

**ANALYSIS OF DAIRY CONTRACT FARMING SYSTEM IN
NAMAKKAL DISTRICT OF TAMIL NADU**

Thesis submitted in partial fulfillment of the
requirements for the degree of

MASTER OF VETERINARY SCIENCE

IN

VETERINARY AND ANIMAL HUSBANDRY EXTENSION EDUCATION

to the

**Tamil Nadu Veterinary and Animal Sciences University
Chennai - 600 051**

by

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CERTIFICATE

This is to certify that the thesis entitled, "ANALYSIS OF DAIRY CONTRACT FARMING SYSTEM IN NAMAKKAL DISTRICT OF TAMIL NADU" submitted in partial fulfilment of the requirements for the degree of Master of Veterinary Science in Veterinary and Animal Husbandry Extension Education to the Tamil Nadu Veterinary and Animal Sciences University, Chennai-51, is a record of bonafide research work carried out by S.R.KALAIVANI under my 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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ABSTRACT

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More than 70 lakh families in India mostly comprising of landless, small and marginal farmers are the major stakeholders in milk production. Dairy farming acts as a buffering agent during crop and market failures. Introduction of liberalisation, privatisation and globalisation and various policy changes lead to entry of private sector in dairying. Contract farming has been proposed as one of the strategies to mitigate risk that lies with dairy farming. The study was designed to analyse the contract dairy farming system in Namakkal district of Tamil Nadu.

The study was conducted in four blocks of Namakkal taluk viz., Puduchatram, Sendamangalam, Erumapatti and Mohanur of Namakkal district. Private milk procurement agencies operating in the selected blocks were listed out. A list of farmers enrolled in the private milk procurement agencies was prepared. From the list, sample of 30 respondents from each block were randomly selected. Thus, a total of 120 dairy contract farmers constituted the sample for the study.

Majority of the contract dairy farmers were male and belonged to old age group. Most of the respondents had education up to middle school and the respondents family members had medium education.

Nearly three-fourth of the respondents were from nuclear family and had up to 5 members in their family. About half of the respondents were marginal farmers, had

small herd size and belonged to low income category with agriculture and dairy farming as their occupation.

More than half of the respondents had 11 to 20 years of dairy farming experience and up to 3 years of contract farming experience. More than two-third of the respondents produced and sold milk up to 20 litres per day and vast majority of the respondents family consumed up to 2 litres of milk per day. An overwhelming majority of respondents sold milk only to private dairies.

Before entering into contract firm, about half of the respondents sold milk to milk vendors and shifted their marketing option from vendor to contract firm. More than two-third of the respondents informed that low price for milk was the main reason for stoppage of milk to previous procurement agency.

More than half of the respondents were member in one social organisation and had low level of extension agency contact. Television was most utilised mass media by the respondents to know the innovations. More than half of the respondents had high level of cosmopolitaness, risk orientation and scientific orientation.

Cent per cent of the respondents reported that there were no conditions to enter into contract firm except supply of milk and they had only oral agreement with the contract firm. Majority of them had direct contract with the contract firm and informed that the milk price was fixed based on fat and SNF content of milk. All the respondents reported that there was no restriction in supply of milk during flush season and had no dispute with the contract firm.

Majority of the firms were not providing milking service to the respondents and the field officers of the firm visited only when they were called by the farmers. Majority of the respondents received payment in assured time frame through electronic clearance mode. Majority of the respondents used two-wheeler to carry milk from point of production to collection centre of the firm and they were male.

Majority of the collection centres of contract firms had automatic milk grading machine, chilling centre, lay inseminators, trained man power for grading of milk and facilitated animal health services. None of the collection centres had permanent building, trevis facility and trained man power for extension services.

Supply of concentrate feed and artificial insemination were the services available to the farmers. The study revealed that higher price for milk was the major factor influencing the farmers to enter into contract farming system. Lack of credit for animal purchase was the most serious constraint faced by the farmers.