

CONSTRAINTS FACED BY THE DAIRY FARMERS IN THRISSUR DISTRICT OF KERALA

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ABSTRACT

Dairying is a rural land-based saving and gender-neutral enterprise that provides a more favorable opportunity of employment and provides a constant source of income for rural farm households. However, due to the inherent risks associated with the dairying activity, the dairy farmers are facing serious threats that even question their sustainability. The present study has made an attempt to bring out the constraints faced by the dairy farmers and enabled to suggest an appropriate solution so as to overcome the existing situation to a certain extent.

KEYWORDS: Dairy Farmer, Dairy Co-operative Society, Member, Non-Member

INTRODUCTION

Dairying has acquired the contours of a fully-fledged industry in the country and has positively improved the life of those engaged in this business, directly or indirectly, bringing significant socio-economic changes. Cattle rearing had been a very popular household based economic activity in Kerala associated with agriculture where the cattle waste was the major input for all types of agriculture and thus even today dairying is mainly a subsidiary occupation to agriculture in Kerala. Kerala is identified as one of the big consumer states of India in the food sector. In the milk production front, Kerala has a prestigious position producing over 70 per cent of the requirement within the State. The emergence of the Operation Flood Programme in the State during the year 1980 and the formation of Kerala Co-operative Milk Marketing Federation (KCMMF) popularly known as MILMA became a turning point in the history of dairy development activities of the State. Out of an estimated 11 lakh dairy farmers in the State, nearly three lakh farmers market their surplus through the co-operative system (Expert Committee Recommendations, GOK, 2009) Dairying provides a unique daily income to these families who are engaged in this profession. Dairying, though a remunerative activity, possesses a large number of constraints in profitably managing it. This may often prompt the dairy farmers to quit this sector and may adversely affect the self-sufficiency in milk production and this has far-reaching consequences in our economy. Self-sufficiency in milk production cannot be attained, unless and until the farmers are retained in the dairy sector. To ensure sustainability of dairy farmers, dairying should be sustainable. The farmers will be encouraged to take up this occupation only if they can depend on dairying as a subsidiary means of livelihood. In this context, it is pertinent to study the constraints faced by these dairy farmers for facilitating a need-based intervention from the part of various institutional sources that are existing to support the dairy farmers.

REVIEW OF LITERATURE

Review of literature is an integral part of all scientific investigations which would enable the researcher to understand the research gap and justify the study. Here the research begins with an enquiry into the studies already conducted in the field of dairying and it would throw light on the various aspects related to the constraints faced by the dairy farmers that have been studied from different angles by expert researchers and authors.

Manhas and Sharma (2008) made an attempt to study the constraints faced by 200 dairy farmers in Jammu district of Jammu and Kashmir. The study revealed that half of the dairy farmers had faced a medium level of constraints, while 32.5 and 17.5 per cent respondents had faced a high and low level of constraints, respectively. The respondents had expressed infrastructural constraints as the most severe impediment, whereas technical constraints were hampering dairying, to the least extent. There was a significant difference between different groups of respondents with respect to constraints encountered by them.

Patil et al. (2009) analyzed the constraints faced by dairy farmers in Nagpur district while adopting animal management practices. The study was conducted in 15 villages from 3 taluks of Nagpur district by personally interviewing 225 dairy farmers. From the study, it was revealed that majority of the respondents (72.44 per cent) faced the constraint of low milk production from local breeds. 45.33 per cent as the shortage of green fodder and 41.33 per cent as lack of clean water while per cent stated lack of preservation facility as their constraint. Referring to the financial constraints, 78.22 per cent of the respondents stated their constraint as delay in milk payment, 63.11 per cent as inadequate money and lack of loan facility whereas the high cost of concentrates as constraints by 56.44 per cent of the respondents. As regards technical constraints, a majority of the respondents (68. per cent) have stated their constraint as inadequate knowledge of diseases, their prevention control while 56.89 per cent has referred their constraint as non-availability of veterinary services. The study suggested that there should be special provision to impart frequent training to dairy farmers in areas which they are concerned in their day to day life based upon judicious assessment and analysis of the training needs of dairy farmers in areas such as animal health care and disease control, care and management of animal, breeding and management of animal, feeding, and management of animal and clean milk production, etc.

Dennis (2010) conducted a study titled "Evaluation of the constraints to profitable smallholder dairying: A case of Nakuru Country, Kenya. A sample of 129 smallholder dairy farmers was selected from Rangai, Baruti, Ngata and Mbogoini provisions of the country. Multi-stage sampling procedure was used to select respondents and the data were collected by the use of structured interview schedules administered by enumerators. The study revealed a number of factors such as the type of breeds, feeding system, etc that influence the profitability efficiency. Marketing of milk is paramount in determining the profitability of the dairy business. The study found that trust within the milk value chain is crucial in influencing profitability. The debt-asset ratio is also an important factor which should be considered by the farmers. The higher the ratio indicates that the farm business is insolvent and also hinders attracting more credit. The study suggested that the farmers should be advised by experts to go for the breeds that balance between cost of production and yield and also should adopt best feeding system that fits the type of breed and available resources at their disposal.

Khan et al. (2013) in their study titled “Current issues and future prospects of the dairy sector in Pakistan found that the dairy sector has vivid importance and role in the national economy. But it has failed to attract the attention of policymakers. They pointed out a number of technical, traditional, marketing and financial constraints to animal production. They are poor availability of nutrients, deterioration of range of lands, animal health issues, issues related to marketing, lack of value addition facilities, institutional constraints, potential threats to livestock breeds, insufficient extension services, low productivity of Dairy animals, poor performance of livestock services, environmental issues due to increasing animal population etc. They suggested that training and skill development programmes for smallholders especially for women should be carried out regularly to improve livestock production. Technology should effectively deliver benefit to small farmers at farm level and for such purpose, extension services should be improved and strengthened.

Rani et al. (2013) studied the constraints perceived by dairy farmers in adoption and repayment of dairy loans. The study was conducted in Amritsar District of Mejh region of Punjab. The sampling procedure employed to select the ultimate unit of the sample was multi-stage sampling technique. They found that the attitude of the loan officer, too many intermediates, lengthy complicated loan procedure, inadequate loan amount and illiteracy of borrowers as major problems. Most of the dairy farmers are illiterate and they cannot understand the loan procedure of banks easily. They consider the problem of a financial guarantor, the role of other departments, a policy of banks and mode of payment as negligible problems. For large dairy farmers having more than 20 dairy animals, inadequate loan amount stands as a major constraint. Shortage of quality breed animals, the high cost of feed and fodder, high expensive animals were also being pointed out as constraints. The study suggests that there is a need for good quality animals and to reduce the cost of feed and fodder. Bank’s should come forward and play a positive role to provide loan and repayment of a loan for future growth of the dairy sector in Punjab.

From the studies reviewed, it could be observed that there are technical, traditional, marketing and financial constraints to profitable Dairying. These studies suggest that in order to improve dairy production, there is a need for technical and institutional intervention to alleviate the identified constraints. The dairy farmers should get all sorts of assistance and support in order to retain them in this sector.

OBJECTIVES

- To study the constraints faced by the dairy farmers in Thrissur District
- To suggest an appropriate solution for the dairy farmers in obtaining financial assistance from various institutional sources

Selection of the Sample

Multi-stage random sampling was used to select 133 respondents from Thrissur district. Multi-stage sampling refers to sampling plans where the sampling is carried out in stages using smaller and smaller sampling units at each stage. In the first stage, from each Taluk, two Anand Pattern Co-operative Societies (APCOS) have been selected for which the societies in the Taluks have been ranked based on the quantity of milk supplied to MILMA during the last three years. From the rank list prepared, societies which ranked first and last have been selected. Thus the sample size of APCOS is ten, i.e., two societies

each from five Taluks. In the second stage, from each of the societies, 10 farmers who are pouring members for the last three years have been selected randomly. As a control group for comparison, three farmers who are not the members of the society, but residing within the area of operation of the society have been selected. Thus the sample size is 130 dairy farmers, consisting of 100 member farmers of APCOS and 30 non-member farmers. In addition to this, three commercial dairy units from the study area having a minimum cattle holding of 20, have also been included for the study.

Sources of Data

Data regarding the societies have been collected from the procurement and inspection (P&I) wing of Thrissur dairy. Primary data comprised of the problems faced by the dairy farmers have been obtained through the sample survey. Pre-tested structured interview schedule has been used for collecting data from the respondents. Secondary data that has been used for the study regarding the various assistance and incentives received by the farmers have been collected from Dairy Development Department, Animal Husbandry Department and Kerala Co-operative Milk Marketing Federation (Thrissur Dairy).

Data Analysis and Interpretation

Problems Faced by the Dairy Farmers in the Study Area

To make dairying as a profitable and viable venture, problems that hinder the farmers in making good production and income should be analyzed. Proper and timely interventions can be made only after analyzing the actual problems encountering by the farmers. The institutional agencies can interfere to support the farmers when and only the areas where the assistance needed are identified. The respondents were given a series of problems to list in the order of their severity. Scores were given to each problem in order to finally arrive the problems in rank order. Scores ranging from one to six were given in the order of the severity from the most rising issue to the least concerned problem. And finally, the sum of scores of each problem was found out to rank the problems. On the basis of this, the results are presented in Table 1.1.

Table 1: Problems Faced by the Dairy Farmers

Sl. No	Problems	Score	Rank
1	Rising feed cost	296	1
2	Inadequate milk price	335	2
3	Diseases	456	3
4	Lack of credit	494	4
5	Low milk production	546	5
6	Not getting assistance and incentives	667	6

Source: Compiled from primary survey

Table 1 reveals the problems faced by the farmers in undertaking dairying as their occupation. Among the problems faced by the farmers, rising feed cost ranks the first. Feed cost is one of the major items of variable expenses that have to incur for dairying. There has been a wide fluctuation in the feed costs over the period and this will adversely affect the farmers in meeting their expenses. The situation is more severe as there is no proportionate increase in milk price and that is the problem that has been ranked second by the farmers. The farmers have reportedly said that when the milk price increases, there has been more than a proportionate increase in the feed cost. Milk price and feed cost are the two major shares of income and expenses. And if expense exceeds the income, it will cause a burden to the dairy farmers. Outbreaks of diseases are the third problem ranked by the farmers. As it affects the health of the cattle, it will adversely affect its productivity and also the milk yield. This is an unexpected and unfortunate matter that can happen to the cattle of a dairy farmer. The major fixed expense that comes under dairying is the purchasing price of the cow. For a good productive cow to purchase, a farmer has to incur an amount of Rs. 45000 and if caught by any diseases very shortly, it will endanger the farmer in the financial crisis as it cause no production and more expenses to be incurred for treating the disease. Swelling of udder, foot and mouth disease, etc. are major diseases that have been found among the cattle in the surveyed area. An amount of Rs. 2000 will be incurred at a time if there occurs a disease to the cattle including its treatment and medical expenses. For a farmer, it's a huge amount to bear. At this situation, the farmer is not getting anything after meeting the expenses. The fourth problem that has been ranked by the farmers is the lack of credit. Financial support needs to make available to the farmers in all stages of dairying. Due to the unexpected loses that can happen by way of decreased milk price, rising feed cost, increased expenditure on diseases etc., the farmer may be in a difficult condition to meet his livelihood expenses. Those who find their major portion of income from dairying find it difficult to continue and in such a situation, proper financial assistance should be made available to the farmers to overcome the situation. The fifth problem that has been ranked by the dairy farmers is low milk production. The farmers have said that sometimes the milk production is low and this will adversely affect their income level and profitability. This problem is closely interconnected with the diseases which is one of the major reasons for low production of milk. Less productivity of cattle is another reason for this problem. The farmers ranked the sixth position for not reaching the assistance and incentives to them. One of the reasons for this problem is the farmers less contact with society. They go to the society for pouring milk and there comes less discussion between the secretary and the members. Many of the members are not even aware of the assistance and incentives available to them. The members are only bothered about pouring milk and getting the milk price. Some of the farmers are of the opinion that they try hard from their part for getting the assistance made available to them. But the long procedural formalities make them difficult to get the benefits that have been set apart for them. They have fed up trying for this and said that since the dairying is around the clock job, they don't have sufficient time to spend for making clear all the formalities. For them, it is more time and energy consuming. Since it is tedious and rigorous, they are so much discouraged for going before these benefits and are satisfied with what they have. Many of the respondents pointed out that the classification of those below the poverty line and above poverty line should be removed. They have opined that many of the assistance is extended for SC/ST and BPL category. But they may be those who have enough financial base. And those who don't have such a financial base may belong to the APL category. In such a situation, inequality in distribution occurs and those who are really eligible for the assistance get rejected.

The farmers are of the opinion that a more practical outlook is needed by the government in fixing the eligibility criteria's. Government is spending, but not achieving the desired objectives.

Suggestion to Ensure the Availability of Financial Assistance to the Dairy Farmers from Various Institutional Sources

Dairying, because of its inherent unique features, both positive and negative, the dairy farmer should get proper and timely support to adjust to the changing market situations. The dairy farmers were investing their time and labor for this round the clock job should get the rewards also on the same scale. The study also made it clear that the increased procedural formalities and the fear of institutional set up to deal with make them difficult and are less interested in getting it. This situation calls for the implementation of financial literacy programmes for the dairy farmers which will give them knowledge about the use of bank account, how it can be operated and how it would be beneficial for them in getting the assistance and incentives. By providing financial literacy to the dairy farmers, the agencies can introduce one-time settlement or similar programmes for the farmers to obtain the subsidy amount in a lump sum at one time in a year. One time settlement enables the dairy farmers to get the eligible assistance and incentive amount that will be credited to their bank account. Thus it avoids the farmer's inconvenience of going for each subsidy scheme of different institutions which takes out their time. The society should take part an active role as a link between bank and the farmers in determining the amount that should be credited to the bank account of each farmer and in ensuring that the farmers have received the amount or making it sure that their bank accounts are getting credited with the assistance and incentive amount.

Because of the uncertain and unpredictable situations, the dairy farmer who undertake the hardships and pain, fall in the loss and some time in debt trap also. In the long run, the dairy farmer has to compensate for the huge fixed expenses that he has invested in terms of purchasing price of cows, construction of cattle shed, etc from the daily milk production. The dairy farmer is solely depending upon the production for reimbursing the invested amount and this gets totally distracted whenever the cattle are getting caught with any diseases. As this adversely affect the production itself, they cannot generate income out of it which in turn make them difficult to meet all expenses incurred out of it and may make them fall in the loss. This questions the sustainability of dairying and the dairy farmer. So the institutional agencies need to give more support and assistance for sustaining these farmers in this field by increasing their subsidy rates and amounts and also creating more awareness for the dairy farmers about the existing schemes of assistance and incentives which are available for them.

CONCLUSIONS

The farmers pointed out that the younger generation is hesitant to come to this sector and this should be changed to make the sector more attractive. One of the farmers opined that dairying should also come under the employment guarantee scheme and thus can be ensured as a stable income generating activity. Some of them have suggested that proper mechanism should be there for the procurement and selling of value-added items. The farmers should be encouraged to undertake the preparation of value-added items to fetch more income and long term profit. Despite all these problems, the farmers are willing to continue in this sector. They said that the dairying income yields them no savings, just to meet the expenses. But the mental satisfaction and relaxation that get out of it make them attractive to stick on this sector. The farmers opined that

“if work hard, can get good income”. As most of the household farmers surveyed are doing self-labor, their major expense is only the feed cost. And if there is no occurrence of any diseases, then also the situation is favorable to them. Dairying would be more profitable if going along with agriculture. Because the farmers will get many more additional advantages of using cow dung as a good manure for their agricultural crops, thus reducing the fertilizer cost along with getting good and nutritious milk, preparation and selling of value-added items that yields another source of income, by effectively utilizing the biogas facility, LPG cooking gas can be saved and thus adds to the monetary benefits. Dairying sector is profitable if more prominence is given for its effective functioning. A dairy farmer though owns only a single cow should be promoted by giving him due importance and consideration. The dairy farmers should be made known that they are undertaking a noble job and should be given proper assistance to remain in this sector. By making this sector more attractive, it is possible to attract a more potential younger generation to enter into this field and also to increase milk production in the country.

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