

A STUDY OF PRIVATE MILK COLLECTORS (MIDDLEMAN) IN GUJARAT STATE

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ABSTRACT

The unorganized dairy sector comprises of numerous small and /or seasonal milk producers/trader (popularly known as Middleman/ halwais). The present study was conducted to evaluate the status of Middleman in Gujarat state. The study covered all districts of the state and information was collected by using questionnaire. After analyzing the collected data it could be it can be concluded that the middleman are Young and literate, however their business is not covered in organized sector as they are not FSSAI registered. Moreover, they do not have appropriate provisions for testing of milk (Physical, chemical or biological) is Unable to support the milk producers by – veterinary services, fodder, credit, etc. Further, they are concentrated to only 1 or 2 villages hence less scope of expansion. Hence it is advisable that they get entrepreneurship training and get converted into organized dairy sector.

KEYWORDS: Middleman Selling Milk, Private Milk Collection, Gujarat Dairy, Dairy Business

INTRODUCTION

Indian Dairy Sector

The Indian Dairy cooperatives structure has a huge contribution in raising the milk production in the country upto approximately 146 million tonnes in the year 2014-15 from a meagre milk production 17 million tonnes in the year 1951. The per capita availability of milk in the country has increased to 340 g /day (GCMMF Annual Report 2015-16). Further, milk is the largest agricultural crop in India with market value exceeding Rs 4 lakh crore per annum and the milk group contributes the highest to the total output of our agricultural sector, surpassing the output value of wheat, rice and oilseeds.

S.No	Milk Marketing Channels
1	Producer —————> Consumer
2	Producer —> Vendor —————> Consumer
3	Producer —> Halwaii —————> Consumer
4	Producer —> Vendor —————> Processor —> Consumer
5	Producer —> Middlemen/Milk Producers Cooperative Society —> Milk Plant —> Consumer

Figure 1: Milk Marketing Chennals

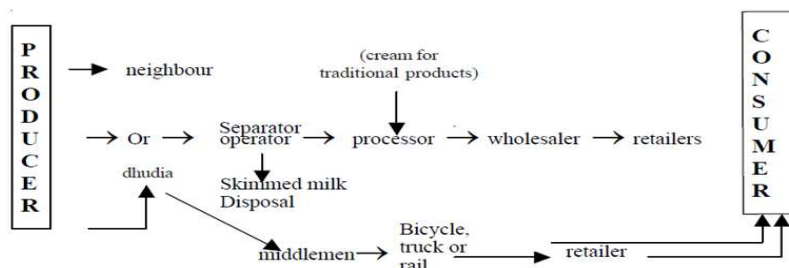


Figure 2: Traditional Channel of Milk Transport

The unorganized sector comprises of numerous small and /or seasonal milk producers/trader (popularly known as halwais).

METHODOLOGY

The study was being spread over the entire state and primary data was collected by way of a Questionnaire. The study covered all 26 Districts of Gujarat state, 227 talukas and further, three villages were selected from each taluka. In total 681 villages from the state were selected and data was collected from the middlemen collecting milk directly from milk producers.

RESULTS AND FINDINGS

Type of Ownership of Selected Respondents

Table 1

Sr. No	License	N	Percentage
1	Sole Proprietor	59	98%
2	Partnership	1	2%
3	Private ltd.	0	0%
	Total	60	100%

Around 98% of the respondent middlemen business was under sole proprietorship.

Years in Business of Selected Respondents

Table 2

Sr. No.	Business Year	N	Percentage
1	< 5	18	30%
2	5 - 10	20	33%
3	11 - 15	18	30%
4	> 15	4	7%
	Total	60	100%

Around 30% of the respondents were in the business for less than 5 years, 33% between 5 to 10 years and another 30% between 11 to 15 years.

Age Wise Profile of Selected Respondents

Table 3

Sr. No.	Age (Year)	N	Percentage
1	20 - 30	12	20%
2	31 - 40	23	38%
3	41 - 50	14	23%
4	51 - 60	10	17%
5	> 60	1	2%
	Total	60	100%

Around 58% of the respondent middleman was in the age group of 20 to 40 years, and around 81% of the respondent was in the range of 20 to 50 years.

Educational Qualification wise Distribution of Selected Respondents**Table 4**

Sr. No.	Educational Qualification	N	Percentage
1	Illiterate	1	2%
2	1 - 9	24	40%
3	10th	18	30%
4	11th	1	2%
5	12 th	10	17%
6	UG	5	8%
7	PG	1	2%
Total		60	100%

Around 60% of the respondent middlemen had their education in the range of “SSC to Post graduation”.

No. of Villages Covered for Milk Collection of Selected Respondents**Table 5**

Sr. No.	No. of Villages covered	N	Percentage
1	1	44	73%
2	2	8	13%
3	3	6	10%
4	4	1	2%
5	5	1	2%
Total		60	100%

Around 73% of the total respondent middleman covered only 1 village in their business.

Total Milk Collection of Selected Respondents**Table 6**

Sr. No.	Total Milk Collection (Lit.)	N	Percentage
1	40 – 100	40	67%
2	101 – 200	14	23%
3	Above 200	6	10%
4	Total	60	100%

The daily milk collection of around 67% of the respondents was in the range of 40 to 100 litres.

Total milk collection of Selected Respondents [Cow Milk (Lit.)]**Table 7**

Sr. No.	Cow Milk (Lit.)	N	Percentage
1	10 - 100	22	84%
2	101 - 200	3	12%
3	Above 200	1	4%
4	Total	26	100%

The cow milk collection of around 84% of the respondent middleman fell in the range of 10 to 100 litres per day.

Total milk collection of Selected Respondents [Buffalo Milk (Lit.)]**Table 8**

Sr. No.	Buffalo Milk (Lit.)	N	Percentage
1	10 - 100	48	83%
2	101 - 200	8	14%
3	Above 200	2	3%
4	Total	58	100%

The buffalo milk collection of around 83% of the respondent middleman fell in the range of 10 to 100 litres per day.

Avg. Fat / SNF of Milk of Selected Respondents**Table 9**

	Sr. No	Avg. Fat -cow	N	Percentage
A.	1	< 4	19	73%
	2	4 - 5	7	27%
	3	Above 5	0	0%
		Total	26	100%

The fat content of cow milk was in the range of “less than 4%” for around 73% of the respondents.

Table 10

	Sr. No.	Avg. Fat - Buffalo	N	Percentage
B.	1	< 6	0	0%
	2	6 - 8	44	76%
	3	Above 8	14	24%
		Total	58	100%

The fat content of buffalo milk was in the range of “6 to 8 %” for around 76% of the respondents.

Basis of Price paid for Milk of Selected Respondents**Table 11**

Sr. No.	Basis for Price	N	Percentage
1	Fat	60	100%
2	Fat & SNF	0	0%
3	Other	0	0%
	Total	60	100%

The entire respondent middleman used “Fat content” as a basis for price of the milk.

Insist on Quality of the Milk of Selected Respondents**Table 12**

Sr. No.	Quality of Milk	N	Percentage
1	Yes	26	43%
2	No	34	57%
	Total	60	100%

Around 43% of the respondent middleman insisted on the “Quality” of milk purchased by them.

Testing of Collected Milk of Selected Respondents (Apart From FAT %)**Table 13**

Sr. No.	Testing of Milk	N	Percentage
1	Yes	15	25%
2	No	45	75%
Total		60	100%

Around 25% of the respondent middleman carried out “Testing of Milk ‘purchased by them. They have not reported about type of tests.

Milk Producers Fixed for a Given Period of Selected Respondents**Table 14**

Sr. No.	Fixed for given period	N	Percentage
1	Yes	39	65%
2	No	21	35%
Total		60	100%

Around 65 % of the respondent middleman used to deal with “milk producers fixed for a given period”.

Milk Producers Fixed (Duration) for a Given Period of Selected Respondents**Table 15**

Sr. No.	Year	N	Percentage
1	Between month to year	34	87%
2	More than Year	5	13%
Total		39	100%

Around 87% of the respondents used to keep the milk producers fixed for “one month to year” period. And only 5% of the respondents used to fix for more than a year’s business with milk producer.

Milk Producers Fixed with Firm Due to a Contract Agreement of Selected Respondents**Table 16**

Sr. No	Contract Agreement	N	Percentage
1	Yes	5	8%
2	No	55	92%
Total		60	100%

Only 8% of the respondents used “contract agreement “with the milk producers.

Milk Producers Allowed Selling the Milk to any Other Buyer**Table 17**

Sr. No	Allowed	N	Percentage
1	Yes	53	88%
2	No	7	12%
Total		60	100%

Around 88% of the respondent middleman allowed the milk producers to sell milk to any other customer.

Milk Producer Supplier also a Member of VDCS

Table 18

Sr. No	Member of VDCS	N	Percentage
1	Yes	16	27%
2	No	44	73%
Total		60	100%

Around 27% of the respondent indicated that the milk producers selling milk to them were also members of a Village Dairy Cooperative Society (VDCS).

Give Any Kind of Support/ Benefit to the Milk Producer of Selected Respondents

Table 19

Sr. No.	Support / Benefit	N	Percentage
1	Bonus	6	50%
2	Veterinary services	1	8%
3	Insurance	1	8%
4	Loan	1	8%
5	Fodder	2	17%
6	Any other	1	8%
Total		12	100%

Around 50% of the respondent middleman used to support the milk producers in the form of giving “bonus” and around 17% of the respondents used to give support in “Fodder”.

Know about FSSAI License/Registration

Table 20

Sr. No.	Response	N	Percentage
1	Yes	2	3%
2	No	58	97%
Total		60	100%

Around 3% of the respondents had the knowledge of “FSSAI License/registration”

Do You Sell Liquid Milk?

Table 21

Sr. No.	Sell Liquid Milk	N	Percentage
1	Yes	47	78%
2	No	13	22%
Total		60	100%

Around 78% of the respondent middleman used to “sell liquid milk”.

Daily Milk Sell of Selected Respondents**Table 22**

Sr. No.	Daily Milk Sell (Lit.)	N	Percentage
1	< 10	5	11%
2	10 - 80	31	66%
3	81 - 160	8	17%
4	Above 160	3	6%
Total		47	100%

The daily milk sales for around 66% of the respondents were in the range of 10 to 80 liters per day.

Details of Milk Sold of Selected Respondents**Table 23**

Sr. No.	Milk Sold	N	Percentage
1	Unprocessed loose	45	96%
2	Processed	2	4%
Total		47	100%

Around 96 % of the respondent middleman who used to sell liquid milk, used to sell it in the form of “Unprocessed loose milk”

Price of Milk of Selected Respondents**Table 24**

A.	Sr. No.	Cow Milk Price (Rs.)	N	Percentage
	1	30 - 35	8	67%
	2	36 - 40	1	8%
	3	41 - 45	1	8%
	4	45 - 50	2	17%
Total			12	100%
Around 75% of Middleman selling cow milk between 30 to 40 Rs. Per Liter.				
B.	Sr. No.	Buffalo Milk Price (Rs.)	N	Percentage
	1	30 - 35	0	0%
	2	36 - 40	4	10%
	3	41 - 45	4	10%
	4	45 - 50	18	44%
	5	>50	15	37%
Total			41	100%
Around 54% of Middleman selling buffalo milk between 41 to 50 Rs. Per Liter				
C.	Sr. No.	Mixed Milk Price (Rs.)	N	Percentage
	1	30 - 35	3	20%
	2	36 - 40	4	27%
	3	41 - 45	2	13%
	4	45 - 50	2	13%
	5	>50	4	27%
Total			15	100%
Around 47% of middleman is selling mixed milk in price range of 30 to 40 Rs. Per liter.				

Milk Price Lower/ Higher than Pouch Milk**Table 25**

Sr. No.	Milk Price	N	Percentage
1	Lower than Pouch milk	24	51%
2	Higher than Pouch milk	23	49%
	Total	47	100%

Almost 50 % price was higher and lower than pouch milk.

Main Customers for Liquid Milk of Selected Respondents**Table 26**

Sr. No.	Main Customers	N	Percentage
1	Individual small customers	32	53%
2	Fixed large customers	7	12%
3	Poor customers	0	0%
4	Rich customers	0	0%
5	Private halwai	2	3%
6	Private tea shop	0	0%
7	Small private dairy	5	8%
8	Any other	14	23%
	Total	60	100%

The main customers for Middleman for selling milk were -Individual small customers.

Details of Distribution Channel of Selected Respondents**Table 27**

Sr. No.	Distribution Channel	N	Percentage
1	From own residence	3	7%
2	Door to door by self-family member	23	56%
3	Door to door by employee	8	20%
4	Own shop	7	17%
	Total	41	100%

Around 76 % of the respondent middleman indicated that they provided home delivery of milk to their customer through family members or hired employee, and another 17% used to sell milk from their own shops.

Make Any Products by Collected Milk**Table 28**

Sr. No.	Make Products	N	Percentage
1	Yes	29	48%
2	No	31	52%
	Total	60	100%

Around 48 % middlemen made products.

Products Made by Selected Respondents**Table 29**

Sr. No.	Main Products	N	Percentage
1	Dahi	14	48%
2	Chaas	0	0%
3	Ghee	1	3%
4	Srikhand	4	14%
5	Matho	1	3%
6	Peda	8	28%
7	Mithai	1	3%
8	Gulabjamun	0	0%
9	Ice cream	0	0%
Total		29	100%

Around 48% of the respondent middleman used to prepare milk products. The main milk products were Dahi, peda, shrikhand.

Main Customers for Products of Selected Respondents**Table 30**

Sr. No.	Main customers	N	Percentage
1	Local villagers	12	63%
2	Residents of nearby town & cities	7	37%
Total		19	100%

Around 63 % customers of middlemen were local villagers for products.

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CONCLUSIONS

From the above analysis it can be concluded that the middleman are Young and literate , however their business is not covered in organized sector as they are not FSSAI registered. Moreover, they do not have appropriate provisions for testing of milk (Physical, chemical or biological) is Unable to support the milk producers by – veterinary services, fodder, credit, etc. Further, they are concentrated to only 1 or 2 villages hence less scope of expansion. Hence it is advisable that they get entrepreneurship training and get converted into organized dairy sector.

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