

Dairy Farmers' Satisfaction with Dairy Cooperative Societies : A Case Study

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ABSTRACT

To assess the dairy farmers' satisfaction with dairy cooperative societies (DCSs), a research study was conducted covering eight selected DCSs in Pradeshik Cooperative Dairy Federation (PCDF), Uttar Pradesh. Majority of member farmers were modest in participating different activities of the DCSs. The average herd size among the respondents of the study area was seven dairy animals per household. The good quantity of milk produced and sold by member farmers to the societies indicates the commercial viability of dairy farming in the area. About one third of the respondents were happy with the functioning of societies. Organisational participation, market potential and economic motivation were found to have strong influence on the satisfaction level of farmers; however, the prevailing constraints negatively contributed towards farmers' satisfaction with the functioning of DCSs.

Keywords: PCDF; DCSs; Dairy farmers;

Uttar Pradesh is largest milk producing state contributing 18 per cent to the national milk production. This state also equipped with vast network of infrastructure and organizations existing in the dairy sector. Most important and nodal agency of dairy development in the state is Pradeshik Cooperative Dairy Federation (PCDF), which was established in the year 1962 for achieving multiple objectives of increasing milk production, processing and marketing of milk/milk products and development of infrastructure to promote dairy industry within the state. There were 13,240 village level milk producers' co-operatives societies under PCDF in the State with a membership of 608.59 thousand farmers (2004-05). Average milk collections in these cooperatives were 986.61 thousand kilograms/day that was about 4 per cent of all India collection under the umbrella of dairy cooperative societies. Liquid milk marketing in the state is about 3 per cent of total milk marketed in India. These statistics are clear indication of wide scale network of milk procurement and marketing existing in Uttar Pradesh. The PCDF is fulfilling the dual role of increasing income level of rural milk producers by providing them convenient marketing facilities at their doors and making available good quality

milk and milk products to consumers particularly of the urban areas at a reasonable price through its vast network of dairy cooperative societies and milk unions throughout the state. Since beginning this organization has played important role in providing not only network for milk procurement and marketing throughout the state but also the technical inputs like Artificial Insemination (A.I.), health services and field inputs to the dairy farmers through the various dairy development programmes. In recent years the efficiency in procurement and marketing is reported to be dismal and at the same time the federation perceived growing challenges of competitiveness in the areas of production and marketing. While addressing the 34th annual general meeting of IRMA, Anand (Gujarat) in the year 2004, Dr. Kurien stated that the dairy cooperatives have to improve the quality of their products and services if they have to compete in the market. The farmers' satisfaction with dairy cooperatives is of utmost importance especially when we talk about relevance and utility of services extended by cooperatives in present context. So, the question arises here is that "the farmer members are satisfied with the functioning of the societies?" In this context, present study carried out to assess the level

of farmers' satisfaction with DCSs and influence of the characteristics of farmers on their satisfaction with DCSs.

METHODOLOGY

The study was conducted in purposively selected organization i.e. PCDF, Uttar Pradesh. Out of 31 milk unions under PCDF, 4 milk unions were selected under stratified proportionate random sampling procedure. On the basis of Agro-Climatic Zones in U. P. (Ghosh, 1991) the milk unions were classified into western, central and eastern regions under which there are 15, 9 and 7 unions, out of which 2 (Bulandsahar and Meerut), 1 (Lucknow) and 1 (Barabanki) were selected, respectively. Two DCSs from each selected milk union and 10 member farmers from each DCS were selected randomly, thus making a total of 8 DCSs and 80 member farmers in the sample. The data was collected with the help of a developed interview schedule. The satisfaction of farmers with DCSs was measured with the help of Bhanja (1981) scale with some modification. The farmer members were categorized into low, medium and highly satisfied category on the basis of mean and standard deviation (S.D.) calculated for the scores obtained by them. In order to find out relationship between selected independent and dependent variable, Pearson product moment correlation and multiple regression analysis was carried out.

RESULTS AND DISCUSSION

Profile of member farmers : The results on socio-personal and economic profile of member dairy farmers are presented in Table 1.

Age and education: The average age of members was found about 40 years and majority of them i.e. 70 per cent were belonging to middle age group having age between 31 to 50 years. A small respondents (18.75%) were young below 31 years of age, followed by 9 per cent respondents in old age (>50 years) group. Highest per cent age (42.50%) of the respondents were having formal education upto matriculation, followed by 25, 12.50, 10, 6.25 and 3.75 per cent having middle, primary, no formal schooling, graduate or above and intermediate level education, respectively.

Organisational participation: The largest per cent age of respondents i.e. 46.25 per cent was found to

Table 1. Profile of member dairy farmers (n=80)

S.No.	Variables	No.	%
1	Age (years)		
	Young (<31)	15	18.75
	Middle (31-50)	56	70.00
2	Old (> 50)	9	11.25
	Education		
	No formal schooling	8	10.00
	Primary	10	12.50
	Middle	20	25.00
	Matriculation	34	42.50
	Intermediate	3	3.75
3	Graduate and above	5	6.25
	Organisational Participation		
	Low (<4.91)	25	31.25
	Medium (4.91-7.32)	37	46.25
4	High (> 7.32)	18	22.50
	Herd size		
	Small (upto 5)	13	16.25
5	Medium (6-9)	58	72.50
	Large (above 9)	9	11.25
	Milk production (liters/ day)		
6	Low (<8.00)	10	12.50
	Medium (8-19.00)	56	70.00
	High (>19.00)	14	17.50
7	Milk consumption(liters/day)		
	Low (<1.48)	13	16.25
	Medium (1.48-3.65)	50	62.50
8	High (>3.65)	17	21.25
	Milk sale (liters/ day)		
	Low (< 5)	10	12.50
9	Medium (5 - 10)	29	36.25
	High (> 10)	41	51.25
	Market potential		
10	Low (upto 5)	13	16.25
	Medium (6 - 8)	51	63.75
	High (> 8)	16	20.00
11	Economic motivation		
	Low (upto 4)	16	20.00
	Medium (5 - 6)	45	56.25
	High (> 6)	19	23.75

have medium level of Organisational participation. However, 31.25per cent of respondents had low level of Organisational participation, while 22.50% of the respondents had high level of organisational participation. The findings obtained under the present study are clear indication of the fact that majority of member farmers were modest in participating different activities of the

dairy cooperative societies. In most of the cases it was found that farmers attend the societies' meeting as passive observer and they hardly raise any questions or extend his opinion for improvement in day to day functioning of societies (Singh, 1992). The findings are in line with the past findings of Singh (1992), Ram Chand (1980), Saha (2001), Das (2003). However, the situation in the study area can be said to be dismal when compared with the findings of Sah (2005) who reported outward attitude of dairy entrepreneurs towards many social organizations and majority of the respondents were actively participating in affairs of organizations in which they were members. The lower or modest participation of farmers are not desirable for the success of any cooperatives, because these situations do not adhere with the principles of cooperative i.e. for the people; of the people; and by the people. Under such a situation awareness and educational programmes must be planned and implemented in true spirit of cooperatives.

Herd size: The majority of the respondents (72.50%) had medium herd size of 6-9 animals, followed by 16.25 and 11.25 per cent s of respondents having large (more than 9) and small herd size (upto 5), respectively. However, the average herd size among the respondents of the study area was 7 dairy animals per household, which is quite encouraging that is indicative of the fact that dairying is an important component of households' income generating activities. At the same time dairy animals are part and parcel of rural life and rearing of animals is also considered as sustenance farm activity.

Milk production, consumption and sale: The average milk production in the study area was 13.48 litres per day per household. Table 1 revealed that majority of the respondents i.e. 70 per cent had medium level of milk production between 8 to 19 liters/day, followed by 17.50 and 12.50 per cent respondents who had high and low level of milk production, respectively. It shows the commercial viability of the dairy cooperatives in the study area.

The largest per cent age (62.50%) of the respondents were consuming medium quantity of milk i.e. 1.48 to 3.65 litres per day followed by 21.25 and 16.25 per cent of the respondents were in high and low level of milk consumption, respectively. The average

quantity of milk consumption was 2.57 litres per day per household. On the basis of average milk consumption per household of 8 members (as reported in this study) the per capita milk availability stands at about more than 300 ml per day, which is above the national per capita milk availability of 225 gms /day. This situation is quite satisfactory and encouraging for all those who are concerned with nutritional food security to the rural people.

Table 1 revealed that largest per cent age i.e. 51.25 per cent of the respondents were selling more than 10 litres/ day to the societies followed by 36.25 per cent under medium level of milk sale (5 to 10 litres/ day). However, a small per cent age (12.50%) of respondents had low level of milk sale to the societies i.e. less than 5 litres of milk/day. However, the average quantity of milk sale to the dairy cooperative society was 10.83 litres/ day per household. The present findings also depict the fact that large amount of milk is marketed by the dairy farmers in the study area, which is necessary for viability of milk marketing network. It also indicates that farmers may be earning substantial portion of his income from milk sale and they may possess faith in DCSs, which are providing readymade market for selling milk to dairy farmers

Market potential : The Table 1 revealed that majority of the respondents (63.75%) perceived modest level of market potential in terms of milk purchase, price of milk, mode of payment etc by the society followed by 20.00 and 16.25 per cent s of respondents who perceived high and low level of market potential, respectively. However, mean score calculated for the respondents of the study area was 7.15. A handsome numbers of member farmers (20%) are satisfied with the marketing of milk done by the DSCs and they have good faith in societies with regard to purchase of milk, payments and price paid by the societies to the member farmers. Still lot more has to be done in this regard to make more and more farmers satisfied with the marketing provisions by the societies. More transparency in milk grading and payments and enhanced competitiveness of societies may help in increasing credibility of DSCs.

Economic motivation : The Table 1 revealed that majority of the respondents (56.25%) had medium level of economic motivation, followed by 23.75 and 20.00 per cent s of respondents having high and low level of

economic motivation, respectively. However, mean score calculated for the respondents of the study area was 5.63 against maximum possible score of 9. So, at large dairy farmers hold average level of economic motivation by virtue of which they might not be excelling in generating profit from his dairy enterprise, at the same time they are at threshold of converting dairy enterprise into economically sound business unit. This shows the potentiality of DCSs in the dairying, which can be exploited by well planned and systematically executed dairy development programme among the farmers of the study area.

Table 2. Distribution of farmers as per perceived level of satisfaction (n=80)

S.No.	Category	No.	%	MPS
1.	Low (< 16.00)	12	15.00	59.86
2.	Moderate (16.00– 22.00)	41	51.25	
3.	High (22.00 – 30.00)	18	22.50	
4.	Very High (>30.00)	9	11.25	

MPS=Mean percentage score

Level of satisfaction among member dairy farmers:

As revealed from Table 2, the majority of farmers (51.25%) were moderately satisfied with the performance of dairy cooperative societies in which they were members. A good per cent age of member farmers i.e. 22.50 per cent felt high satisfaction with the societies, whereas 15.00 and 11.25 per cent s of the respondents felt low and very high level of satisfaction, respectively with the functioning of dairy cooperative societies. The mean per cent age score of satisfaction was 59.86. On the basis of results depicted here it is clear that about one third of the respondents were happy with the functioning of societies, however for more than half of the member farmers the performance of the societies was not disappointing. These observations narrate the correct weighing and testing of milk sample, maintenance of correct accounts and satisfaction of farmers with the facilities provided by the societies. At the same time dissatisfaction of small numbers of farmers also depict the prevalence of mismanagement in dairy cooperative societies up to some extent. Comprehensive consideration of findings reflects satisfaction of member farmers with the functioning of dairy cooperative societies to a greater extent.

Relational analysis between satisfaction and traits of member dairy farmers: While explaining the

relationship, the traits of respondents are intermittently treated as independent variables because these traits are considered here as presumed cause of satisfaction of respondents with the society. It is evident from Table 3 that the traits of the respondents i.e. Organisational participation, Market Potential and Economic motivation had positive and significant relationship with satisfaction of respondents with the society whereas constraints was found to have negative and significant relationship with the satisfaction level of farmers with the functioning of dairy cooperative societies. However, age, education, milk production, milk consumption and milk sale were non-significantly correlated with satisfaction of respondents.

However, age and milk production had positive influence on satisfaction but was not significant. Other variables viz., education, Milk consumption and milk sale, found to have negative and non-significant contribution on satisfaction of respondents. The R2 value was 0.8019 and indicates that all the independent variables taken together in consideration could explain a variation of 80.19 per cent in the satisfaction of the respondents with the society.

Table 3. Relationship between satisfaction and other traits of the dairy farmers

S.No.	Variables	'r' value	'b' value
1	Age	0.1209	0.0038
2	Education	-0.0525	-0.1868
3	Organisational participation	0.7184**	0.7747**
4	Milk production	0.0497	0.0688
5	Milk consumption	-0.0261	-0.1681
6	Milk sale	0.0124	-0.0466
7	Market Potential	0.6479**	0.3557**
8	Economic motivation	0.6135**	0.3370**
9	Constraints	-0.7344**	-0.1541**

** Significant at 0.01 level of probability

CONCLUSION

More the farmers are motivated towards economic accomplishment, they utilizes the services of societies to a greater extent for their economic benefit. Once they utilize services of societies with some monetary dividend their satisfaction level with societies are bound to increase. The enhanced level of market potential with cooperative societies provides opportunity to members for readily available market to sale milk at comparatively

higher prices with certain level of credibility in payments. This particular attributes gave rise to satisfaction level of member farmers with the performance of dairy cooperative societies. At the same time the active participation of member farmers in different affairs of cooperative societies inculcate the sense of belongingness within them and they feel happy becoming more satisfied with the societies. Constraints serve as

impediments for member farmers in getting accrued benefit of several provisions within the cooperatives and the members develop the hostile or non-cooperative attitude towards societies. The emergence of such feelings degrades the satisfaction level of farmers with the functioning of cooperative societies.

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