



A FINANCIAL ANALYSIS OF SELECTED DAIRY OF GUJARAT

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ABSTRACT

Today India has become the world's largest milk producer. This is accomplished by "operation flood" one of the largest programs in the world for milk production, creating a strong connection between rural producers and urban consumers. The Indian dairy sector contributes significantly to the agricultural production of the Gross Domestic Product, which focuses on the performance evaluation of the Gujarat State's co-operative dairy industry engaged in milk and milk products manufacturing and sales. Nine leading cooperative dairy units linked to GCMMF are chosen for these purposes. Information linked to all nine district cooperative dairy units for the last ten years were used to evaluate the accomplishments of Gujarat's dairy units. Collected for 2008-09 to 2017-18.

KEYWORDS: Financial, Dairy, Gujarat, Co-operative.

1. INTRODUCTION:

Dairy Industry of India:

In 40 years, India has had massive milking outputs and in 2001 became the biggest dairy nation in the world with a gross production of 84.6 million tons. In spite of the fact that a majority of dairy farmers are illiterate and run small marginal businesses, and that the sale of milk is the sole source of income, the Indian Dairy industry has achieved this strength from the production and professional management of co-operative systems. Over 10 million dairy farmers, who have sell their produce to one of 170 unions of cooperative milk producers and are funded by 15 state cooperative dairy marketing federates in effect, are members of 96 000 local dairy cooperatives.

Over the years, the milk industry in India has been practiced as a farmhouse. The development of military dairy farms and cooperative unions throughout the whole country began with the semi-commercial milk industry at the end of the 19th century. This industry has developed steadily since independence. Since then a number of modern mills have been developed for milk and milk products. The coordinated milk companies in India have successfully been engaged in commercial routine pasteurized bottled milk production for Indian dairy products.

Dairy Sector in Gujarat:

The milk industry in Gujarat is currently well established and used in other States of the country as a model for replication. The dairy sector in the state is crucial as it is an enterprise which contributes to providing poor rural producers with the best alternative extra income and jobs. Milk holders feed and feed dairy animals with available crop residues and agricultural by-products. Nevertheless, many state districts also face a shortage of feed and fodder in those regions because of marginal and inadequate irrigation facilities.

Due to the guaranteed demand, reasonably good prices of milk paid for milk and easy access to the healthcare services offered by the cooperative dairy sector in Gujarat, milk production has progressed very quickly. The policy of the state government is to promote dairy production via the cooperative sector.

The co-operatives in the dairy of Gujarat have a 3 stage structure called co-operatives ANAND PATTERN. Milk is collected and managed by tribal unions in cooperative societies at the village level. Whereas district associations market liquid milk themselves, the federation at state level, namely Gujarat Co-operative Milk Marketing Federation Limited, Anand (GCMMF), markets surplus milk and milking products. The growth of the milk industry on a cooperative basis was, of course, a big success in northern and central areas of the state, so much that it attracted the imagination of people, whereas it lagged slightly behind in Kachchh and the district in the Saurashtra region it lagged behind marginally.

In order to support the milk development program for the districts which were lagging behind, the Government established Gujarat Dairy Production Cooperation (GDPC) in 1973. By the end of 1995/1996, the Milk Producers' Co-operative union covered 18 out of 19 districts. Of the 18 dairy plants, GCMMF has been used by 12 milking plants and GDPC has 6 milking plants. There are 5 milking production plants under Jamnagar, Surendranagar, Amreli, Bhavnagar, Junagadh and Kachchh, as well.

These dairies' average ability is to process about 30 lakh liters of milk per dairy.

Milk product factories have been manufacturing regular goods on an average of 24 lakh liters of milk. GCMMF / GDPC has 10 cattle feed factories with a daily production capacity of 1800 MT per day. There are 35 chilling cooling centers capable of holding 14.82 lakh liters of milk. At the end of March 1995, the number of milk producers cooperative societies in the state was 10,462, with 17.2^lakh members on their rolls.

GCMMF has the leadership of 12 district unions. Member unions of the GCMMF procured on average 38.2 lakh kgs during 1996-97. Milk per day versus 30.6 lakh kgs. 1995-96. GCMMF's revenue reached Rs. 1884 crores during 1997-98. GCMMF markets milk products under brands such as "AMUL," "SAGAR" and "SUGAM" These brands are household names throughout India. GCMMF currently has approximately 200000 retail outlets in India.

2. REVIEW OF LITERATURE:

Chawla (2003), the article focuses primarily on policies needed to improve the global position of India in the dairy sector. The National Agriculture Policy has been discussed, including scientific, environmental and economic sustainability; import regulations and compulsory export inspection. In addition to this, there were discussed the following policy requirements for global positioning: creation of a high-level surveillance and guidance task force, central action to prevent and enforce billed infectious and communicable disease, mandatory HACCP for all export-oriented milk units, integration and restructuring and accountability of the enforcement machinery, and clean milk production, subsidy for technological enhancement and diversification, Tit and Tat policy etc.

The current milk production scenario and policies affecting milk producers in that country were briefly discussed in Choudhary 2003. The policies on the import and export of milk and milk products were also briefly discussed in the study and on the taxation of these goods.

Co-ohorizon (2003) said that the Minister of Milk production has thanked the Tamil Nadu Cooperative Milk producers Federation for their successful actions, because of the benefit of all seven thousand village milk co-operatives and fifteen from seven regional unions in the state of Tamil Nadu. Co-ohorizon said that the minister of milk development has been applauded. He said that district trade unions which, due to a financial crisis, had previously postponed the payment of procurement duty to farmers were now quick to pay.

The article titled 'Milk production up to top 100 million tonnes' Chandrasekar (2006) notes that the rise in milk output in India is driven by increasing demand on the part of customer for value-added milk products, with comprehensive supply-side milk development programs. He has emphasized that, while India is the world's largest dairy producer, the country's integration into the global economy is relatively low.

G.P.Dang et al (2004), the said research analyzes the problems and future prospects of Indian Dairy Industry. Lack of use of scientific practices in milching, inadequate availability of fodder in all seasons, non-availability of veterinary health services and shortage of quality dairy animals were said to be reasons for low milk yield. It was said that India has the potential to become one of the leading players in milk and milk products due to its location advantage of being situated amidst major milk deficit countries in Asia and Africa.

Dr. Harish Desai (2006), has done his Ph.D. on "Financial Performance Appraisal of selected District Dairies Co-operative in Gujarat" in May-2006. Under this study he has made a modest attempt in assessing the financial health of the selected co-operative dairy units by applying accounting tools and techniques to the date of nine district co-operative dairy unions in Gujarat State. For this purpose he has used many accounting tools and techniques like common size statement, Ratio analysis, etc. He has also used some statistical techniques like, mean, regression, F-test, T-test, diagrammatic and graphic presentation of data.

P. A. Koli (2003) has made a case study on the role of cooperatives in reduction of poverty with reference to Warana Milk Cooperative union, Maharashtra, and identified that the farmers are getting regular income, subsidized cattle feed, artificial insemination, cattle-health services, subsidy for construction of dairy building, milco tester and training on scientific feeding and breeding which ensures income and employment in rural areas. The study stressed on the fact that it was the input services rendered by the union that has assured the flow of quality milk and not the high price paid by the union.

3. RESEARCH METHODOLOGY:

Research Objective:

1. To study the growth and development of Dairy Industry in Gujarat.
2. To study the financial performance of selected District Milk Producing Co-operative Dairy in Gujarat.

Sample Population:

Below mentioned 4 Co-operative dairy has been taken under study

1. Banaskantha Dairy
2. Dudhsagar Dairy
3. Madhur Dairy
4. Sabarkantha Dairy

4. DATA ANALYSIS:

Revenue				
Variable	Banaskantha Dairy	Dudhsagar Dairy	Madhur Dairy	Sabarkantha Dairy
Mean	21721885596	23303167273	1502972948	13812790227
Median	13787021302	20278526480	1482221145	11792213840
Standard Deviation	16621541491	12360954479	621429070	7952278477
Range	48443085719	34110467791	1830093724	24024603466
Minimum	5974268884	8696051853	738683878	4994754053
Maximum	54417354603	42806519644	2568777602	29019357519
Sum	238940741561	256334840008	16532702431	151940692497
Count	11	11	11	11

Net Profit				
Variable	Banaskantha Dairy	Dudhsagar Dairy	Madhur Dairy	Sabarkantha Dairy
Mean	119797931	75899389	6207947	65007073
Median	93557816	62191803	5900110	53528008
Standard Deviation	69179451	43000111	3454318	38478164
Range	189910953	101012995	9895244	98511029
Minimum	36828286	30334184	2293450	26746048
Maximum	226739239	131347179	12188694	125257077
Sum	1317777239	834893279	68287419	715077805
Count	11	11	11	11

Processing Expense				
Variable	Banaskantha Dairy	Dudhsagar Dairy	Madhur Dairy	Sabarkantha Dairy
Mean	463743803	124147366	8915593	215553689
Median	336056897	18507643	10775864	250877024
Standard Deviation	302302381	161450903	4708687	109530191
Range	861363565	420838434	12578755	309080665
Minimum	119192244	4417639	1586159	86977153
Maximum	980555809	425256073	14164914	396057818
Sum	5101181830	1365621022	98071523	2371090579
Count	11	11	11	11

5. CONCLUSION:

The main purpose of cooperative dairy producers Union is to shield their milk producers from the exploitation by private milk firms, which have played the role of mid-size producers and consumers of milk. Cooperatives can't buy milk at a cheaper cost in order to increase profit margins. Milk producers had joined hands and established cooperative milk companies to protect against exploitation by.

Co-operatives milk companies often protect the interests of milk buyers other than dairy farmers, so that they can not suddenly increase sales price to improve the profit margin. This is also not possible with today's competition scenario for private dairies by cooperative dairies. Today, cooperative dairies work monopolized so as to be able to succeed rather than adjust rates through product discriminating (measuring higher quality, better packaging, etc.)

The profitability reach for the cooperative dairy is therefore limited. The reduction in cost and cost management and an increase in sales volumes will help increase the productivity of cooperative milk by offering better quality as increasing sales turnover would enable storage and processing plants to operate at their maximum or near full capacity, decreasing the proportion of unused or savings capacity and thereby reducing fixed co-operation per unit.

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