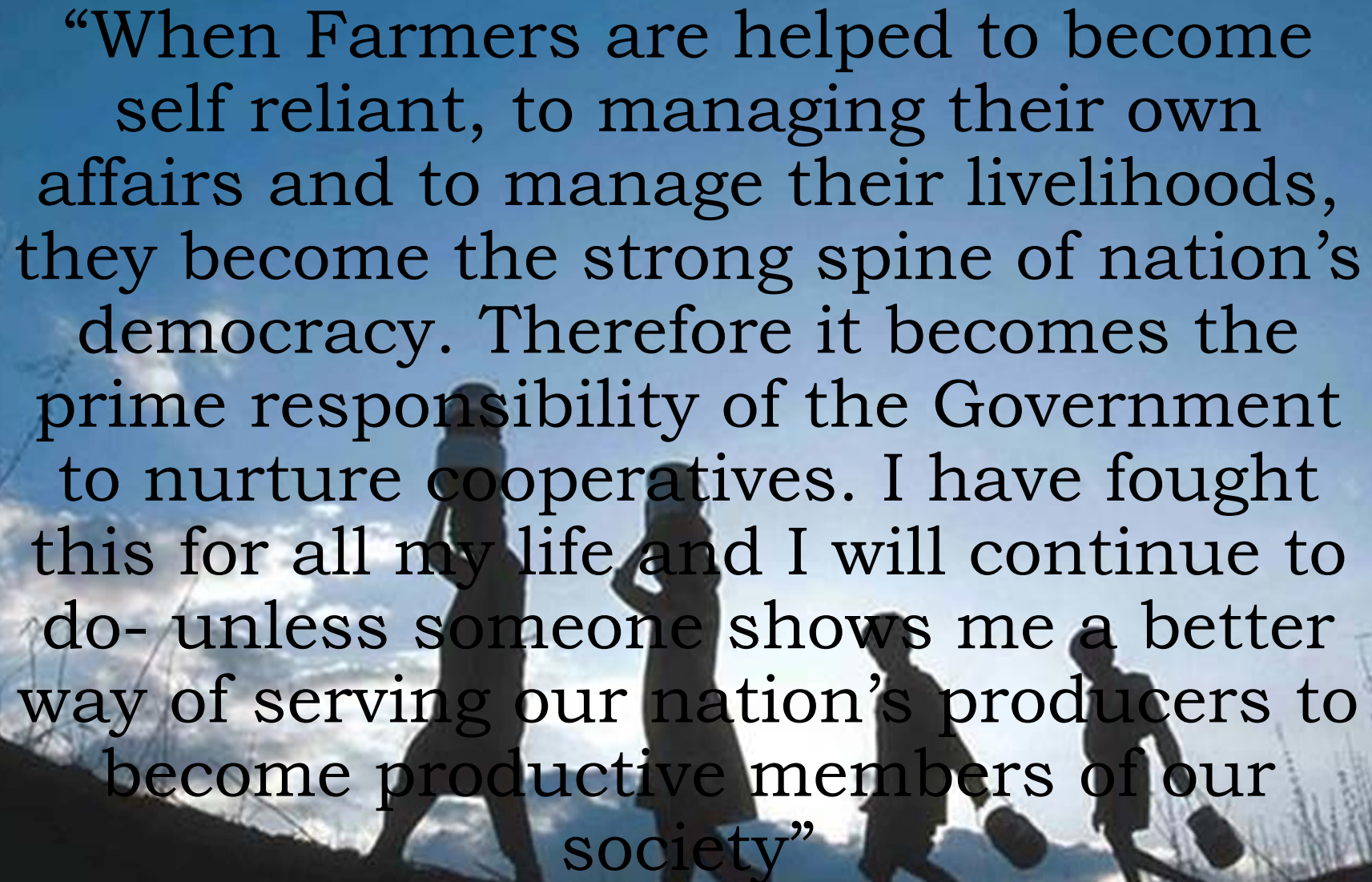


50 Years of transforming
lives through dairying



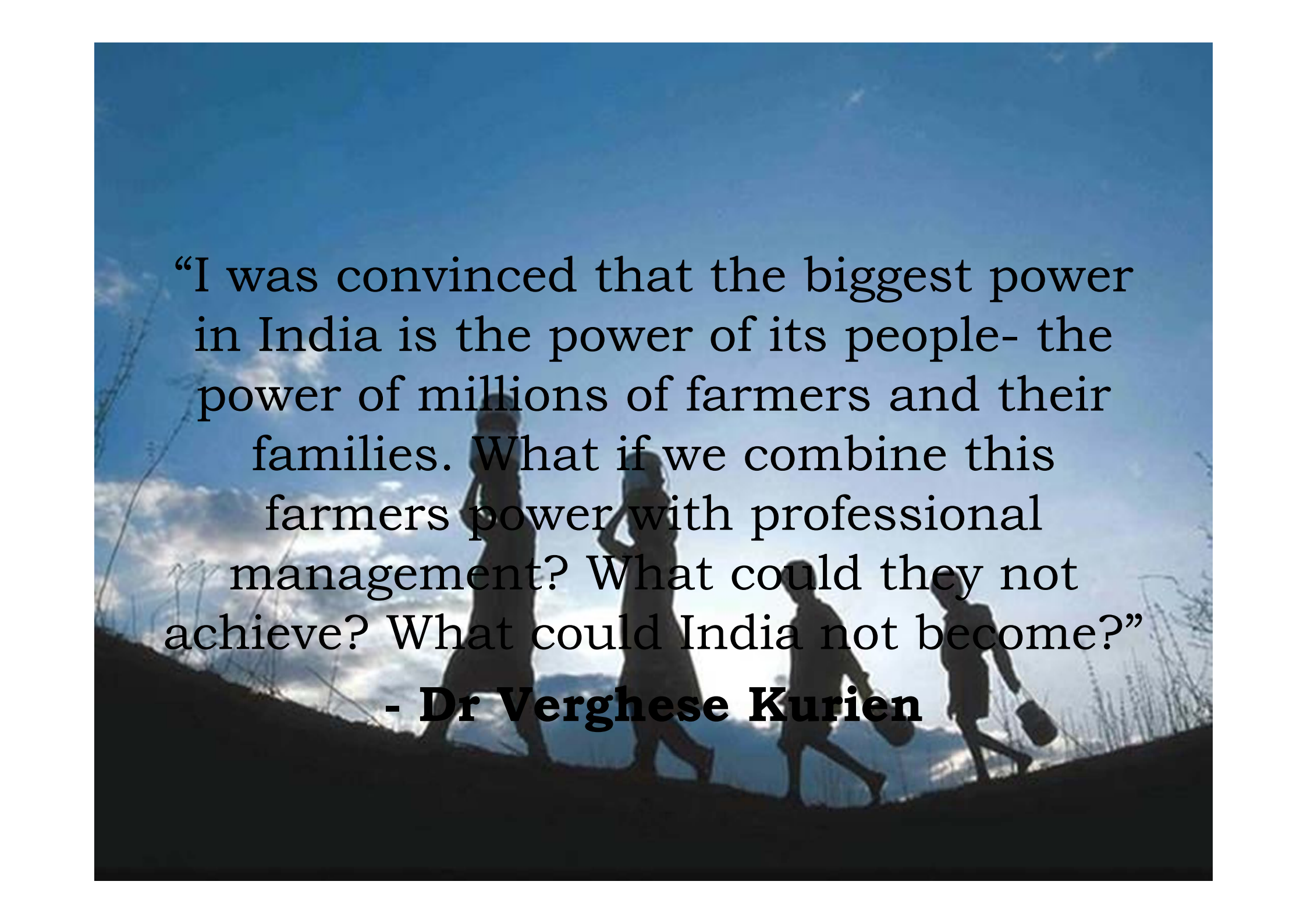
Overview of Dairy Cooperatives

Presented by:
Sangram Chaudhary
Executive Director

The background of the slide features a photograph of four people silhouetted against a bright blue sky with light clouds. They are walking along a dark, sloping hillside. The person on the far left is carrying a large water jug on their head. The person next to them is also carrying a water jug on their head. The person on the far right is carrying two water jugs, one in each hand. The overall scene suggests a rural, agricultural setting.

“When Farmers are helped to become self reliant, to managing their own affairs and to manage their livelihoods, they become the strong spine of nation’s democracy. Therefore it becomes the prime responsibility of the Government to nurture cooperatives. I have fought this for all my life and I will continue to do- unless someone shows me a better way of serving our nation’s producers to become productive members of our society”

-Dr. Verghese Kurien

The background of the image shows the silhouettes of four people walking across a dark, sloping hill. They are moving from left to right. The person on the far left is carrying a bag on their back. The person on the far right is also carrying a bag. The sky above is a clear, bright blue with some light, wispy clouds. The overall scene is backlit, creating a strong contrast between the dark figures and the bright sky.

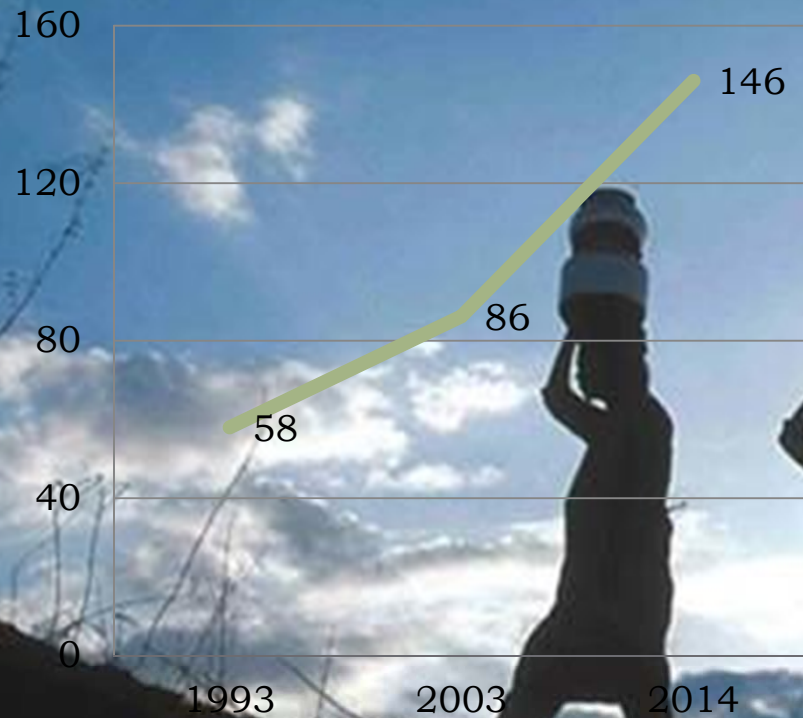
“I was convinced that the biggest power in India is the power of its people- the power of millions of farmers and their families. What if we combine this farmers power with professional management? What could they not achieve? What could India not become?”

- Dr Verghese Kurien

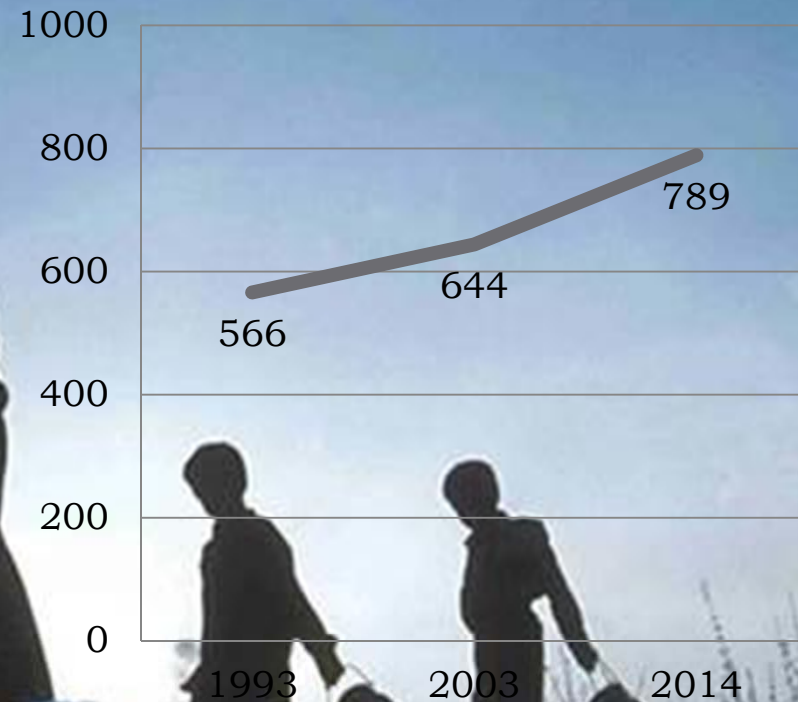
Dairying – India and World



India's milk production – million tonnes



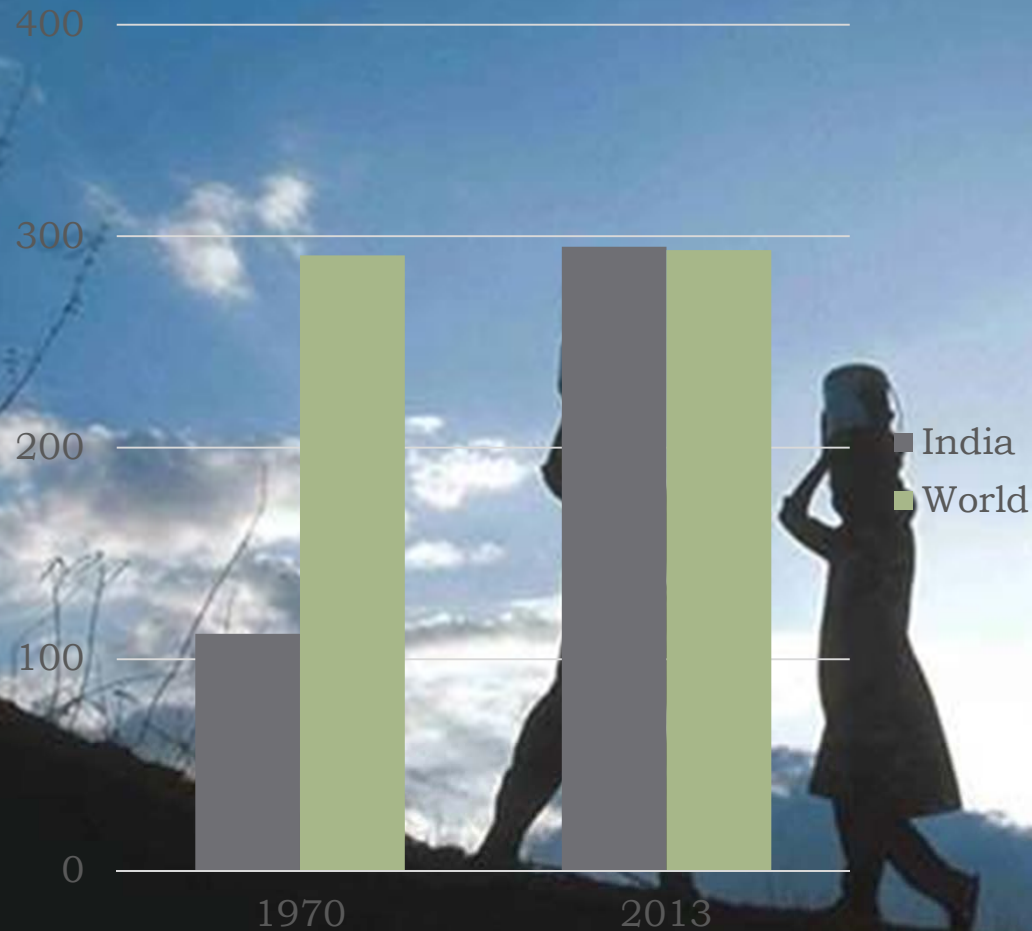
World's milk production – million tonnes



Per capita Milk availability



Per capita availability- gms/day

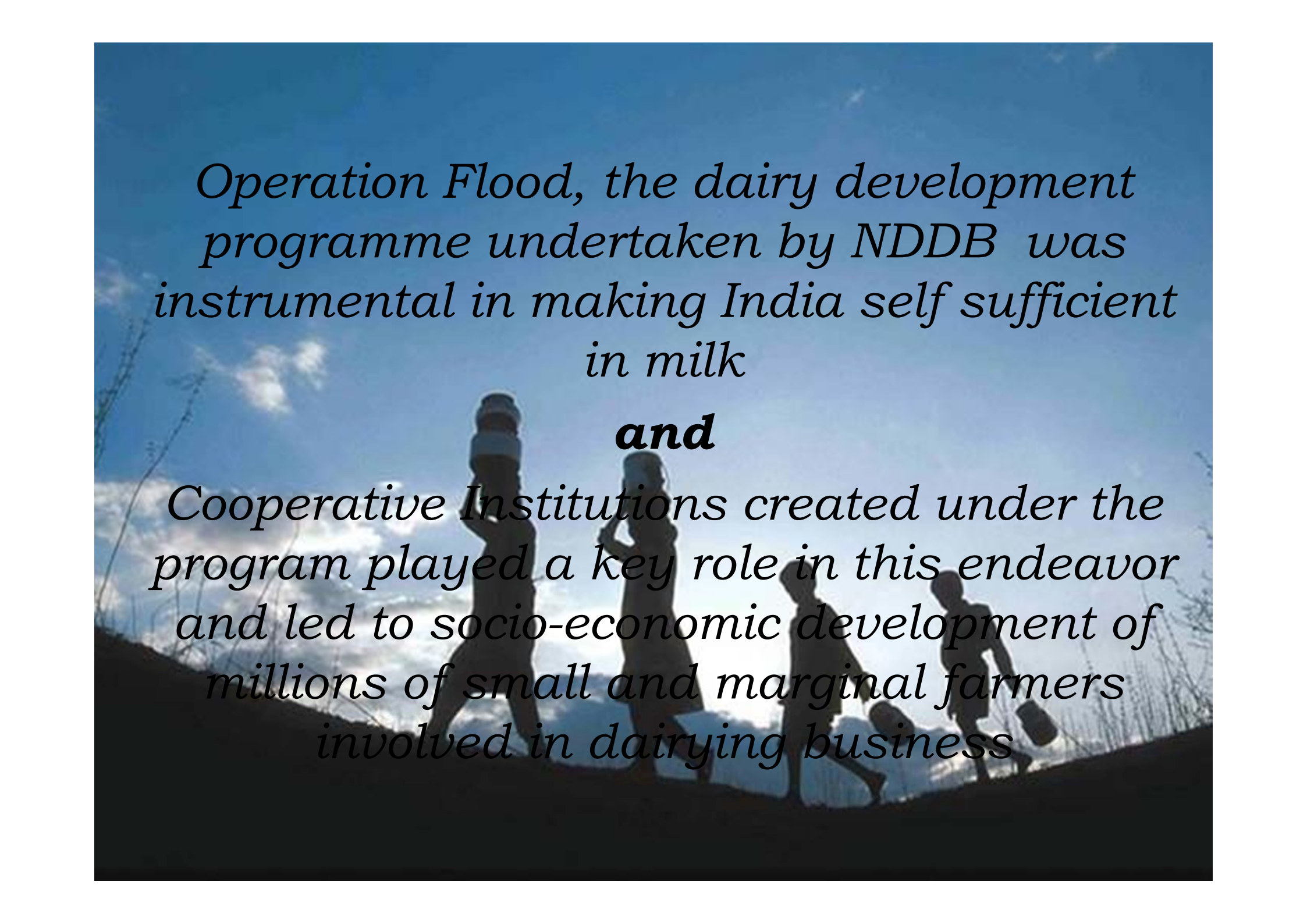


From Less than half of in 1970s, India has surpassed the world average of Per capita milk availability

Dairying has been predominantly an occupation of small, marginal and landless farmers who own average 2-3 animals per household

Cooperation has been the prudent alternative to them for sustained market access



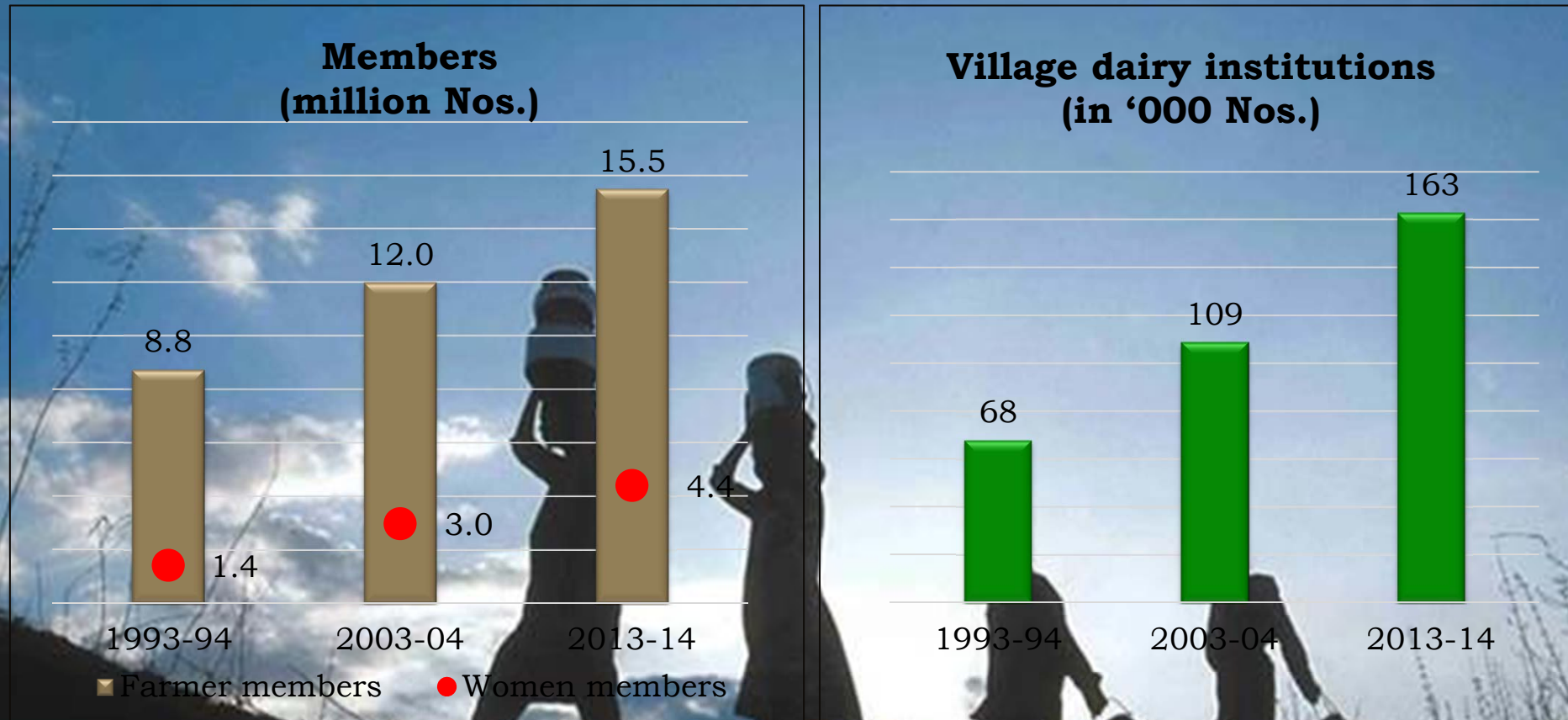
The background of the slide features a silhouette of four people walking up a hillside. The person on the left is carrying a large milk can on their head. The person in the middle is also carrying a milk can on their head. The person on the right is carrying a milk can on their head and another one in their hand. The sky is a clear blue with some light clouds. The overall scene is a rural, agricultural setting.

Operation Flood, the dairy development programme undertaken by NDDDB was instrumental in making India self sufficient in milk

and

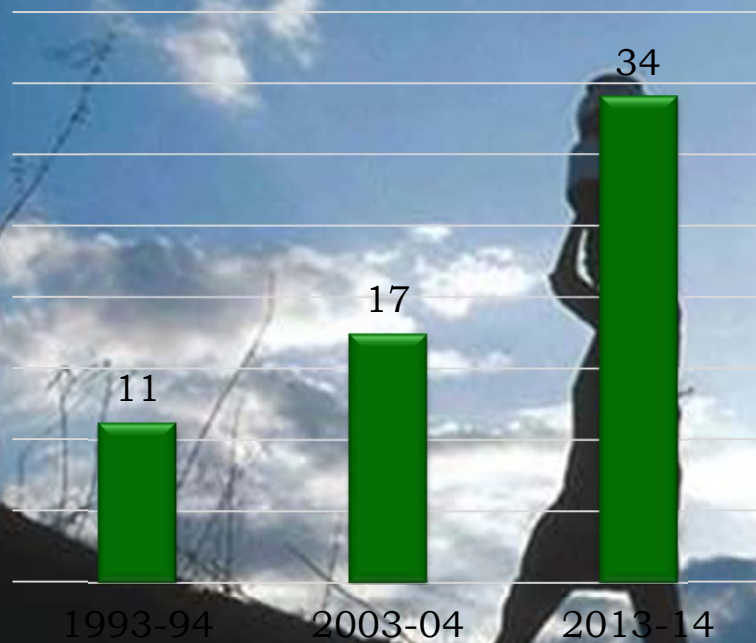
Cooperative Institutions created under the program played a key role in this endeavor and led to socio-economic development of millions of small and marginal farmers involved in dairying business

Dairy Cooperatives in India

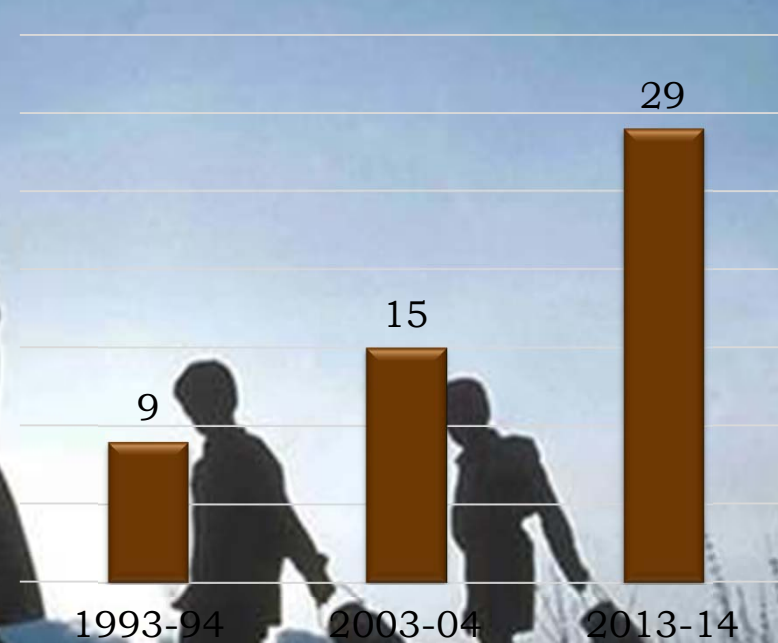


Dairy Cooperatives in India contd..

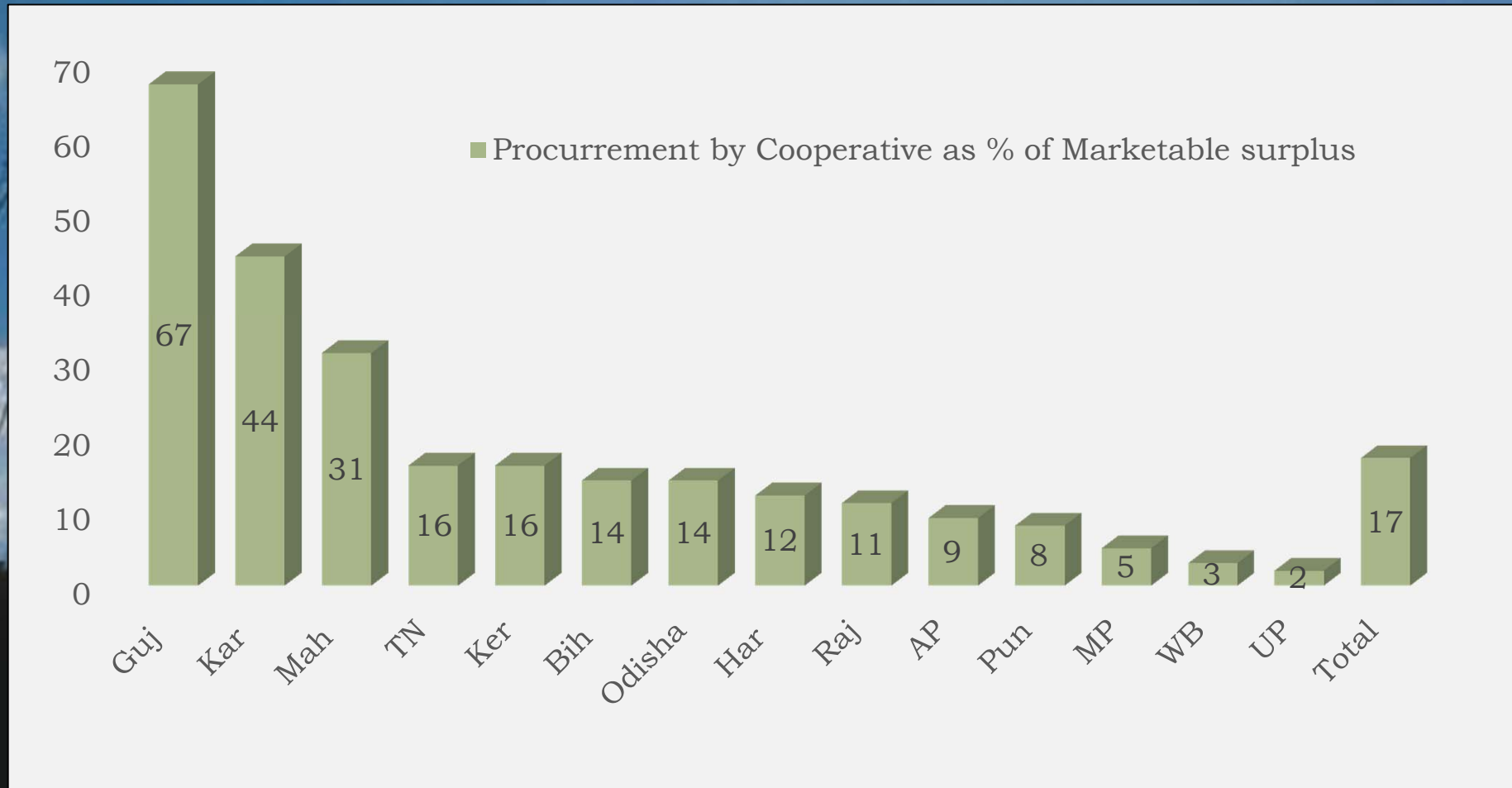
Milk procurement
(million kg/ day)



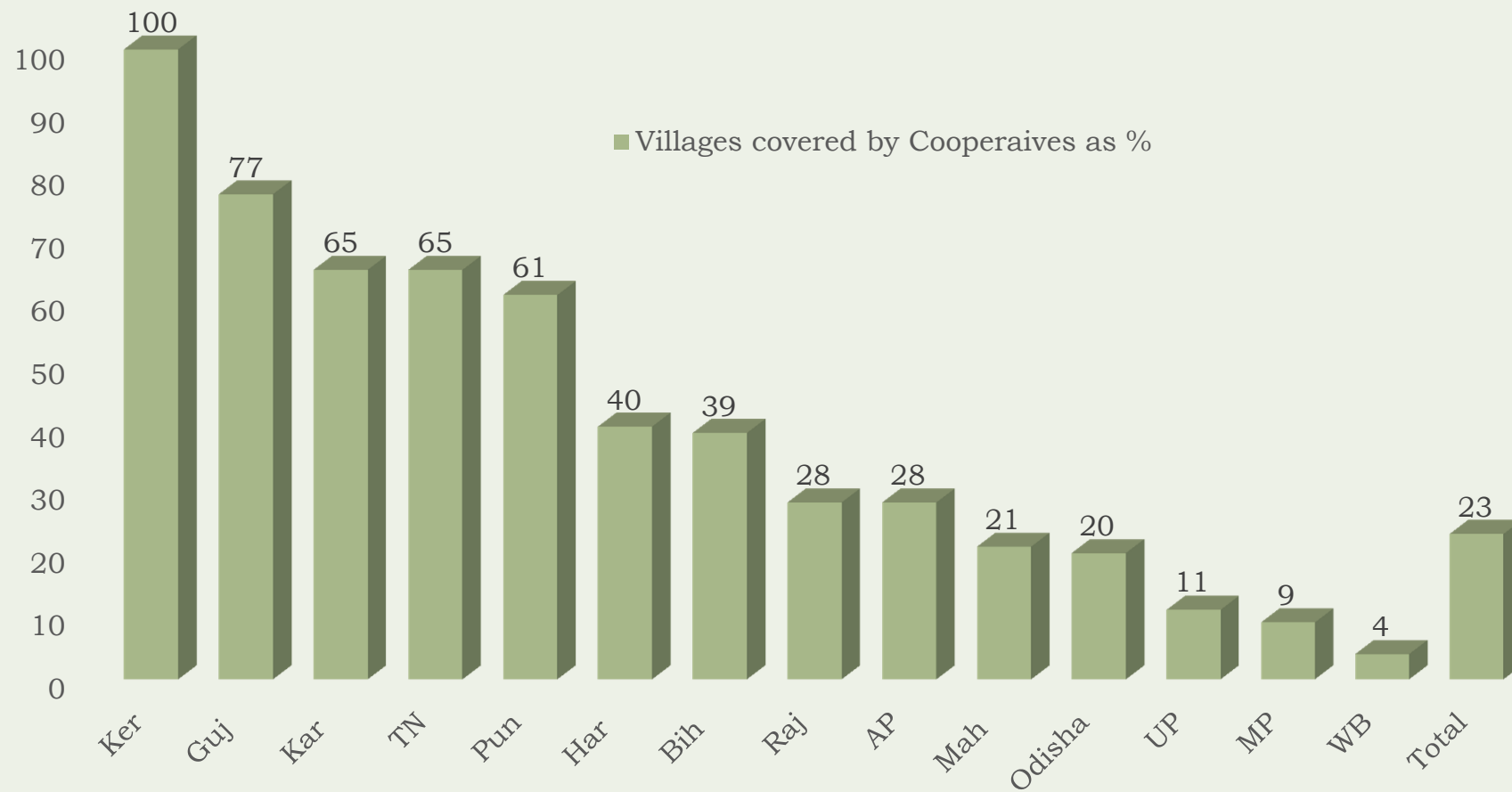
Milk Marketing
(million liters/ day)



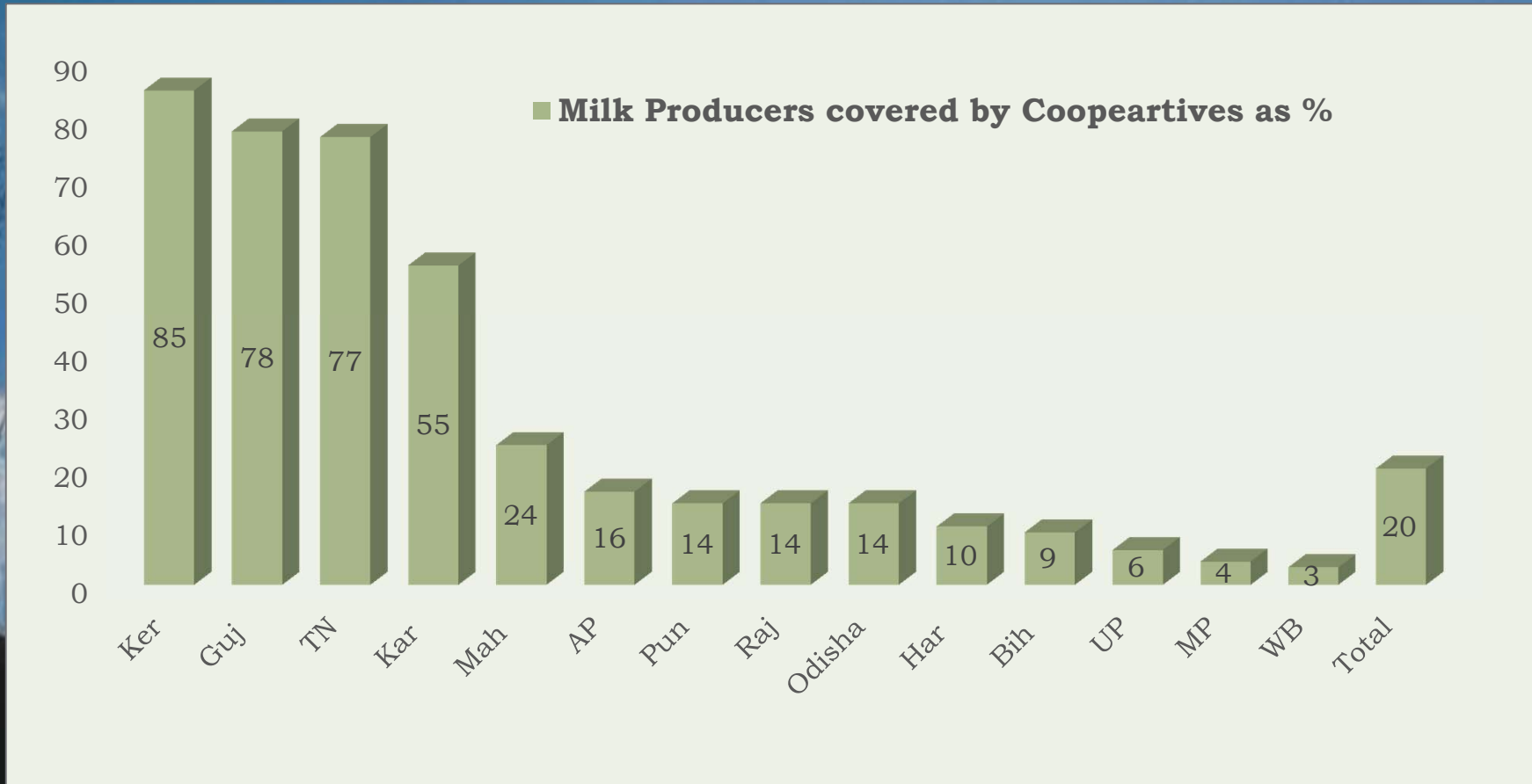
Share of Cooperatives- Marketable surplus



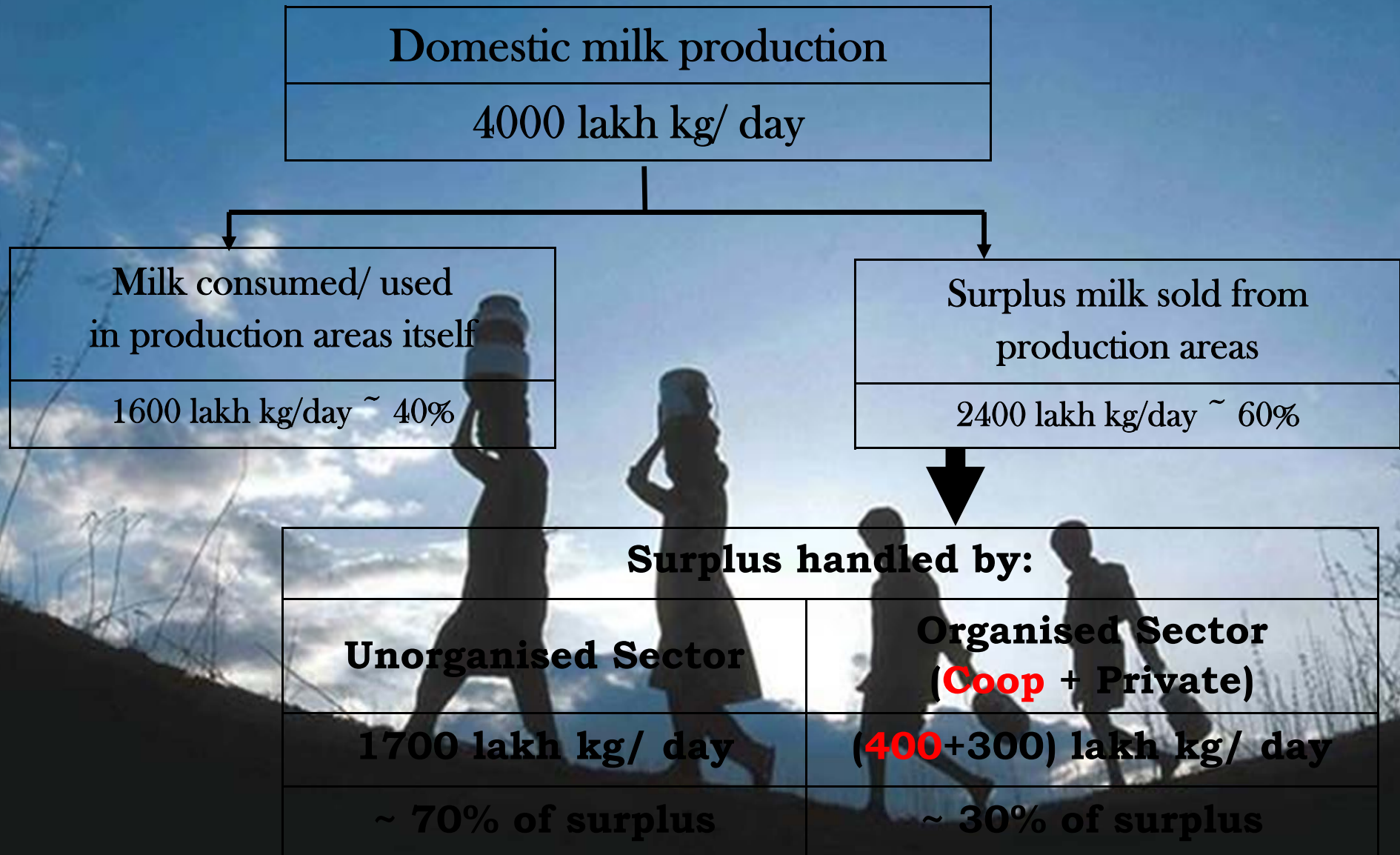
Share of Cooperatives- Villages Covered



Share of Cooperatives-Milk Producers covered



Share of Cooperatives




State wise Accumulated Profit/ Loss Status of Milk Unions (2013-14)

State	Accumulated Profit	Accumulated Loss	Not Available	Grand Total
West Bengal	2	2	-	4
Uttarakhand	2	1	-	3
Uttar Pradesh	3	55	-	58
Tamil Nadu	2	12	-	14
Sikkim	1	-	-	1
Rajasthan*	9	7	1	17
Punjab	4	-	-	4
Odisha	1	-	-	1
Mizoram	1	-	-	1
Maharashtra	13	3	-	16
Madhya Pradesh	2	3	-	5
Kerala		2	-	2
Karnataka	13		-	13
Haryana	1	5	-	6
Gujarat	16	-	-	16
Goa	1	-	-	1
Chhattisgarh	1	-	-	1
Bihar	-	1	-	1
Assam	-	1	-	1
Andhra Pradesh	6		2	8
Grand Total	78	92	3	173

* 2013-14

State wise Positive/ Negative Net-worth of Milk Unions (2013-14)

State	Positive Net-worth	Negative Net-worth	Not Available	Grand Total
West Bengal	2	-	2	4
Uttarakhand	3	-	-	3
Uttar Pradesh	4	19	35	58
Tamil Nadu	2	3	9	14
Sikkim	1	-	-	1
Rajasthan	11	4	2	17
Punjab	3	-	1	4
Odisha		-	1	1
Mizoram	1	-	-	1
Maharashtra	15	1	-	16
Madhya Pradesh	2	1	2	5
Kerala	2	-		2
Karnataka	10	-	3	13
Haryana	1	1	4	6
Gujarat	16	-	-	16
Goa	1	-	-	1
Chhattisgarh	1	-	-	1
Bihar	1	-	-	1
Assam	1	-	-	1
Andhra Pradesh	8	-	-	8
Grand Total	85	29	59	173

The background of the slide features a silhouette of four people walking across a hillside. From left to right, there is an adult carrying a child on their back, another adult, a child, and a fourth person. They are walking towards the right against a bright blue sky with scattered white clouds. The overall scene is backlit, creating a strong contrast between the dark silhouettes and the bright sky.

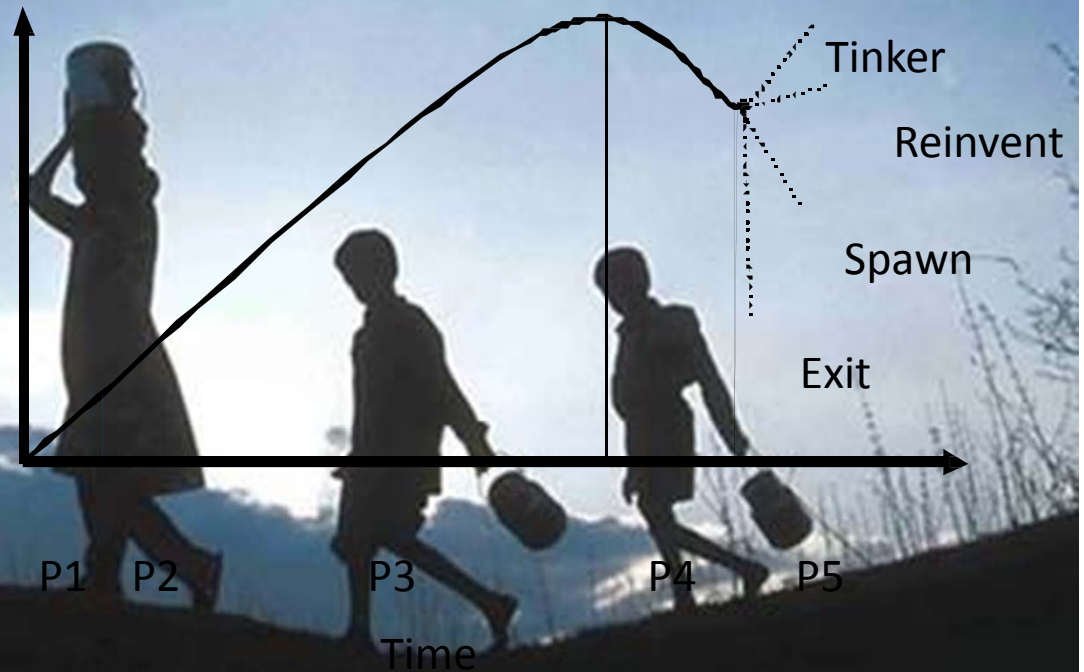
The reach of Cooperatives has been limited and there are strong apprehensions that share of cooperatives may come down owing to non-objective practices

Institutions created as response to unethical practices are themselves seem to be saddled with malpractices, embezzlement, favouritism, nepotism and financial irregularities

Institutional Evolution of Co-operatives

- Phase 1 - Justification
- Phase 2 - Organizational Design
- Phase 3 - Growth → glory → Heterogeneity
- Phase 4 - Recognition and Introspection
- Phase 5 – Choice

Health of Cooperative



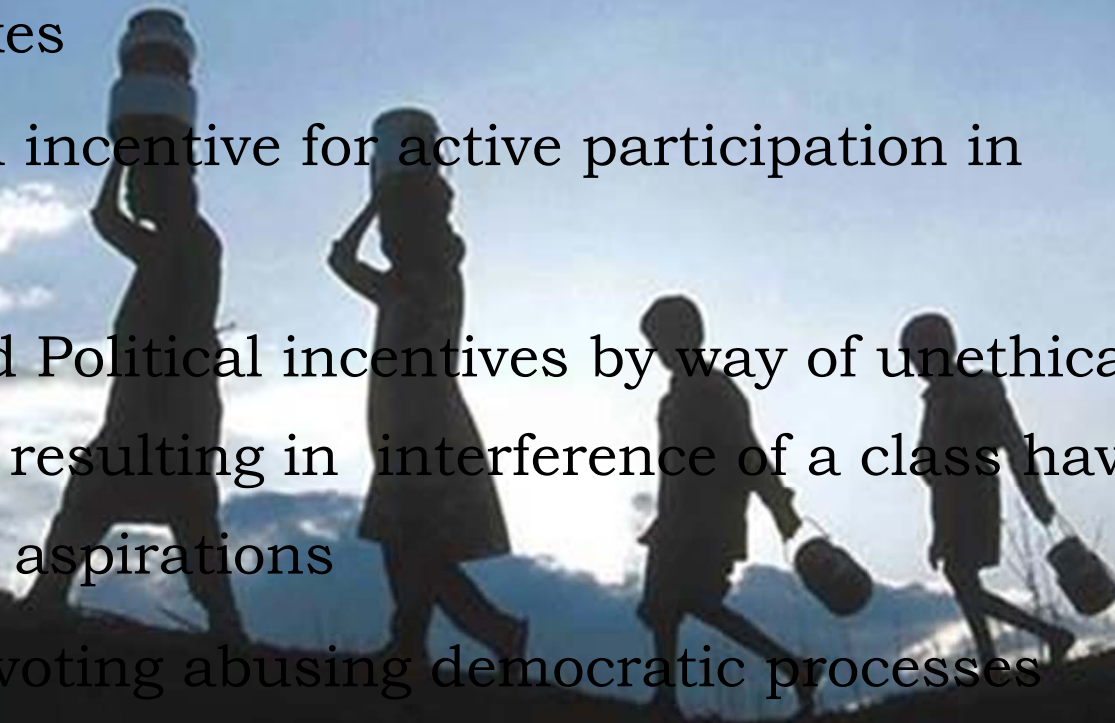
Ref: Prof Cook,
GICAL

Member Loyalty

- As cooperatives are becoming larger, individual members are feeling less involved
- Limited voting rights are dis-incentivising members to use more services
- With low engagement with members, they are not able to differentiate cooperatives with other alternatives
- Principles of open membership being used to limit/expand the vote bank
- Limited stakes of members providing unfair advantage to a majority which may use minimum of services

Participation in Governance

- Limited contribution towards equity resulting in less member involvement and incentivising those with vested interest to get involved in Governance at very low costs with low stakes
- No additional incentive for active participation in Governance
- Financial and Political incentives by way of unethical practices are resulting in interference of a class having high political aspirations
- Caste based voting abusing democratic processes



State Interference

- Unassuming powers vested with Registrars
 - Registering, approving and auditing authority
 - Custodian of law, power of enquiry and to be appellate authority
- A nexus of Politicians and State to gain political incentives
- Legal provisions are tweaked for vested interests of few



The background of the image shows the silhouettes of four people walking across a dark, sloping hill. From left to right: a person carrying a child on their back, a woman in a long dress, a man carrying a large pot, and another person carrying a pot. The sky is a clear, bright blue with some light, wispy clouds. The overall scene is backlit, creating a strong contrast between the dark figures and the bright sky.

“I think that what India needs is not less state but a better state; we need less of the state as a meddler and less of the state as a manager. But we need more of the state as an institution enabler; as a protector of our institutions of development”

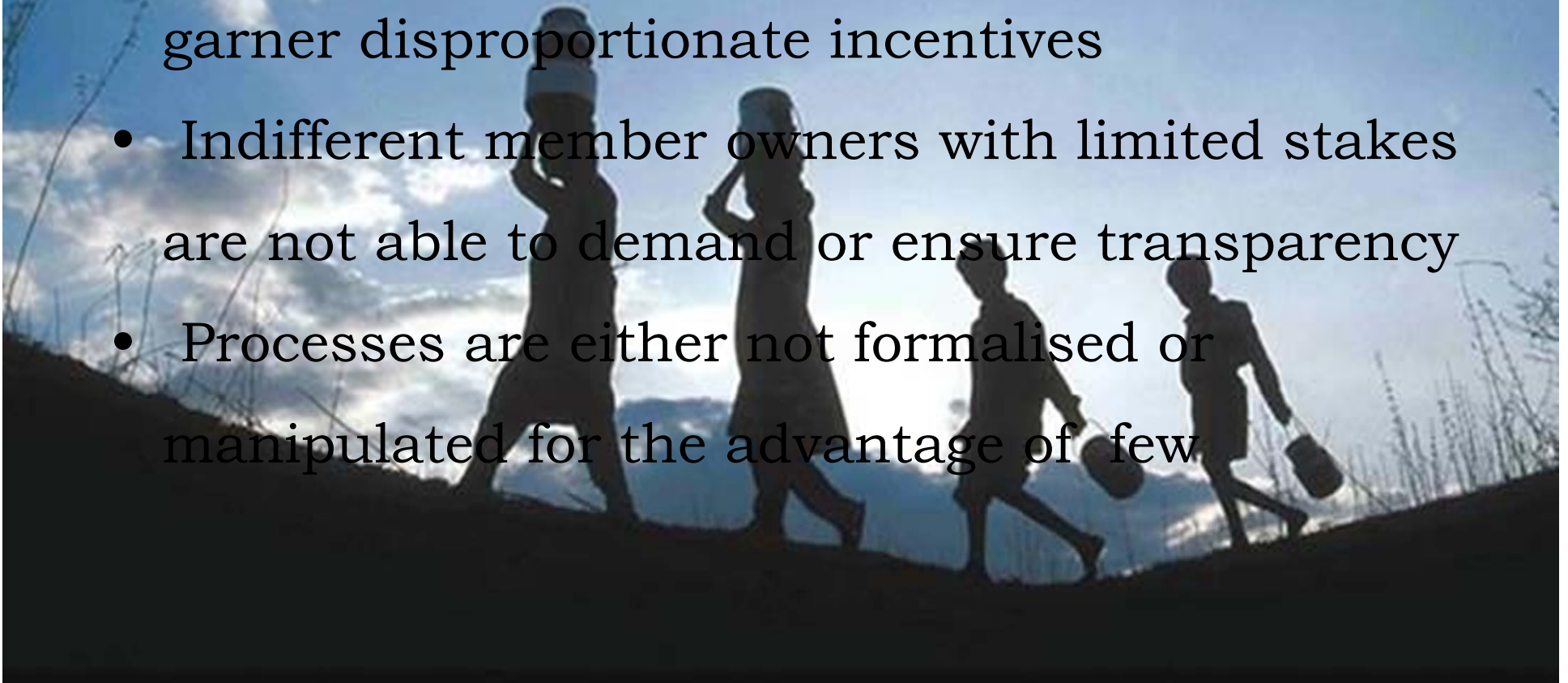
Dr. Verghese Kurien

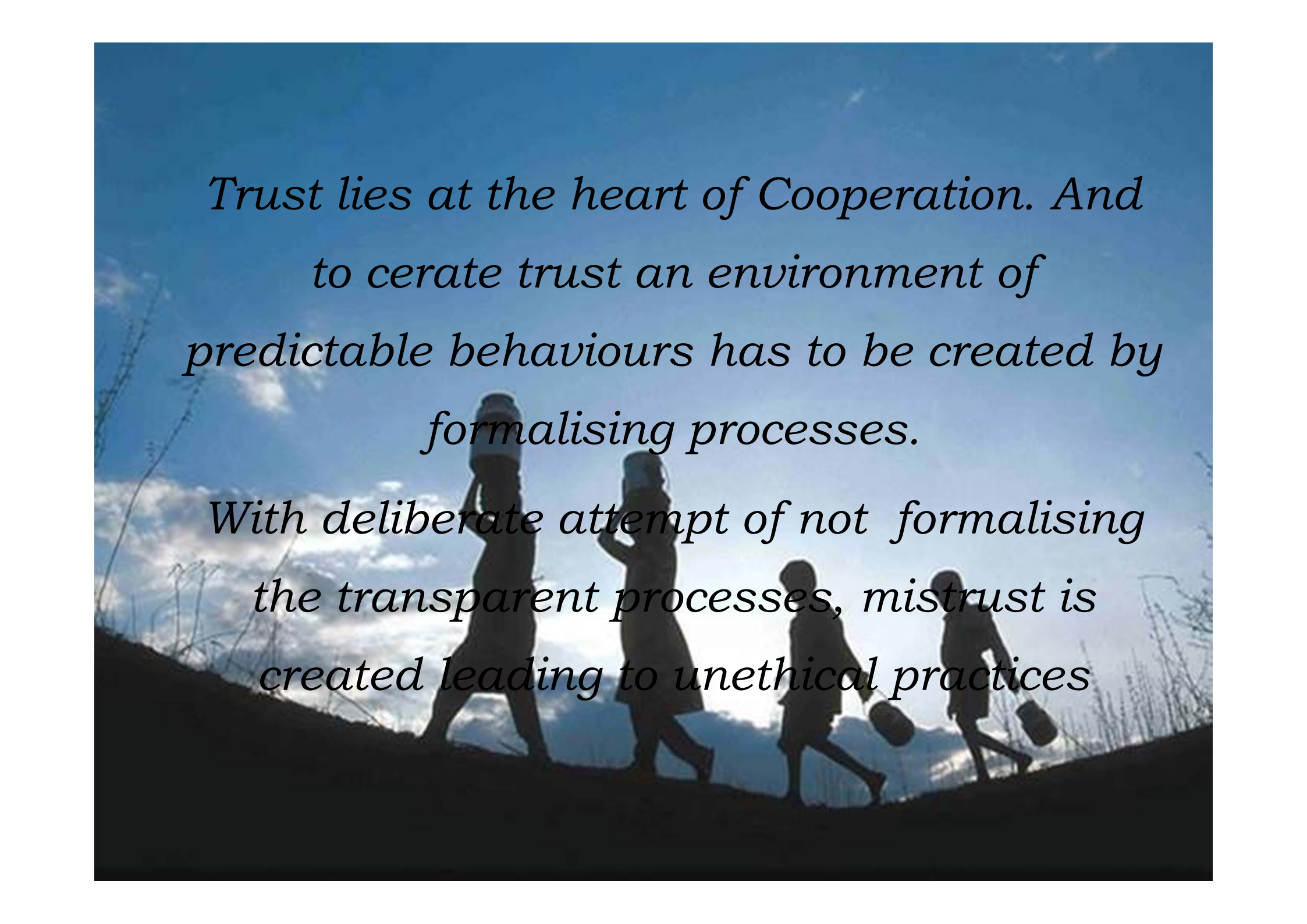
Lost cause of Cooperation

- Members are finding less and less incentive to remain organised and cooperate
- Cooperatives are competing with each other resulting in consolidation in favour of large cooperatives
- cooperatives with pressure of increased scale of operations are justifying unethical behaviour stating financial stress, unrealistic expectations, rules and regulations, difficulties in member engagement and organisational exploitation as reasons

Non Transparency in Operations

- Professionals are either exploiting the ignorance of Board or have created nexus with them to garner disproportionate incentives
- Indifferent member owners with limited stakes are not able to demand or ensure transparency
- Processes are either not formalised or manipulated for the advantage of few



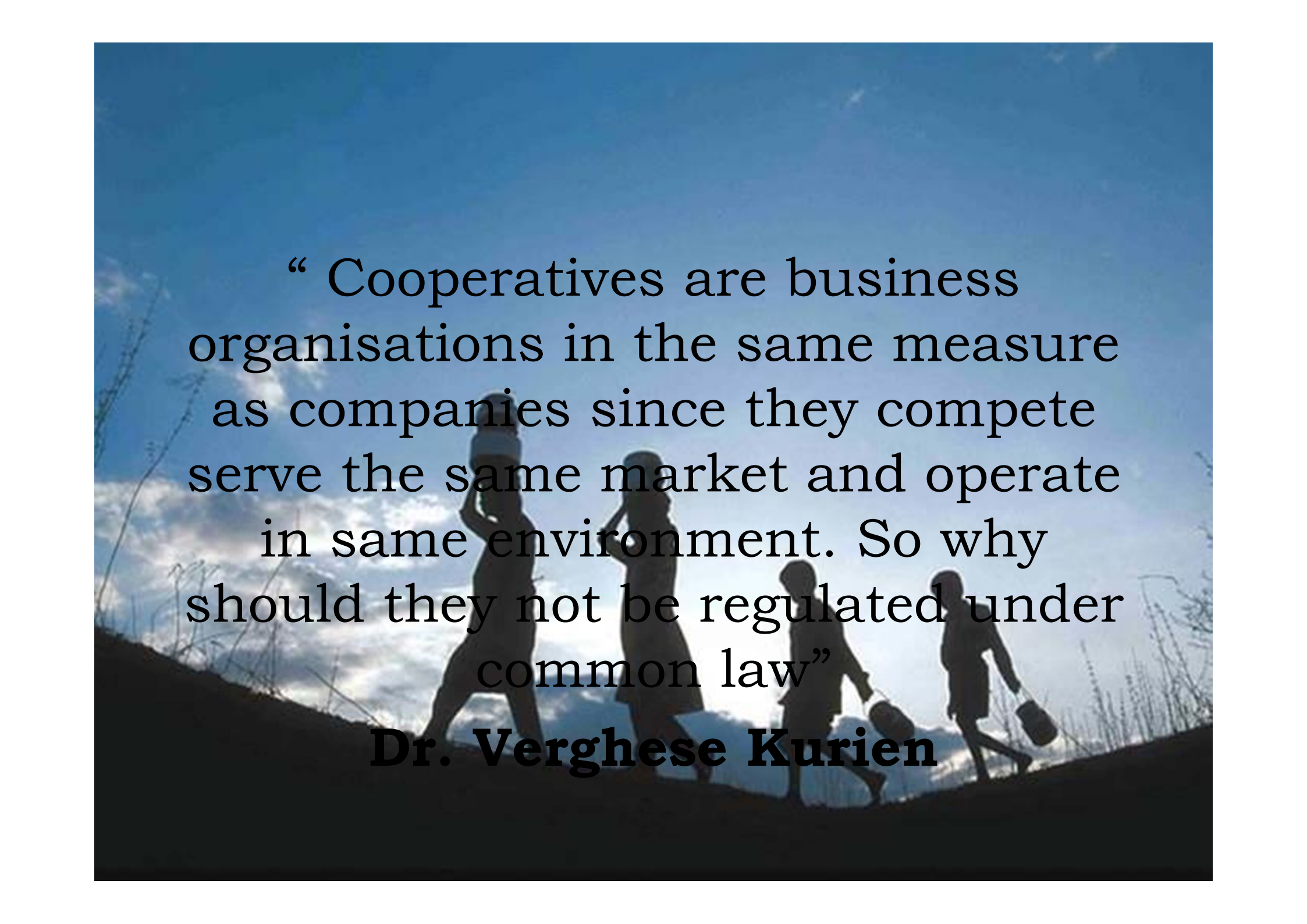


Trust lies at the heart of Cooperation. And to create trust an environment of predictable behaviours has to be created by formalising processes.

With deliberate attempt of not formalising the transparent processes, mistrust is created leading to unethical practices

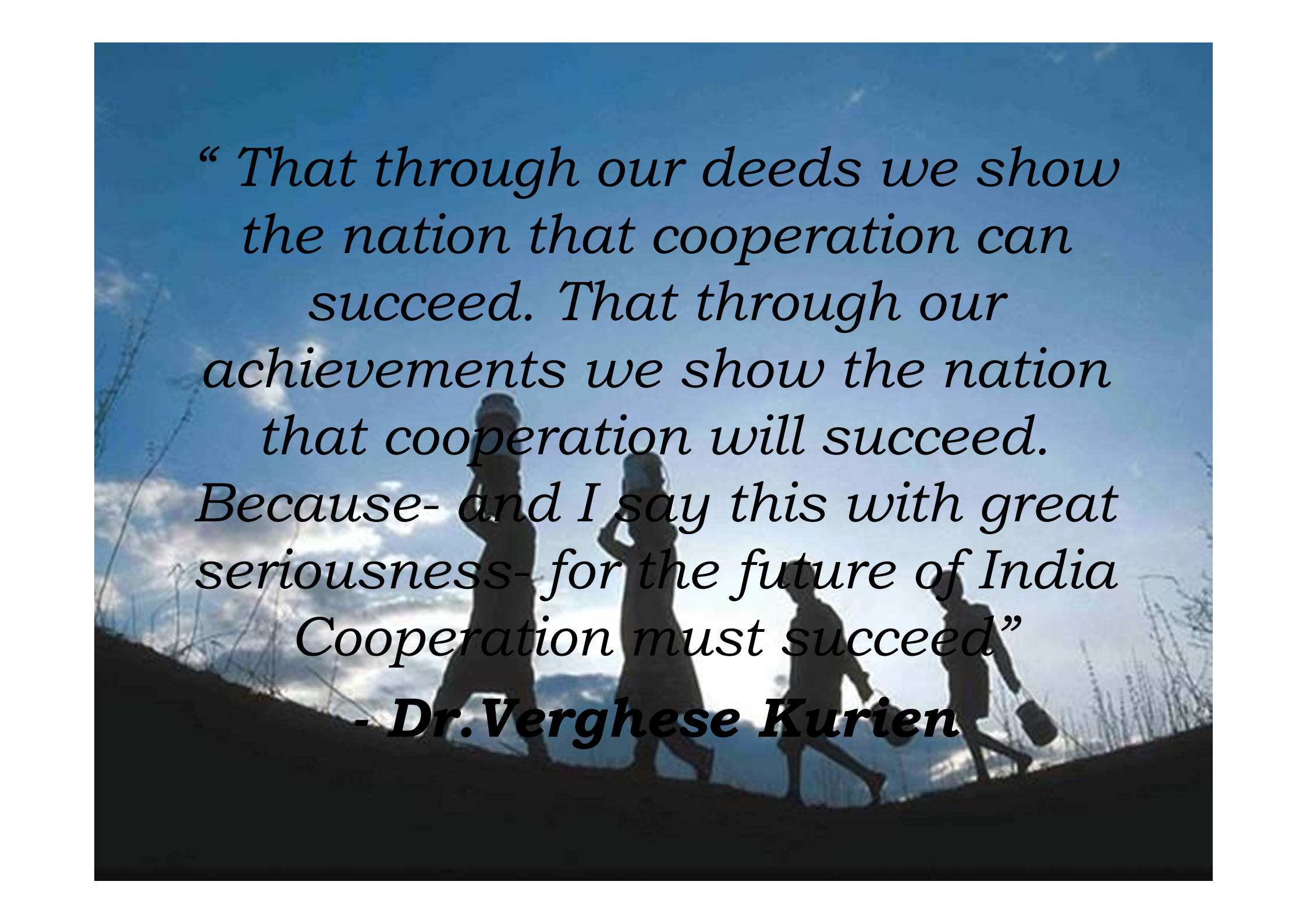
The forum may deliberate on..

- Measures to ensure Good Governance and transparency in cooperatives with assistance of
 - Relevant provisions of Companies Act 2013 for adoption
 - Provisions in 97th Constitutional amendment and CVC rules
 - Taking advantage of alternate forms of legislations
- Formation of a Pressure group
 - To negotiate with state
 - To engage with cooperative leaders
 - To provide platform for continued engagement to resolve issues in cooperation

The background of the slide features a silhouette of four people walking up a hill. The person on the left is carrying a large water jug on their head. The person in the middle is carrying a water jug in their hand. The person on the right is carrying two water jugs, one in each hand. The sky is a clear blue with some light clouds. The overall scene is a rural, outdoor setting.

“ Cooperatives are business organisations in the same measure as companies since they compete serve the same market and operate in same environment. So why should they not be regulated under common law”

Dr. Verghese Kurien

The background of the image shows the silhouettes of four people walking across a dark, sloping hill. They are moving from left to right. The person on the far left is carrying a large object on their head. The person on the far right is carrying a bag. The sky above is a clear, bright blue with some light, wispy clouds. The overall scene is backlit, creating a strong contrast between the dark figures and the bright sky.

*“ That through our deeds we show
the nation that cooperation can
succeed. That through our
achievements we show the nation
that cooperation will succeed.
Because- and I say this with great
seriousness- for the future of India
Cooperation must succeed”*

- Dr. Verghese Kurien

Thank You !!

