

## **Dairy Cooperatives and Women Entrepreneurship - A study of Mulkanoor Women's Cooperative Dairy**

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### **Abstract :**

Women play an important role in an agriculture sector in India. Their contribution is more significant and essential. In India Dairying is also the part of agriculture. Dairy production is of great importance for rural economy in India and women contribute significantly to this activity. This research looks at the potential of dairy cooperatives for women's entrepreneurship in rural areas and analyses the managerial abilities and assesses the socio-economic impact on the members by women co-operative dairy.

### **Key words:**

Women entrepreneurship, social and economic development.

### **Introduction:**

India is the largest milk producing country in the world with highest cattle and buffalo population; it has increased its milk production from 17 million tons in the 1960s to 124 million tons in 2012 (FAOSTAT). India's milk production accounts for 17% of the global output and per capita availability of milk is 276 g/day, which is above the value recommended by WHO. Livestock keeping has a significant role on the lives of almost all people of the country either directly or indirectly. It may be as a main source of income, as an additional source of income; in particular rearing cows is seen as a traditional or auspicious activity. Consumption of milk and milk based products is very common as part of daily diet in one or other form by almost all people in India. 40-42% of households are lacto-vegetarians in India (Mehta et al 2003); milk products constitute their only source of animal protein, therefore creating an important demand for dairy products inside the country. Thus, the dairy sector is touching all sections of the people of the country daily. Statistical data indicates that 90% of the dairy farmers owned below 2 hectares of land, which includes landless (32%), marginal (47%) and small (11%) holders (NSS 2006).

It is recognized that these small farms play a major role in rural development and poverty reduction (Lipton 2006). But small holdings face challenges on integration of value chains, liberalization and globalization effects, market volatility and other risks and vulnerability, adaptation of climate change, etc. (Thapa and Gaiha 2011). Poor bargaining power and lack of capital investment are restricting their links with markets. In such cases, a collective way of undertaking the same livelihood activity by pooling their little resources was believed to brighten the chances of increased earnings from existing resources. However, bringing their activities under the system of a "collective way of doing" is the biggest challenge for development-oriented organizations in the country. One way of doing this is through cooperative farming or cooperative agri-business.

### **Entrepreneur:**

The development of an economy depends much upon persons who are motivated to achieve something terrible by shouldering responsibilities and are willing to take risk. These persons are known as entrepreneurs. Entrepreneur is the organizer of economic venture, especially one who organizes, owns, manages and assumes the risk of the business. A entrepreneur may also be defined as the economic functionary, who undertakes such responsibilities, which cannot be insured or capatalised or salaried. He/She is one who makes the utilization of available resources for the creation of economic goods. According to Joseph A. Schunyoter "The entrepreneur in an advanced economy is an individual who introduces something new in the economy" Frank young describes him as a change agent. An entrepreneur is a vital element in the development process. Developed nations are flooded with the success stories of entrepreneurs.

### **Entrepreneurship:**

The term "entrepreneur" and "Entrepreneurship" are used synonymously.

Though they are two sides of the same coin but conceptually they are different. The entrepreneur is essentially a business leader and the function by him is entrepreneurship. Entrepreneurship refers to the functions performed by an entrepreneur in establishing an enterprise. Entrepreneurship may be regarded as what entrepreneurs do. In other words entrepreneurship is the act of being an entrepreneur. Entrepreneurship is the creative and innovative response to the environment, which can take place in variety of fields of social Endeavour- business, industry, Agriculture, education, social work and the like and it is the potent limiting factor in economic development.

### **Women entrepreneurship:**

Women entrepreneurship is the process where women take lead and organize a business or industry and provide employment opportunities to others. It may be defined as a women or group of women who initiate, organize and run business enterprises. Though women entrepreneurship is a recent phenomenon in India which came into prominence in late 1970's now we see that more and more women are venturing as entrepreneurs in all kinds of business and economic activities and service sector. Though at the initial stages women entrepreneurship developed only at urban areas, lately it has extended its wings to rural and semi-urban areas too.

### **History of cooperatives in India for dairy development**

In India, there was a cooperative spirit since ancient times, but it was officially endorsed with a government act only in 1904 with the name "Cooperatives Credit Societies Act 1904". Since then many cooperatives have come up, particularly in farming and allied sectors. Cooperatives have played an important role in dairy development in India. In 1965, the National Dairy Development Board (NDDB) was set up to support milk cooperatives with the object of meeting the increasing demand of milk, especially in urban areas, as well as developing the rural economy through the enhancement of the milk production of the country. In 1970, NDDB took up Operation Flood Programme in order to organize Milk Producers Cooperative in several suitable places of India, considering Anand Milk Producers Union Limited (AMUL) of Gujarat as a model with the above object in view. Many studies have been done on the impact of the traditional cooperatives and Operation Flood (OF) Programme on livelihood

improvement and income distribution (Van Acker 1978, Candler and Kumar 1998). Indeed, the OF programme created a remarkable impact on the livelihood of dairy farmers and reduced dependency on commodity aid from European countries and made them self-reliant (George 1988). But the replication of the AMUL model did not yield similar results in all states of the country as the geographical and socio-economic conditions were different (Doombos et al. 1987, Bandyopadhyay 1996).

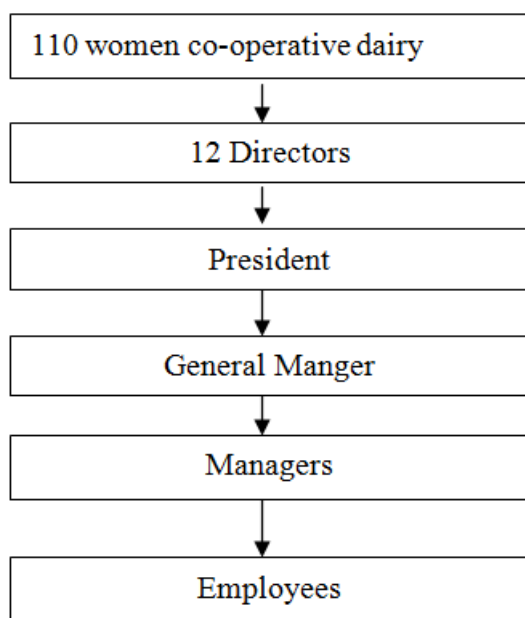
### **Background of Mulukanoor Women's Cooperative Dairy (MWCD)**

Mulukanoor Women's Cooperative Dairy is located in Karimnagar district of Telangana state (Fig. 1), the newly formed state from Andhra Pradesh on 2nd June 2014, where marginal and small mixed crop-livestock farmers account for 89% of the households with less than 2 ha of land (GoTelangana 2014). Agriculture in Andhra Pradesh and Telangana are important economic activities but both states still suffer from high levels of rural poverty. Bovines account for 41% of the total livestock population according to the 2007 livestock census in Andhra Pradesh, which included Telangana. MWCD, India's first women's cooperative dairy has an inspirational background story, which itself is also based on the cooperative spirit articulated by two local and one national level development organization: Cooperative Development Foundation (CDF), Mulukanoor Cooperative Rural Bank and Marketing Society (MCRBMS) and National Dairy Development Board (NDDB). CDF began helping rural people to form Thrift Cooperatives (TCs) for men and women at village levels in Warangal and Karimnagar districts of Telangana from the year 1990. A Thrift Cooperative is a voluntary association of individuals who come together to meet their saving, credit and insurance needs and they formed an Association for Thrift Cooperatives (ATC) with several TCs together. After 7 years of saving, the resulting huge amount of savings from women TCs was disproportionate compared with very little demand for credit; this led ATC to think about investing further their idle capital into a new venture benefiting a majority of its members. Thus, they arrived to an idea of establishing a dairy processing plant to make use of these funds. Indeed, dairy has comparative advantages over all other ventures for the members of women cooperatives; there was also great demand for quality milk in Warangal, the nearby city. CDF and NDDB had done a milk market survey and measured the possible interest from the dairy farmers.

Subsequently, ATC approached Mulukanoor Cooperative Rural Bank and Marketing Society (MCRBMS) for the required support to establish the dairy plant with a capacity of 25,000 Litres per Day (LPD). The plant capacity was increased to 50,000 LPD in 2007 and has plans to expand its capacity to 100,000 LPD by 2015 to meet demand in the market. The Mulukanoor Women's Cooperative Dairy started its procurement operation on 17 August 2002 from 67 Women Dairy Cooperative (WDC) societies. Now the number has reached 110 WDCs situated within a radius of 25 km from MWCD.

### Organizational Hierarchy:

The Mulkanoor women's Cooperative Dairy federation comprises of women's dairy cooperative societies at each village level. Each women dairy cooperative society (WDC) is a separate entity in itself. It maintains the procurement details of each member in the society. Each village has a society which is governed by 10 elected board members and will have two full time paid employees. The supply of feed and fodder, medicines and other insurance and saving scheme services are maintained by the WDC.



### OBJECTIVES:

The main objective of this study is to know the role of women cooperatives in women economic and social empowerment. These objectives are

- 1.To study the role of women cooperative unions in establishment of women cooperative dairy and organizing and Managerial system of MWCD.
- 2.To know the women population and their role in women cooperatives.
- 3.To analyze the role of milk cooperative unions in women economic and social empowerment.
- 4.To know the problems of women in organize/maintain milk cooperatives.

### METHODOLOGY:

This study has been conducted in five dairy co-operative unions (Mulkanoor, Kothapally, Kopur, Gatlanarsingapur and Vangara) of Mulkanoor women's co-operative Dairy (MWCD) Mulkanoor, Karimnager Dist, Telangana State. This empirical study has been conducted among women members of MWCD. The study has been undertaken using both primary and secondary sources of data. The Sample size of this study is 100 from five women dairy unions of MWCD. Random sampling method was used for collection of primary data.

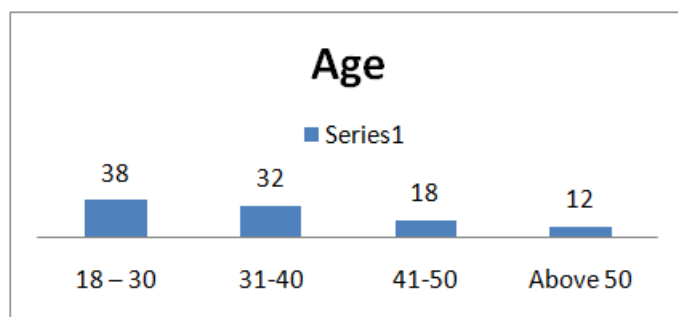
### FINDINGS:

The major findings of this study are on demographic, economical and social factors. These factors are presented bellow.

### Demographic profile:

Age: Age of the respondents ranged from 18 years to above 50 years with highest representation of 38 percent from the age group of 18 to 30 years. The next set of representation was of 32 percent and 18 percent from age groups 31-40 years and 41-50 years respectively.

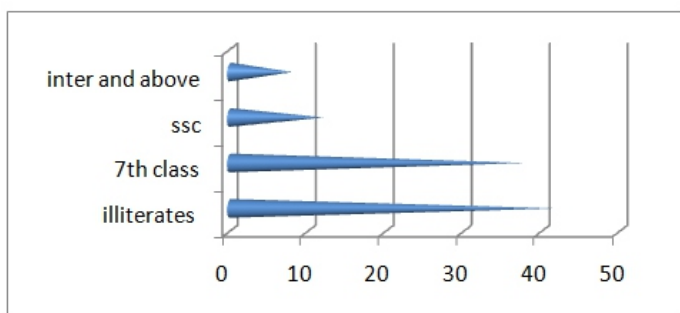
Table – Demographic profile – Age



Source: Filed survey.

Education: Educational profile shows that 42 percent of the respondents are illiterates, 38 percentage of women studied up to 7th class, 12 percent of women pursued ssc level rest of the women finished inter and above level of education. Most of the women have finished their education from 1st standard to 7th standard.

**Table- Demographic profile - Education**



Source: Filed survey.

**Land acquired:**

Maximum (56%) of the women dairy farmers have agricultural land between below 2 hectares only 8 percent of women have more than 4 hectares. Maximum of women dairy farms depends on rainfall to cultivate agriculture. So the land is also major factor to maintain cows/buffaloes, the land is major source for green feeder. If the rainfall is not sufficient, it creates quite difficult problem to maintain of cows/buffaloes.

**Cows/buffaloes acquired:**

52 percent of the women dairy farmers have 2 buffaloes/cows. Every day 3 to 8 liters of milk is being collected from them. Maintaining of buffaloes/cows depend on availability of inputs especially green feed in all seasons. In summer green feeder will not be available so farmers have to make plan to overcome this problem. MWCD provides seeds for green feeder on subsidy basis with the help of NDDDB and state government.

**Milk procurement per day:**

every day 70 percent of farmers are able to produce milk from 3 to 8 liters. Only 8 percent of formers are able to produce more than 12 liters per day. To increase milk quantity formers require adequate inputs and veterinary services on subsidy base.

**House hold income per day:**

Maximum of women dairy farmers are earning rupees from 150 to 300 per day. In a month former could earn rupees 4500 per month exclude rupees 1500 for expenditure to maintain animals finally rupees 3000 former could earn per month. It depends on fat percentage in milk, to increase it farmers have to take much care towards animal otherwise farmer will not be benefitted. According to the available resources farmers have to increase animals.

**Annual income of dairy former:**

MWCD's members are earning minimum rupees 3000 for liters 5 per month after excluding of all expenditure. So on that base dairy farmers are earning approximately rupees 36000 per annum. This amount would be used not only for agriculture inputs also for house hold expenditure.

**Financial ability of MWCD members**

Income	Before joining in MWCD	After joining MWCD(procurement of liters 5 per day)
Per month	1175	3000
Per Year	14100	36000

**Conclusion and suggestions**

MWCD is playing major role to strengthening the lives of rural women economically and socially. It is creating employment opportunity not only for women also for men. This is a sure march towards economic empowerment of women. Dairy cooperatives have greater potential and can play a bigger role in empowering rural women provided the challenges posed by society on women are effectively addressed. Conclusion and Suggestions to enhance active participation and economic empowerment of women in dairy sector include:

- 1.The study clearly shows that the Mulkanoor women cooperative dairy (MWCD) is the best example for success of the women entrepreneurship in rural area. Beyond this there is a commitment of women milk unions and significant guidance and financial support of MCRB&MS and CDF.
- 2.The successful establishment and organizing of MWCD is only possible by MCRB&MS and CDF.



These two organizations provided all managerial inputs and adequate training and development programs to the milk unions.

3. The MWCD is being organized very successfully with perfect bi-law executive members have been attending the meetings regularly at more than 90 percent attendance. Within a short period, it acclaimed good name and their product is a preferred one. It is able to compete with public and private milk enterprises in raising the demand. Operationally, it has increased the size of enterprise by extending to new areas and members into its fold.

4. The milk demand has been increasing in the current market according to that supply has also been geared up with growing demand. Their major effort was to minimize the cost of transportation, which is vital for achieving economies to the enterprise.

5. The payments to the milk farmers twice in a month. For every 15 days the payment is made at their milk collection centers in organized way. Within a short time, it was able to distribute bonus to its members. These developments and norms go to show that the enterprise is run efficiently.

6. Now rural women are able to earn minimum Rs36,000 per annum for producing of liters 5 per day with buffalo / cow along with their agriculture income. It is strengthening women economically and socially.

7. They strongly felt that the milk union is able to create productive employment and generate dependable income through productive assets. Many members have shown their interest in increasing the number of milch animals.

8. The compulsory deposit system, interest on deposits, regular distribution of bonus, insurance, veterinary services and input supplies etc., all have benefited the members. More than these direct benefits, the milk union has contributed substantially in the social gains.

9. MCRB&MS is contributing financial assistance to their members to improve live stock and providing training camps for women and men formers for better productivity. dairying is helping farmers to get financial support and having access to get credit from MWCD for dairying and agriculture.

10. All members of MWCD are being empowered economically and socially. Now they can able to take appropriate decisions towards effective functioning of dairy form and family too.

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