



GROWTH AND DEVELOPMENT OF KARNATAKA MILK FEDERATION - A STUDY

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ABSTRACT:

Dairy farming in India is an ‘all season’ business. Efficient management of a dairy farm is the key to success. In India cow farming and buffalo farming are the backbone of dairy industry. Karnataka Milk Federation (KMF) is the largest Cooperative Dairy Federation in South India, owned and managed by milk producers of Karnataka State. KMF has over 2.25 million milk producers in over 12334 Dairy Cooperative Societies at village level, functioning under 13 District Cooperative Milk Unions in Karnataka State. The mission of the Federation is to usher rural prosperity through dairy development.

The study is done using secondary information from the existing literature such as relevant research based on books, articles.. Objectives of the study To study the overview of KMF in Karnataka and to analyses the growth and development of KMF in Karnataka. Owing to conducive climate and topography, animal husbandry, dairying and fisheries sectors have played prominent socio-economic role in India. They further also play a significant role in generating gainful employment in the rural sector, particularly among the landless, small and marginal farmers and women empowerment. KMF has played a pivotal role in strengthening the cooperative movement in the state since its inception.

Keywords: *Karnataka cooperative milk producers federation limited (KMF), Employment, India, Karnatak*

INTRODUCTION

In an era of bottleneck competition, where the customer is made available with many choices to make from available products and services, it is imperative to develop a competent human resource base. Competent and motivated employees can get the things done and enable an organization to achieve its goal. Hence, every organisation needs to develop its human resources over a period of time. For that reason, human resource development is an indispensable responsibility of the management. Therefore, organizations must continuously ensure that the dynamism, competence, induction and efficacy of the employees remain at the highest level.

The Dairy sector in India has grown substantially over the years. As a result of prudent policy intervention, India ranks First among the world's milk producing nations, achieving an annual output of 165.4 million tonnes during 2016-17 as compared to 155.50 million tonnes during 2015-16 recording a growth rate of 6.4 percent. FAO reported 2.1 percent increase in world milk production from 815 million tonnes in 2015 to 822 million tonnes in 2016. This represents a sustained growth in the availability of milk and milk products for growing population. Therefore, KMF has played a pivotal role in strengthening the cooperative movement in the state since its inception. The growth of dairy cooperative societies in Karnataka has been spectacular; in 1975-76 there were only 103 societies. Today there are nearly 8000 societies with a membership of 15 lakhs. Milk procurement has increased from 10 thousand kilograms per day to 1,474 thousand kilograms per day.

REVIEW OF LITERATURE

The research study the researchers made an attempt to review the literature related to research paper are as under –

Researchers'	Outcome of the research study
Dinesh Kumar Bharati, Chandra Sen	<i>Have studied state-wise details of primary milk supplying societies in India. They found phenomenal progress in those societies. They conclude, the consistent efforts are needed to achieve the sustainable growth in milk production.</i>
D. Narayana	<i>Pointed out that large number of households belonging to the backward castes, being less educated and small holding are not able to participate in dairying on the basis of recent study of two dairy co-operatives in Gujarat.</i>
Mahalingaiah et.al	<i>Has studied the environmental management in Dairy Industry. They conclude in this article that waste presentation has been an active concern of dairy sector. The incentive for dealing with waste reduction in dairy plants can be achieved in economic gains in term of milk solids conservation, easier compliance with legislation and good marketing advantages.</i>
M.S. Ramananda, Mahendra Kumar	<i>Have undertaken study of Karnataka Co-operative Milk Producers Federation Ltd., He stated KMF is an Apex dairy cooperative in the country. In south India it stand first in terms of procurement as well as sales. The brand Nandini is a household name for pure and fresh milk and milk products.</i>
Dr. Vivek Kshirsagar	<i>He pointed out in his article, problems of dairy cooperative societies and Unions, some problems i.e. number of dairies in one village, milk and milk business order 1992, difficulties in investment, planning, marketing of milk and milk products, milk rate etc.</i>
Selvaraj and Deivakani	<i>Examined in their study, the impact of various factors like age, locality, marital status, experience, education, etc. affecting job satisfaction of employees in an organization. They conducted a descriptive research through a questionnaire in a Milk Supply Society at Tirunelveli.</i>
Bhattacharya D K	<i>Human resource development explains that HRD facilitates development of an enabling culture in an organisation. Enabling culture is creating an environment where employees are motivated to take initiative and risk, the feel enthused to experiment, innovate and make thing happen. Thus, HRD culture, which develops an enabling culture in an organisation.</i>
Upadhyay	<i>It could be observed that the external marketing refers to the traditional marketing that includes all the four P's are product, price, place and promotion, as broadband service is a technology specific service, ITU states that, the fruitfulness of broadband service could be achieved only by utilization of proper device.</i>

OBJECTIVES OF THE RESEARCH STUDY -

Following are the secondary objectives of the research study -

1. To study the overview of KMF in Karnataka.
2. To analyse the growth and development of KMF in Karnataka.

METHODOLOGY

The study is basically descriptive in nature. For the purpose of the study, secondary information has been gathered from the existing literature such as relevant research based on books, articles.

Secondary Data Source: The study consists of information that already exists that has been collected for the purpose of this study. The secondary data source information has been collected through the company websites, journals, magazines and internet.

THE STUDY – Overview of KMF

As an agency in 1975 to implement the World Bank Aided Dairy Development Projects, Karnataka Dairy Development Corporation (KDDC) was formed, the company grew itself fast and as it spreads the wings of new found rural economic activity - Dairying all over the State, the genesis of apex cooperative body took the shape of KMF in 1984 encompassing entire State with 13 District Co-operative Milk Unions executing the various parameters of Dairy activity - organization of Dairy Co-operatives, Milk Routes, Veterinary Services, Procurement of milk in two shifts of the day, Chilling, Processing of milk, distribution of milk and also establishment of Cattle Feed Plants, Nandini Sperm Station, Liquid Nitrogen Supply, Training Centres - as its main stay.

The entire system was reconstructed on the model of now well-known 'ANAND' pattern dairy cooperative societies. Eight southern districts of Karnataka was considered initially with a target of organizing 1800 Dairy Co-operative Societies, four Milk Unions and processing facilities were set up to the tune of 6.5 lakhs per day by 1984. Under Operation Flood - II & III, project which started in 1984 & 1987 covered the remaining parts of Karnataka. Thirteen milk unions were organized in 175 talukas of all 20 districts then and the field work was extended by organizing more dairy cooperative societies.

The processing facilities i.e. chilling centers, milk dairies and powder plants were transferred in phases to the administrative control of respective cooperative milk unions and the activities continued to be implemented by these District Organisations. Additional processing facilities were created & existing facilities augmented every decade with the help of Govt. / Zilla Panchayat and NDDB (Under Perspective Plan) to handle ever increasing milk procurement without declaring milk holidays. The processing facility as exists at 57.40 lakh liters/day is further strengthened.

Organisation Chart –

The organisation is three tiered on Co-operative principles –

- Dairy Co-operative Societies at grass root level.
- District Co-operative Milk Unions at single/multi district level.
- Milk Federation at State Level.

All above three are governed by democratically elected board from among the milk producers. Under the direction of elected boards, KMF, various functional Units & Unions are performing the assigned tasks to ensure fulfilment of organisation objectives.

KMF - VISION

- To march forward with a missionary zeal which will make KMF a trailblazer of exemplary performance and achievements beckoning other Milk Federations in the country in pursuit of total emulation of its good deeds.
- To ensure prosperity of the rural Milk producers who are ultimate owners of the Federation.
- To promote producer oriented viable cooperative society to impart an impetus to the rural income, dairy productivity and rural employment.
- To abridge the gap between price of milk procurement and sale price.
- To develop business acumen in marketing and trading disciplines so as to serve consumers with quality milk, give a fillip to the income of milk producers.
- To compete with MNCs and Private Dairies with better quality of milk and milk products and in the process sustain invincibility of cooperatives.

KMF - MISSION

Heralding economic, social and cultural prosperity in the lives of our milk producer members by promoting vibrant, self-sustaining and holistic cooperative dairy development in Karnataka State.

Karnataka Cooperative Milk Producers' Federation Limited (KMF) is the Apex Body for the dairy co-operative movement in Karnataka. It is the second largest dairy co-operative amongst the dairy cooperatives in the country. In South India it stands first in terms of procurement as well as sales. One of the core functions of the Federation is marketing of Milk and Milk Products. The Brand "Nandini" is the household name for Pure and Fresh milk and milk products. KMF has 14 Milk Unions covering all the districts of the State which procure milk from Primary Dairy Cooperative Societies (DCS) and distribute milk to the consumers in various Towns/Cities/Rural markets in Karnataka.

Karnataka Dairy Development Cooperation (KDDC), the first ever World Bank/International Development Agency funded Dairy Development Program in the country started in Karnataka on co-operative lines with the organisation of Village Level Dairy Co-operatives in 1974. The AMUL pattern of dairy co-operatives started functioning in Karnataka from 1974-75 with the financial assistance from World Bank/IDA, Operation Flood II & III. The Anand Pattern three tier organisation structure – Dairy Cooperative Societies at the village level, District Milk Unions at the District level to take care of the procurement, processing and marketing of milk and provide technical input services for enhancing milk production at producers level and Federation at the state level to co-ordinate the growth of the sector in the State, are resolutely and harmoniously working hand-in-hand in creating self-sustaining rural economy based on cooperative dairying. KMF is one of the few federations in the country, who have converted dairying from a subsidiary occupation into an industry.

KMF – Mile stone -

Year	Milestone
2015	Dakshina Kannada Milk Union (DKMUL) of KMF launched conventional buttermilk
2016	<ul style="list-style-type: none">◆ Dakshina Kannada Milk Union launched Milk in Flexi Pack◆ Inaguration of Hosakote Dairy and Product block by Bengaluru Milk Union◆ Launching of Milk & Milk products in Mumbai◆ Foundation stone paying for 100 MT/day capacity powder plant by KMF along with other milk product at an estimated cost of Rs.300 crores at Ramanagara district and Mega Dairy Plant by BAMUL at Kanakapura with an estimated cost of Rs.450 crores◆ Government of Karnataka raised the incentive from Rs.4/- to Rs.5/- for every litre of milk supplied by producer to cooperatives
2017	Inauguration of 80,000 Ltr/day capacity Flexi Nandini milk packing unit at Belagavi.

QUALITY AND FOOD SAFETY - KMF

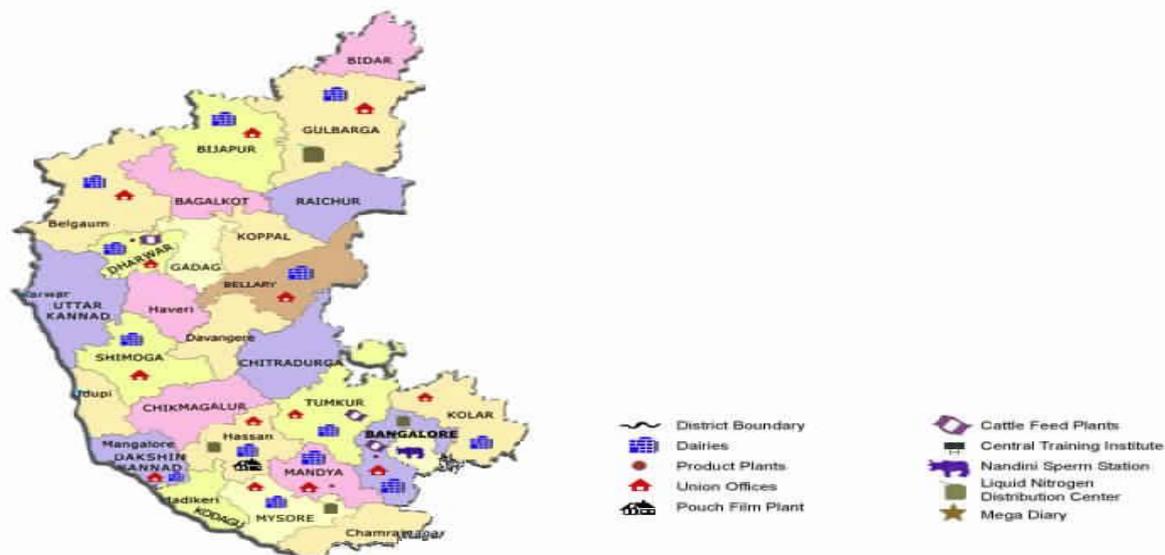
During the last ten years, the Federation is giving greater emphasis on procuring quality milk from DCSs under the concept of “Quality Excellence from Cow to Consumer.” Many Clean Milk Production (CMP) initiatives have been implemented at all the stages of procurement, processing and marketing. Among these CMP initiatives, noteworthy initiative is the setting up of Community Milking Parlours in villages.

The KMF is forerunner to introduce this innovative technological initiative for bringing about revolutionary improvement in quality of milk collected in DCSs. This system has several advantages such as elimination of mastitis in milch animals and improvement of productivity. The milk from milking machines, collected through Automatic Computerized Milk Collection Units is chilled directly in Bulk Milk Coolers. This chilled raw milk, untouched and unadulterated by human hands, has very high microbiological quality, comparable to international standards. This high quality milk is being utilized for manufacturing high quality value added milk products, for both domestic as well as international markets.

KMF has the following Units functioning directly under its control:

- Mother Dairy, Yelahanka, Bangalore.
- Nandini Hi-Tech Product Plant, Channarayapatna.
- Nandini Milk Products, KMF Complex, Bangalore.
- Cattle Feed Plants at Rajanukunte/Gubbi/Dharwad/Hassan/Shikaripura.
- Nandini Sperm Station (formerly known as Bull Breeding Farm & Frozen Semen Bank) at Hesaraghatta.
- Nandini Packaging Film Plant at Munnekolalu, Marathhalli.
- Central Training Institute, Bangalore & Training Institutes at Mysore/Dharwad
- Ice Cream Plant, Bellary.

MILK UNIONS IN KARNATAKA -



GROWTH AND DEVELOPMENT OF KMF -

The Federation is striving to create a self-reliant and vibrant rural economy in Karnataka by providing a supportive and conducive environment for the growth of Dairy Cooperatives as autonomous economic and social institutions. The Federation is largely successful in realizing the objectives of dairying during the last four decades of dairy development in Karnataka State. It is by-and-large successful in providing a viable subsidiary occupation to unemployed rural poor so as to raise their income earning capacities and to supply adequate quantity of quality milk at reasonable prices to urban consumers.

The results of effective dairy development by KMF have made far-reaching and extensive impact on rural landscape in Karnataka. The best remunerative milk purchase price to farmers, efficient and timely input services, delivered at the door-steps to farmers, such as, unfailing veterinary health services to any remote village, quality artificial insemination for breed improvements, supply of balance cattle feed at less than the market price, etc., have made the farmers to increasingly patronize their cooperative. The extent of patronization by farmers is so complete, that dominant share of marketable surplus milk of farmers in Karnataka is procured by KMF dairies and hardly there is any organized private dairy milk procurement, which is widely prevalent in other parts of the country.

Table No – 1
Production of Major Livestock Products - All India

Year	Production of Major Livestock Products			
	Milk [Million Tonnes]	Eggs [Million Nos.]	Wool [Million Kgs.]	Meat [Million Tonnes]
2012 – 13	132.4	69,731	46.1	5.9
2013 – 14	137.7	73,438	47.9	6.2
2014 – 15	146.3	78,484	48.1	6.7
2015 – 16	155.5	82,929	43.6	7.0
2016 – 17	165.4	88,139	43.5	7.4

Sources: State/UT Animal Husbandry Departments.

Table No – 2:

Year-wise development of KMF in Karnataka from [2015 -16 to 2018-19]

Key Items		2015 – 16	2016 – 17	2017 – 18	2018 – 19 [Up to Oct'18]
Dairy Cooperatives Registered [In Nos.]		14826	15074	15864	15906
Functioning		13270	13517	14256	14401
Women	In Registered	3949	3919	4122	4122
	In Functioning	3550	3549	3743	3777
Membership		23.50 Lakhs	23.54 Lakhs	24.60 Lakhs	24.56 Lakhs

Sources: State/UT Animal Husbandry Departments.**Table No – 3:**

Performance of KMF in Karnataka [2015-16 to 2018-19]

Key Items	2015 – 16	2016 – 17	2017 – 18	2018 – 19 [Up to Oct'18]
Avg. Milk Sales	34.38	33.32	34.72	34.75
Avg. Curd sales	3.97	4.09	4.39	4.64
Avg. Good Life sales	3.56	4.03	5.02	5.25
Daily Payment to Farmers [In Rs. Crores]	14.62	16.00	18.22	18.36
Total Turnover [KMF and Unions] [In Rs. Crores]	11779	13133	13556	-

Sources: State/UT Animal Husbandry Departments.**CONCLUSION:**

Dairying and other allied activities, along with agriculture, continue to be an integral part of human life since the process of civilization begins. These allied activities have contributed not only to the food basket and draught animal power but also by maintaining ecological balance. Owing to conducive climate and topography, animal husbandry, dairying and fisheries sectors have played prominent socio-economic role in India. Traditional, cultural and religious beliefs have also contributed in the continuance of these activities. They further also play a significant role in generating gainful employment in the rural sector, particularly among the landless, small and marginal farmers and women empowerment. KMF has played a pivotal role in strengthening the cooperative movement in the state since its inception. The growth of dairy cooperative societies in Karnataka has been spectacular; in 1975-76 there were only 103 societies. Today there are nearly 8000 societies with a membership of 15 lakhs. Milk procurement has increased from 10 thousand kilograms per day to 1,474 thousand kilograms per day.

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