

Research Note :**FACTORS RESPONSIBLE FOR FAILURE OF VILLAGE MILK PRODUCERS' COOPERATIVES IN HARYANA**A.K. Singh¹ and K. C. Tyagi²

Study and analysis of failure is as important as that of success. Failure points to the gap and constraints in achieving success, and also prepares the ground for future actions and strategies. With a view to ascertain reasons for failure of milk cooperatives present study was conducted in selected villages of Haryana. 'Anand Model' milk cooperatives were replicated to other parts of India under Operation Flood-I (1970-1980) and Operation Flood-II (1980-1985) and Operation Flood-III (1986 onwards). There are reports that milk cooperatives have done remarkably well in Gujarat (6.5% of total milk production in 1989-90) as compared to other states.

Milk cooperatives could not prove their mettle when introduced in other states of the country, especially in major milk producing states like Uttar Pradesh (17.8% of total milk production in 1989-90), Punjab (9.7% of total milk production in 1989-90), and Haryana (6.1% of total milk production in 1989-90). Poor performance of milk cooperatives could be attributed to various factors such as: factionalism in the village (PEO, 1960; Vithol, 1986; Singh, 1987), domination of higher caste people (PEO, 1960; Vithol, 1986), dishonesty of office bearers (Singh, 1987), disloyalty of member farmers unfair competition by vendors (Vithol, 1986), inadequate incentives for members and staff of VMPCS (Chothani et.al, 1976), ambivalent attitude of state governments to entrust resources to cooperatives (UN/FAO,1981), resistance from state level cooperative departments(UN/FAO,1981), excessive government intervention in financial matters like pricing of milk and milk products (UN/FAO,1981), less need based

planning in milk cooperatives initiation of VMPCS as an imposition from above (Chothani et.al., 1976), unsuitability of 'Anand Model' for other states less proper transport facilities (Vithol, 1986) and less trained personnel with milk cooperatives (Vithol, 1986) etc.

METHODOLOGY

Gujarat and Haryana states were purposively selected for the study. Gujarat state was selected being pioneer in the milk cooperative sector and Haryana representing a state with high milk production potential, but where milk cooperatives are said to be not working well.

From each state (Milk Cooperative Federation), one milk union with best performance (as rated by the Milk federation) was selected. Accordingly Mehsana union from Gujarat and Ambala union from Haryana were selected. From each selected District Milk Producer's Union (DCMPU), one revenue unit (Block / Taluka) was selected randomly. Thus, Visnagar Taluka of Mehsana and Barara block of Ambala were selected.

Village Milk Producer's Cooperative Societies (VMPCSs) were ranked by rating all VMPCSs of selected block/taluka registered between 1985 to 1998, (in order to select VMPCSs of similar age for comparison) and which remained functional, till data collection (September 1993), without break, were ranked on the basis of Performance Index (prepared on the basis of performance of different VMPCSs; considering indicators of performance). Then on the basis of performance score, the VMPCS with median performance was identified, dividing selected VMPCSs in two strata i.e. one

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above median and other below median. Then, from each stratum, 3 VMPCSs were selected randomly for detailed study. Six VMPCSs each selected from Gujarat were Bokarwada, Thumthal, Vadu, Sunshi, Rathodipura, and Bajipura and from Haryana were Galleri, New Tandwali, New Binjalpur, Khanpura, Adhoya Musalmanan, and Adarsh Dera salimpur respectively.

Two latest defunct VMPCSs were to be selected from both states. However, in Gujarat, no defunct VMPCS was found in randomly selected Taluka, so only two defunct VMPCSs of selected block of Haryana viz. Kambas and New Sarakpur were selected.

Farmer members from selected functional VMPCS Were categorized into low, medium and high milk suppliers using cumulative square root technique. A total of 180 farmer members (90 from each state were selected) using probability proportional to size technique, with condition that a minimum of 20 member farmers get selected from each category.

24 ex-farmer members i.e. 12 from each selected VMPCS were selected randomly as respondents.

Farmer members of selected defunct VMPCSs were asked through an open ended question to give various factors responsible for failure Of VMPCSs in decreasing order.

RESULTS AND DISCUSSION

Results are presented in following two parts :

1. Comparative profile
2. Perceived factors for failure of milk cooperatives.

1. Comparative Profile—It is evident from Table 1 that there were significant differences (shown bold in Table1) in profiles of the member farmers of working and defunct VMPCSs. In comparison to working VMPCSs of Haryana and Gujarat, the member farmers (Ex) of defunct VMPCSs of Haryana were having traits like : maximum number of old age farmers (25%), maximum number of farmers with high value of assets (29.16%), minimum number of farmers with high economic motivation (4.16%), minimum number of farmers with favourable attitude towards VMPCSs (16.66%), minimum number of farmers with high mass media exposure (8.33%), and

Table 1. Comparative Profile Of The Member Farmers (Working and Defunct) of VMPCSs (N=90)

Sl. No.	Traits	Categories	Range	Member Farmers Of VMPCS (%)		
				Haryana		Gujarat
				Working (N=90)	Defunct (N=24)	Working (N=90)
I. Socio-Economic						
1	Age (Years)	Young	Below30	16.66	20.83	13.33
		Middle	30-56	70.00	54.16	72.22
		Old	Above56	13.33	25.00	14.14
2	Value Of assets (Rupees)	Low	Below 390740	37.77	33.33	20.00
		Medium	390740-988565	33.33	37.50	72.22
		High	Above 988565	28.88	29.16	7.77
II. Psychological						
1	Economic Motivation (Score)	Low	Below 30	18.88	25.00	11.12
		Medium	30-40	58.88	70.83	55.55
		High	Above 40	22.22	4.16	33.33
2	Attitude Towards VMPCS (Score)	Unfavourable	Below 27	25.57	12.50	22.22
		Neutral	27-35	45.55	70.83	44.44
		Favourable	Above 35	28.88	16.66	33.33
III. Communicational						
1	Mass Media Exposure (Score)	Low	Below 5	13.33	12.50	15.55
		Medium	5-14	67.77	79.16	62.22
		High	Above 14	18.88	8.33	22.22
2	Extension Contact (Score)	Low	Below 7	30.00	12.50	8.88
		Medium	7-13	58.88	75.00	81.11
		High	Above 13	11.12	12.50	10.00

maximum number of farmers with high extension contact (12.50%). Thus we can say that these farmers are old, rigid, affluent, rich, satisfied with their economic condition, having access to but not actually using mass media, and frequently visited by extension agencies, but unable to take advantage of it, due to pre-conceived notions and psychological barriers. High extension contact (12.5%) of farmers seems to be due to the fact, that they considered it a symbol of social repute & prestige.

Table 2. Perceived Factors For Failure Of VMPCSSs By Members Of Defunct VMPCSSs Of Haryana (N=24)

Sl. No.	Perceived Factor	Response%	Rank
I. Socio-Personal			
1	Groupism And Casteism Prevailing in Villages	83	1
2	Milk Vendors and Contractors	75	2
3	Disloyalty Of Member Farmers	21	4
II. Economic			
4	Low Purchasing Power Of Villagers	13	6
III. Organizational			
5	No Serious Efforts By DCMPU For Running New VMPCSSs	25	3
IV. Psychological			
6	Low Economic Motivation Of Member Farmers Of VMPCSSs	17	5
7	Less Awareness In Villagers	13	7

2. Perceived factors for failure of milk cooperatives—Major factors responsible for failure of VMPCSSs (Table 2), as perceived by member

farmers (Ex) of two selected defunct VMPCSSs of Haryana were: groupism and casteism prevailing in villages (82% response), milk vendors and contractors operating in the villages (75% response), disloyalty Of member farmers (21% response), low purchasing power Of villagers (13% response), no serious efforts by DCMPU for running new VMPCSSs (25% response), low economic motivation of member farmers of VMPCSSs (17% response), and less awareness in villagers (13% response) with ranks 1,2, 4, 6,3, 5,7 respectively.

CONCLUSION

Some VMPCSSs are running successfully in Haryana and many failed in nascent stage. Despite advanced agricultural practices and adequate natural resources Haryana seems to be lagging behind in harnessing the benefits of milk cooperatives running in the state. Major factors responsible for failure of VMPCSSs are, groupism and casteism prevailing in villages, milk vendors and contractors operating in the villages, disloyalty Of member farmers, low purchasing power of villagers, no serious efforts by DCMPU for running new VMPCSSs, and low economic motivation of member farmers of VMPCSSs. Corrective measures should be undertaken at district and state levels by higher milk cooperative officials to reduce, and if possible eliminate, these constraints in order to replicate success of milk cooperatives achieved by Gujarat, in Haryana.

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