

**A COMPARATIVE ANALYSIS ON THE VENDOR,
CO-OPERATIVE AND INTEGRATED SYSTEMS
ON DAIRY FARMERS**



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CHENNAI - 600 051.**

by

D.THIRUNAVUKKARASU, B.V.Sc., & A.H.

I.D. No. MVM 00012 (AHE)

DEPARTMENT OF EXTENSION

MADRAS VETERINARY COLLEGE

**TAMIL NADU VETERINARY AND ANIMAL SCIENCES UNIVERSITY
CHENNAI - 600 007**

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CERTIFICATE

This is to certify that the thesis entitled **COMPARATIVE ANALYSIS ON VENDOR, CO-OPERATIVE AND INTEGRATED SYSTEMS ON DAIRY FARMERS** submitted in part fulfilment of the requirements for the degree of **MASTER OF VETERINARY SCIENCE** in **ANIMAL HUSBANDRY EXTENSION**, to the Tamil Nadu Veterinary and Animal Sciences University, Chennai, is a record of bonafide research work carried out by **Thiru.D.THIRUNAVUKKARASU**, under my supervision and guidance and that no part of this thesis has been submitted for the award of any other degree, diploma, fellowship or other similar titles or prizes and that the work has not been published in part or full in any scientific or popular journal or magazine.

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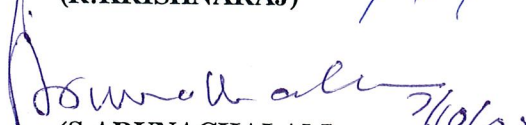

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(R.KRISHNARAJ) 7/10/02

(S.ARUNACHALAM) 7/10/02

Date : 7.10.02

EXTERNAL EXAMINER


Dr. S. RAMKUMAR

ABSTRACT

A COMPARATIVE ANALYSIS ON THE VENDOR, CO-OPERATIVE AND INTEGRATED SYSTEMS ON DAIRY FARMERS

Name and degree : D. THIRUNAVUKKARASU, B.V.Sc & A.H
Degree for which : M.V.Sc., in Animal Husbandry Extension
submitted
Name of the Chairman : Dr.N.K.Sudeepkumar, Ph.D.,
Assistant Professor,
Department of Extension,
Madras Veterinary College,
Chennai - 600 007.
Year : 2002
University : Tamil Nadu Veterinary and Animal Sciences
University, Chennai - 600 051.

With implementation of new economic policy namely liberalisation, privatisation and globalisation under the guidelines of the World Bank the conventional/middleman/ vendor system and Anand pattern dairy co-operatives in Tamil Nadu started to face hectic competition from the organised private dairies at the level of procurement of milk among dairy farmers. Organised private dairies procured milk on contract agreement with dairy farmers. They coordinated various activities ranging from providing input supply upto the marketing as an integrated system. While vendor system continues to exist from time immemorial, the co-operative also exists providing certain benefits to its members. The existence of the three systems necessitated to understand the nature of its members, benefits, level of satisfaction and disadvantages of these procurement systems. This study was thus taken up, keeping in view the above facts.

Namakkal district which falls under the Salem-Namakkal milk producers union was selected since it is procuring the highest quantity of milk in the State and it has the three systems of procurement in operation. Of the 15 blocks in Namakkal district Namagiripet block was selected based on the highest milk procurement by co-operatives. Among the 18 Village Panchayats of Namagiripet block Mangalapuram village panchayat was selected which had relatively better distribution of the three procurement systems. 50 dairy farmers in each of the procurement systems were selected randomly to make the total sample size of 150. The design for the study was

100 per cent) the respondents of the vendor system considered milking at farm as benefits. In case of co-operative system, artificial insemination and treatment of animals were considered as benefits by majority while in integrated system treatment of animals, artificial insemination, supply of feed and health payment were considered as benefits.

Credibility of the system, low risk, stable income, mutual welfare gains, location of collection centre and credit repayment facilities were considered as the reasons for satisfaction by majority members of the three procurement systems.

Provision of milk for home needs in dry seasons for its members, existing payment pattern for the milk poured and quantity of milk procured was stated as the reasons for satisfaction by majority of members in vendor system.

In case of co-operative system non-compulsion on accepting service / product, milk for home consumption during needs, quality of veterinary services, quality feeds and less cost of inputs were stated as reasons for satisfaction by majority of members.

While in case of integrated system the existing payment pattern for the milk poured, non-compulsion on acceptance of service / product, quality veterinary services and satisfactory measurements of SNF and fat were the reasons for satisfaction.

Majority members of the three procurement systems considered price paid for milk as disadvantage. This was 100 per cent in case of vendor system. The majority members of vendor system considered non-provision of cash advances as disadvantages of the system.

In case of co-operative system majority considered non-provision of cash advances, bonus, restriction on quantity of milk procured, existing payment pattern, non satisfactory measurement of SNF and fat as disadvantages. But in case of integrated system majority considered non-provision of cash advances, restriction on quantity of milk procured, cost of inputs and the non-availability of milk for home consumption as disadvantages of the system.

exportation. The profile of the dairy farmers, benefits, level of satisfaction and adoption of the three milk procurement systems were assessed by personally interviewing the dairy farmers of the three systems. The data so collected were analysed and interpreted.

Majority (57.33 per cent) of dairy farmers had made a shift from one procurement system to another. The major change over was shift from vendor to integrated (39.53 per cent) and also to co-operative system (24.42 per cent). This was due to irregularity in payment for milk in the vendor system. The shift of dairy farmers from co-operative to integrated system was also remarkable. The prime reasons as perceived by dairy farmers for the above shift were irregularity of payment and distant location of collection centres.

The members of co-operative and integrated system had better land holding, herd size, dairy income, credit behaviour, investment, extension agency contact and economic motivation than the members of vendor system. Between the members of integrated and co-operative system the members of integrated system had better land holdings, herd size and extension agency contact, while co-operative members had better investment, dairy income and credit behaviour. Considering all the three systems members of integrated system had better educational status. Similarly members of co-operative system had better mass media exposure.

In case of dairy farming experience the members of vendor and integrated system had higher experience in dairying. There is no marked difference on the level of aspiration among the members of three systems and majority (94.67 per cent) of the dairy farmers had dairying as a subsidiary occupation in the three procurement systems.

The results exhibited highly significant difference in case of dairy income, credit behaviour and extension agency contact among the members of vendor and co-operative. Similarly highly significant difference in case of dairy income and extension agency contact among the members of vendor and integrated system exists. The economic motivation showed a highly significant difference between members of co-operative and integrated system.