk. Some respondent are aware about the modern technology existed in dairy business which can give them higher returns as compared with the traditional practice adopted by them. Majority of dairy owners do not get adequate credit from financial institutions to improve their dairy business and sufficient financial support for the initial investment and acquire the modern technological inputs, stated by 8% respondents. Higher cost of cross breed cattle's is another major constraint faced by small scale dairy owners. Costs of cross breed cattle's are unaffordable for the small scale dairy owners. This was mentioned as a constraint by 5% respondents. 6% respondents have stated that, they are facing the problem of high cost of cattle feed. Cattle feed plays an important role in deciding the level of milk production. The ever increasing feed prices create an obstacle in the development of small scale dairy business. Higher payments to cattle caretakers is also a one of the major problems faced, mentioned by 10% respondents and 4% respondents have stated that, there are many problems in getting initial capital for adopting modern technology in the business. Majority of the respondents, 60% stated facing all the above are major financial problems.

Table No.2

Major Marketing Related Problems Faced by Small Scale Dairy Owners.

Marketing / Market Related Problems	No. of Respondents	Percentage (%)
Lack of Nearest/local Market Place	12	6%
Lack of Marketing Knowledge	09	5%
Lack of Price Regularity Mechanism in the Market	16	8%
Influence of Cooperative Society's on Marketing Activities	24	12%
Lack of Organized Marketing Channels	23	11%
All the Above Problems	116	58%
Total	200	100%

Improving and developing market access creates an opportunity for the growth of small scale dairy business. In India, several small scale dairy owners are facing major market and marketing related problems today. Lack of nearest market places is a major problem stated by 6% respondents. 5% respondents have stated that, they do not have adequate knowledge about market and marketing activities. This issue is primarily responsible for affecting the sustainability of small scale dairy owners. Apart from this there are no promotional activities initiated by government department to enhance the marketing of milk produced by small scale dairy owners. There is absence of price regularity mechanism in the market that can be affordable to various segments of population, stated by 8% respondents. Influence of cooperative societies on the day to day marketing activities is another marketing related problem stated by 12% respondents. The availability of a market pull and availability of organized marketing channels are significant prerequisites for the distribution and sale of produced milk. 11% respondents stated that there are limited organized marketing channels. In the absence of adequate organized marketing channels prospects for promoting small scale milk dairy business will always be vulnerable and risky. 58% respondents stated all the above stated market and marketing related problems adversely affect their small scale business activities.

Table No.3

Marketing Channels Adopted By the Small Scale Dairy Owners.

Marketing Channels	No. of Respondents	Percentage (%)
Cooperative Society	43	22%
Middle Men	34	17%
Self	123	61%
Total	200	100%

The small scale dairy owners require adequate support and strength from organized marketing channels, with a view to compete in an evolving market as it is one of the basic livelihood resources for them. The above table depicted the various marketing channels adopted by the respondents. As per the provided information by the respondent, majority of them (61%) are making self-efforts for achieving market for the produced milk. 22% respondents have adopted cooperative society as their main marketing channels and 17% respondents are trying to achieve market for the produced milk through middle men. It shows that majority of the small dairy owners are either not aware of or not adopting the available effective marketing channels to sell their produced milk in the market. Therefore, lack of knowledge or awareness and inadequate organized channel of marketing is the major constraint faced by the small scale dairy owners.

Table No.4

Other Problems Faced by Small Scale Dairy Owners

Other Problems	No. of Respondents	Percentage (%)
Continuous Shrinking Facilities	12	6%
Lack of Transportation	06	3%
Lack of Knowledge about Feed and Fodder Mgt.	20	10%
Lack of Veterinary Care Facilities	18	9%
Problem of Climate Change	05	3%
Lack of Modern Cold Storage Facilities	13	6%
All the Above Problems	126	63%
Total	200	100%

Apart from the financial and marketing problems, small scale dairy owners are facing many other problems in their small scale activities. 6% respondents have stated

about grazing land. Fast decrease and degradation of grazing land has resulted in green fodder shortage, creating major problems in the dairy business today. Lack of good transportation facility is another major problems stated by 3% respondents. 10% respondents have insufficient the knowledge about feed and fodder management; therefore they are facing lot of problems in their day to day business. Disease and health management of cattle is one of the most important factors in dairy business. But this factor is most neglected areas, and lack of qualified veterinary doctors is also one of the major problems stated by the 9% respondents. Changing climate is adversely affected on the health of cattle and resulted in to less milk production. Due to this majority of small scale dairy owners are not able to cover all their business related expenditure, and they earn very low income from their dairy business. 6% respondents have stated that, they are facing the problem of inadequate cold storage facility near by their villages. Majority of respondents (63%) have stated that they are facing all the above stated constraints in their dairy business.

Table No.5

Effective Measures to be taken for the Development of Small Scale Dairy Owners Business (Opinion of Respondents)

Opinions	No. of Respondents	Percentage (%)
Development of Infrastructural Facility	11	5%
Availability of Modern Cold Storage Facility	04	2%
Availability of Good Roads and Transportation	13	7%
Easy Availability of Veterinary Doctors	07	3%
Training Pertaining to Marketing, Health Care of Cattle, Feeding, Milk Process, etc.	09	5%
All the Above	156	78%
Total	200	100%

To understand the opinion of the small scale dairy owners (respondents) about what kind of measures should be taken preferentially by the government authorities for the development of small scale dairy business which will provide employment opportunities to the rural people. This is one of the important objectives of this study. In this context respondents have suggested various measures. In the opinion of 5% respondents development of infrastructural facilities at village level is the most important and effective measure which should be preferentially taken by the government

authorities. In the opinion of 2% respondents, easy availability of modern cold storage facilities is an important measure. 7% respondents have opined that, availability of good roads and transportation facility is an effective and important measure, which can make them able to access the nearest market speedily. Dairy business in India is far more demanding than agriculture in terms of training pertaining to marketing, health care of cattle, feeding, processing of milk etc., and skill development. 3% respondents stated necessity for better healthcare facilities for cattle. Government interventions towards conducting training program and skill development program can be useful in enhancing small scale dairy business, stated by 5% respondents. In the opinion of 78% respondents, all the above stated measures are very effective and necessity for the sustainable small scale dairy business in India. It shows that, there is a wide scope for the government intervention in the development of small scale dairy business.

Table No. 6

Awareness among Small Scale Dairy Owners about various Government Schemes

Particular	No. of Respondents	Percentage (%)
To a Great Extent	38	19%
To some Extent	70	35%
Not at All	92	46%
Total	200	100%

The department of animal husbandry, dairy and fisheries, government of India, has launched the scheme under the title “Venture Capital Scheme for Dairy and Poultry Business from 2005-06.” The major objective of this scheme is to provide support and assistance to start small dairy business farm and to achieve other structural transformation in the Indian dairy business. Government authorities have launched some other scheme, to promote setting up modern dairy farms to encourage heifer calf rearing thereby keeping good breeding stock. Through this scheme government is also trying to bring structural changes in the unorganized sector so that initial milk processing can be taken up at the village level itself, and upgrade the quality of milk and upgrade the traditional technology to manage a dairy business on commercial scale. To know whether the small scale dairy owners are aware about these schemes or not is also one of the objectives of this study. As per the information provided by the respondents it is found that only 19% are aware about these schemes to a great extent, 35% are aware to some extent. Majority of the respondent (46%) are totally not aware about these government schemes.

IX) Major findings of the Study:

- 1) Financial support or financial aid to small scale dairy owners, who want to enter into commercial dairy business, is very much limited.
- 2) Marketing of milk is unorganized due to lack of organized marketing channels. Therefore majority of small scale dairy owners are struggling for sustainability of their business. Middle men, as a marketing channel are increasing the cost, which is adversely affecting on the profit margin.
- 3) Majority of small scale dairy owners are facing the shortage of green fodder due to continuous shrinkage and degradation of grazing land. Apart from this poor knowledge about feeding and fodder management is also adding to it.
- 4) Inadequate transportation facility, cold storage facility also a cause to a setback for small scale dairy business in the selected blocks of Pune districts.
- 5) Unavailability of qualified veterinarians and poor knowledge of dairy owners about cattle health care and disease is also a main barrier in the development and growth of small scale dairy business.
- 6) It is found that, promotional and developmental program or schemes launched by government are not reaching to the small dairy owners residing in remote areas due to absence of effective mechanism. Therefore, majority of dairy owners are not having awareness about the program/schemes of government launched for their development.
- 7) It is obvious from the study too, that rigorous efforts have not been made by the government authorizes in imparting training and conducting skill development programs for the small scale dairy owners.

X) Conclusion:

It is concluded that, small scale dairy business in the study area is adversely affected due to number of financial, marketing and various other problems. To overcome these problems there should be resolute efforts made by the government authorities, NGOs, cooperative societies etc., towards development of infrastructural facilities, training and skill development of dairy owners, financial support, imparting training about market and marketing techniques etc. Apart from this, there should be efforts towards creating awareness among the small scale dairy owners about various promotional and developmental programs launched by the government. This will help to overcome various challenges faced by small scale dairy owners and they can contribute in sustainable growth of rural economy.

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