VALUE CHAINS OF MILK AND MILK PRODUCTS IN SOUTHERN TAMIL NADU

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Tamil Nadu state had the largest number of cooperative dairy plants (17) in southern India. It also had the largest number of crossbred milch cows (2.35 million) in India in the year 2003. The district of Tirunelveli was purposively selected since it has a large dairy plant in the cooperative set-up (Aavin) and a large-sized dairy plant in the private sector (Nanchil dairy Plant). One plant from co-operative sector and another plant from the private sector in the study area were selected purposively based on largest average milk procurement to compare the procurement, processing and marketing aspects of both the co-operative and private dairy plants. The data were collected from one co-operative plant, ten co-operative societies, ten private milk collection centres and 2 chilling centres. The overall average procurement cost per litre of milk has been found higher in the co-operative dairy plant than the private plant due to increased cost of milk transportation, chilling and reception. The co-operative plant has been revealed more efficient in the manufacture of toned milk, standardized milk, full cream milk and ghee whereas the private plant has an edge over co-operative dairy plant in the manufacture of butter and SMP (skimmed milk powder). The marketing cost of toned milk, standardized milk, full cream milk and SMP has been found lower for private dairy plant and of butter and ghee for the co-operative dairy plant. The marketing margins and marketing efficiency have been found higher in tone milk, standardized milk and butter for the private plant and in full cream milk, ghee and SMP for the co-operative plant.

Key words : Dairy co-operatives, Milk Value Chain, Southern Tamil Nadu