

**PERFORMANCE EVALUATION OF  
AVINISSERY KSHEEROLPADAKA  
SAHAKARANA SANGHAM Ltd (No.R34D)**

*By,*  
**DIVYA.G**  
**(2006-05-119)**



**PROJECT REPORT**

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*Submitted in partial fulfillment of the requirement for the degree of*

*Bachelor of Science in Co-operation & Banking*

**Faculty of Agriculture**



**COLLEGE OF CO-OPERATION, BANKING AND MANAGEMENT**  
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**Vellanikkara, Thrissur- 680656**  
**Kerala, India**  
2010

*DECLARATION*

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## DECLARATION

I hereby declare that this project report entitled “**PERFORMANCE EVALUATION OF AVINISSERY KSHEEROLPADAKA SAHAKARANA SANGHAM Ltd (No.R34D)**” is a bonafide record of research work done by me during the course of project work and that it has not previously formed the basis for the award to me for any degree / diploma, associateship, fellowship or other similar title of any other University or Society.



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**24-11-2010**

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*CERTIFICATES*

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## CERTIFICATE

Certified that this project report entitled “**PERFORMANCE EVALUATION OF AVINISSERY KSHEEROLPADAKA SAHAKARANA SANGHAM Ltd (No.R34D)**” is a record of project work done independently by **Ms Divya. G (2006-05-119)** under my guidance and supervision and that it has not previously formed the basis for the award of any degree, fellowship or associateship to her.

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*Dedicated to  
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## *DESIGN OF THE STUDY*

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# CHAPTER I

## DESIGN OF STUDY

### 1.1 INTRODUCTION

The special feature of a cooperative institution is that it comprises of two segments; on the one hand it is an enterprise and on the other hand it is an institution. Institutional values include social and economic values. The social values are participation, self regulation and leadership development; while economic values include member prosperity and growth. The enterprise aspect of the cooperative follows the values of profitability, expansion, diversification, organizational development and human resource development. A success in the enterprise role need not necessarily mean that the cooperative has succeeded in the institutional role also. The success of any cooperative institution depends on a judicious combination of its institutional and enterprise values.

The dairy industry has made India proud in recent times. India is the largest producer of milk in the world. Dairy cooperatives are the backbone of Indian dairy industry. Dairy cooperatives have excelled in their areas of operation. The reason for success of dairy cooperatives is simple. It is empowerment. These cooperatives are not controlled by the government. The farmers own and manage them based upon the needs and demands of the country. The germs of milk revolution were laid down way back in 1946 in a small town called Anand in Gujrat

History of Indian dairy cooperatives is the story of Amul. Tired of exploitation by traders and local private dairy, the milk producers organized themselves into village dairy cooperatives. These cooperatives federated into the

Kaira Milk Producers Union. Soon it had its first dairy plant. It started producing and marketing milk products under the brand name Amul. Under the charismatic leadership of V. Kurien, the father of milk revolution, the Amul model of cooperatives soon became a model for others to emulate. The Government wanted the Amul model to be replicated in other parts of the country.

Operation Flood, the world's largest dairy development program inspired by the Amul model and implemented by National Dairy Development Board- was implemented in three phases in the country between 1970 and 1996. The board was created in 1965 in response to Prime Minister Lal Bahadur Shastri's call to "transplant the spirit of Anand in many other places" in India. Milk was collected daily by village dairy cooperatives and sent to milk producers' unions who sold it as liquid milk and processed products through their federal marketing cooperatives. The Operation Flood Program has had a tremendous impact. There has been rapid growth in India's milk production, around 4 to 5 percent annually.

The Operation Flood Program has also contributed to the socio-economic development of rural milk producers. It has made the poor less poor. It has also established an effective partnership between farmers and professionals in the dairy industry. The professionals use the latest technologies in the dairy industry, based upon clear-cut assessment of the situation. No doubt dairy cooperatives are the most professionally managed sector of the Indian cooperatives.

Operation Flood(White Revolution) was started in 1970 and concluded its third phase in 1996 and was implemented in three phases viz. OF1(1970-1981), OF2(1981-85), OF3(1987-1996).

### **1.1.1 Operation Flood I**

Operation Flood 1, involving an investment of Rs.95.4 crores was submitted for approval to the Government of India in 1968 which in turn proposed to the Food and Agriculture Organization(FAO) under its World Food Programme, to obtain from European Economic Community(EEC) items such as butter oil and skim-milk powder as gift for the project. The operation Flood1 was the largest dairy development programme launched anywhere in the world at that time.

#### **1.1.1. A. Objectives of Operation Flood I**

- To establish milk producer's dairy cooperatives in 18 hinterland milk shed areas of Bombay, Calcutta, and Madras.
- To enable the modern dairies in the four metropolitan cities to capture commanding shares of their milk markets
- To establish milk processing facilities with sufficient conversion capacity for balancing lean and flush season supplies of milk.
- To establish network of storage facilities and long distance transport facilities as a basis for regional milk grids which would ultimately goal into the national milk grid.
- To identify the needs of milk producers and also milk consumers and to facilitate long-term, productive investment in dairy development in order that the country's dairy industry may grow so as to meet the identified needs of milk producers and consumers.



### **1.1.1. B. Achievements of Operation Flood I**

Following are the achievements of operation flood 1

- Five new dairies were established taking the facilities of storage to 29 lakh litres of milk
- The dairies in the four metropolitan cities increased production from 9.02 lakh litres per day in 1970 to 23.43 lakh litres per day in 1981
- 2660 farmers from the rural milk sheds had been trained at Anand in improved dairy practices
- In rural areas 17 dairy plants and 25 chilling centers capable of conserving 24 lakh litres of milk per day were established
- Regular health care centres were made available in 8039 villages with 172 permanent and 103 mobile veterinary clinics

### **1.1.2. Operation Flood II**

Operation Flood II, launched on October 2, 1979, on the foundation built by Operation Flood I to serve the nation's need for milk and milk products. The operation Flood II was designed to replicate the Anand pattern up to the third tier of cooperative federation of unions in 25 enlarged milk shed areas, covering the entire country.

#### **1.1.2. A. Objectives of Operation Flood II**

- To enable some 102 lakhs milk producer's families to build a viable self sustaining dairy industry by mid of 1985

- To enable the milk producers to rearrange the national milk herd of some 140 lakhs, cross bred cows and upgraded buffaloes during 1980, so as to increase the production to 1032 lakh litres of milk per day in 1985
- To erect a National Milk Grid(NGM) which will link the rural milk sheds and 248 urban milk markets each with a population of not less than one lakh
- To provide the infrastructure required to support a viable National Dairy Industry

### **1.1.2.B Achievements of Operation Flood II**

Plans were drafted to implement operation flood2 in 23 states; and necessary agencies were formed in 17 states to implement the same. In all these states , 15107 cooperatives were formed Through these societies 18000 lakh milk producer families were covered raising the annual milk production to 329 lakh tonnes. Simultaneously facilities for marketing of milk were also increased. Many training programmes were organised for trainees of different categories, 4516 technical and supervisory staffs with 14157 farmers from total milk sheds had been trained under this programme

### **1.1.3 Operation Flood III**

In February 1984 The Government Of India constituted a committee headed by L.K.Jha to evaluate the performance of the operation flood II, while appreciating the approach adopted in the second phase of operation flood project, the committee felt that the pace of implementation was not uniform and there was a short fall in achieving the targets. Hence the commission recommended the stepping up of efforts

to increase milk production. Hence the operation flood 3 was introduced from July 1985 and to be completed in a period of five years.

### **1.1.3. A Objectives of Operation Flood III**

- The objective of the operation flood III was not only to achieve targets in terms of milk production but also to release its dependence on import
- It aims to generate 500 crores

### **1.1.3. B Achievements of Operation Flood III**

At the end of operation flood III 72744 district cooperative societies in 170 milk sheds in the country having a total membership of 93.14 lakh had been organized. A world bank report stated that of the Rs.200 crore, it invested in OF2, the net return into the rural economy had been a whopping of Rs 24000 crores per year ie, Rs.240000 crore in 10 years. No other major programme has matched this input output ratio

## **1.2. STATEMENT OF THE PROBLEM**

The dairy industry has great strategic importance in the developing countries like India. It is ideally suited to be organized on cooperative lines. The dairy cooperatives provide a number of services to the dairy farmers including provisions of finance for purchase of milch animals, collection, processing, and marketing of milk and milk products, veterinary services, input supply etc. As far as any institution is concerned, its performance evaluation is a very important task. When it is a



cooperative institution, the importance of performance evaluation reaches to great heights. The cooperative institutions are having a dual role to be performed, that is institutional and enterprise role. A sound performance in any of these areas alone is not sufficient. The cooperatives should bring both the institutional and enterprise values in their performance. The cooperatives should be successful in its performance in terms of profitability, diversification, expansion etc and along with this it should work for the socio economic development of the members of the organisation. The members of the cooperative organisation should be benefited from the services provided by it. Only then the institutional role played by the society becomes a successful one. As the cooperative institutions are bound to perform the dual role, the evaluation of profitability of the organisation and also its level of performance in satisfying the member's needs are key areas of attention. Evaluation of performance is an important issue for the members, managers, board of management of cooperatives because it allows evaluation of the efficiency or failure in meeting members' expectations.

### **1.3. OBJECTIVES**

The objectives of the study are

1. To evaluate the enterprise role of Avinissery Ksheerolpadaka Sahakarana Sangham Ltd (No R34D)
2. To analyze the institutional role played by the society.

### **1.4. METHODOLOGY**

The data collected includes both primary and secondary data. To analyse the enterprise role of the society secondary data was used and was collected from the audited annual reports and records of the society. The secondary data were collected

for 10 years from 1998-99 to 2007-2008. To examine the institutional role a survey of members of the society was conducted using a structured schedule. The sample size of the survey was 30. For getting the sample, random sampling method was used. The data were analysed using the tools such as ratios, trend percentages, growth indices, averages, compound annual growth rate, etc.

## **1.5. OBSERVATIONS**

The major observations of the study are

- Share capital
- Borrowings
- Reserves
- Working capital
- Manpower expenses
- Establishment expenses
- Provisions
- Cost of good sold
- Interest expenses
- The total milk collected per year
- Local sales
- Sales to Milma
- The cattle feed sold by the society
- Socio economic characteristics of the members
- Fixed cost of production of milk
- Operational cost of production
- Returns from milk production
- Bonus given to members by society

## **1.6. SCOPE OF THE STUDY**

The performance evaluation is a very relevant study. Here the study evaluated the performance of the society in different angles. Based on the primary data, the satisfaction level of members with the society was found out. This can be utilized by the society to make modifications in their activities to improve performance in its institutional role. By the study of the secondary data the enterprise values of the organisation were evaluated. By this strength and weakness of the society are understood and which in turn can be utilized by the society to improve performance in its enterprise role.

## **1.7. LIMITATIONS**

The study is limited only to the Avinissery Ksheerolpadaka Sahakarana Sangham Ltd (No.R34D). So the results are not an indicative of general situation. This can be considered as an initial study. Before generalising conclusion, detailed study covering more societies is to be done. And also evaluation of enterprise role is done only in terms of profitability and the other variables or measures such as expansion, diversification, human resource development and organizational development are not done. This is because as per the structure of the dairy cooperatives, these roles are expected to be played by the federation and not the primary societies



## 1.8. REVIEW OF LITERATURE

Ram Chand Jha (1999) made study in Bihar about the impact of assessment of milk cooperatives on dairying status of beneficiary farmers. This study was conducted in the milk sheds of Bihar state cooperative milk producer's federation (COMPFED). Using stratified sampling three dairy plants were selected. From there 150 respondents were selected. On the basis of the findings he opined that despite having sufficient knowledge about the scientific dairying, may be due to lack of proper motivation and entrepreneurial ability, the non beneficiary farmers in India are deprived of tangible and intangible benefits of improved dairying.

Rangaswami.N, Dhaka (2000) made a study about the constraints faced by cooperative and private dairy plants in Tamil Nadu. He pointed out that the economic efficiency of dairy plants is severely influenced by a variety of constraints at 3 important value addition stages; milk procurement, processing and manufacturing and distribution of dairy products. This study was to conducted to compare the constraints faced by cooperative and private dairy plants at these vital value addition stages. One dairy plant from the private sector and one from the cooperative sector were selected in Coimbatore district of Tamil Nadu. Some of the members of the cooperative society selling the milk to private milk vendors and some of the collection centers taking the inadequate quantity of milk were the very serious problems faced by the cooperative plants. At the distribution level higher sales commission to agents, wholesalers and retailers and highly competitive markets were the problems of private enterprise. They pointed out certain suggestion for the development of the dairy industry in India. They are encouraging value addition, effective sales promotion and advertisement strategy and also focusing on consumer oriented market research and development.

Patel.A.V, Hadiya (2001) made study about milk procurement cost for cooperative and private dairy plants in Tamil Nadu. Data were collected from the sample of 20 milk producer's cooperatives and 20 milk collection centres. In general they made the conclusion that the per litre procurement cost of milk is higher in cooperative dairy plants than in private dairy plants, and the same increased between the flush, transitory and lean seasons. This could be attributed to the increase in the reception cost of milk and the marginal increase in transport cost of milk in cooperative dairy plants. They opined that Policy measures that might change the milk procurement efficiency of cooperative dairy plants should be made by the Govt

Rajendran. K (2001) conducted a study about dairy cooperatives and milk marketing in India; constraints and opportunities. This study reviews the existing status of milk marketing and dairy cooperatives in India and provides recommendations to meet future challenges. He reached a conclusion that 80 percent of the milk produced by the rural producer in India is handled by an organized sector. He said that the dairy cooperatives play a vital role in alleviating rural poverty by augmenting rural milk production and marketing. He said that involvement of intermediaries, lack of bargaining power by the producers, lack of infrastructure facilities for collection, storage, transportation and processing are the major constraints which affect the prices received by producers in milk marketing.

P.K.Abdul Khadar (2002) made a study about status of dairy cooperatives in Kerala. Three districts were selected through random sampling. He opined that once dairy farmers of Kerala found it difficult to sell their milk at reasonable price, cooperative marketing was the only option. The marketing through milk cooperative societies has been considered as a promising intervention since it is expected that it



will remove all the inherent defects of traditional marketing and ensure fair price to the producers

P.Selvamani (2005) made a study about the status of dairy industry in Tumkur district of Karnataka. In general he concluded that in order to survive and sustain in the new economic era of liberalization dairy cooperatives require both financial and technical assistance from central and state Governments. State and national level cooperative organizations, dairy research and training institutes for the sustainable and dynamic development should be established. By utilizing available opportunities and resources and converting challenges into opportunities, the dairy cooperatives would become an effective instrument for rural people's development and empowerment. The primary producer's cooperative societies have been providing platform for the growth and development for rural people in terms of socio economic cultural status especially in rural India. Dairy cooperatives are the only socio economic organizations giving voice to the rural people in the process of development.

Varadarajan (2006) made a study about performance of dairy producer's cooperatives in Thirupur district in Tamilnadu. A sample of 20 dairy producer cooperatives were selected. He concluded that the Indian dairy industry attracts a large number of entrepreneurs. Their success in dairying depends on factors such as efficient economical procurement network system, hygienic and cost effective processing facilities and innovativeness in the market place.

Panth (2007) made a study about the competitiveness of Indian dairy products in the international markets. He pointed out that Indian dairy products must meet



international standards both in terms of quality and cost effectiveness. He also revealed that the dairy industry was maturing in to competitive dairy industry ready to meet the challenges caused by liberalization and W.T.O and Indian brands were finding a place in export market not only in small consumer packs but also in bulk.

Tiwari.M.K, Arya H.P (2008) made a study about the critical factors in the functioning of successful and unsuccessful milk producer's cooperative societies in Bareilly district of U.P. They pointed out that milk cooperative societies are observed to be successful where there is no other alternative marketing infrastructure for milk. They suggested that members of cooperative societies should be trained in the rules and regulations of the society as this would help in checking malpractices and corruptions that lead to failures.

Navab Singh,(2008) made a study in Southern Rajasthan about the extent of income generated through dairy enterprise among members and non members of dairy cooperative societies in Southern Rajasthan. He interviewed 120 dairy cooperative members and 120 dairy non members. From the study he came to the conclusion that the dairy cooperative members generally earn more compared to non members.

K.Jayachandra (2008) made a study in Rampur district of U.P about the economic impact of dairying. He said that the economic impact of dairying is reflected in the upliftment of rural poor farmers by way of additional part time and full time employment additional income and increased assets. Hence it could be concluded that dairying is an appropriate and beneficial occupation to increase the purchasing power of rural farmers.

Guruppa Naidu ( 2008) made a study on the impact of dairy cooperatives on income, employment and creation of assets of marginal and small farmers in the dairy cooperatives of Ramanagara district of Karnataka. The sample of 100 dairy farmers was taken from various dairy cooperatives in the district. He opined that dairy development has been acclaimed as an effective instrument capable of bringing about speedy economic and social transformation of the weaker sections of the rural community.

N.Periaswamy (2008) made a study about linkage of rural development and dairy cooperatives. He conducted the study in Namakkal district of Tamil Nadu. He said that Govt and dairy cooperatives are essential for the development of rural people and their participation is essential for the development process. So dairy cooperatives are more suitable for the rural development of developing countries like ours.

Ramanand (2009) made a study in Karnataka Cooperative Milk Producer's Federation Ltd(KMF). He opined that most of the dairy farmers depend on thousands of dairy cooperative societies for their survival .Dairy cooperatives have the potential to promote and facilitate development and empowerment process among rural women.

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*ORGANISATIONAL PROFILE OF  
AVINISSERY KSHEEROLPADAKA  
SAHAKARANA SANGHAM Ltd  
(No. R34D)*

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**CHAPTER II**  
**Organizational Profile of Avinissery**  
**Ksheerolpadaka Sahakarana Sangham**  
**Ltd No R34D**

The Avinissery Ksheerolpadaka Sahakarana Sangham Ltd No R34D was registered on. 25<sup>th</sup> May 1973 under the Kerala Co-operative Society's Act, 1969. The address of the society is Thrissur District, Thrissur Taluk, Avinissery panchayath and Avinissery post office.

**2.1 Area of operation of the society**

The area of operation of the society is confined to 1, 5, 9 wards completely and some parts of 2, 4, 6, 7 wards of Avinissery panchayath.( Some parts means Thrithamarassery in ward 2, Perinchery in ward 4, Palakkal in ward 6 and Palissery in ward 7)

**2.2 Objectives of the Society**

The objectives of the society are as follows;

- To develop thrift, self help, and co-operation among members.
- To provide financial assistance to buy hybrid cattle and their maintenance
- To Purchase building, land and equipments for the purpose of smooth functioning of the society
- To Purchase cattle feed at lower price and distribute it for cattle development



- Linking society with Milk Union and Government Dairy for the development of the society
- To take other necessary measures for the smooth functioning of the society

### **2.3 Membership**

Any milk producer who is having the qualifications mentioned below can be the member of the society

- He should be competent to contract
- He should reside within the area of operation of the society
- He should pour milk to the society as a nominal number for 90 days out of 120 days before giving application for membership
- He should subscribe at least one share of the society
- He should not be an insolvent
- He should not be a convict of any criminal offence

Table 2.1 below shows the membership of the society from 1998-99 to 2007-08

**Table 2.1. Membership of the society from 1998-99 to 2007-08**

<b>Year</b>	<b>Number of members</b>	<b>Growth Index</b>
<b>1998-1999</b>	<b>305</b>	<b>100</b>
<b>1999-2000</b>	<b>311</b>	<b>101.9</b>
<b>2000-2001</b>	<b>318</b>	<b>104.2</b>
<b>2001-2002</b>	<b>324</b>	<b>106.2</b>
<b>2002-2003</b>	<b>325</b>	<b>106.2</b>
<b>2003-2004</b>	<b>325</b>	<b>106.2</b>
<b>2004-2005</b>	<b>330</b>	<b>108.1</b>
<b>2005-2006</b>	<b>333</b>	<b>109.1</b>
<b>2006-2007</b>	<b>337</b>	<b>110.4</b>
<b>2007-2008</b>	<b>337</b>	<b>110.4</b>

**Source: Annual reports of the society from 1998-99 to 2007-08**

The table shows that during 1998-99 the membership was 305. It increased to 337 during the year 2007-08. The CAGR of membership is 1%. It means the membership of the society increased very slightly during the study period.

All the members in the roles need not be active members. Therefore the trends in number of active and polling members of the society from 1998-99 to 2007-08 is analyzed below.

**Table 2.2 Number of polling members of the society from 1998-99 to 2007-08**

<b>Year</b>	<b>Number of polling members</b>	<b>Growth Index</b>
1998-1999	125	100.00
1999-2000	118	94.4
2000-2001	110	88
2001-2002	104	83.2
2002-2003	96	76.8
2003-2004	87	69.6
2004-2005	79	63.2
2005-2006	72	57.6
2006-2007	68	54.4
2007-2008	63	50.4

**Source: The annual reports of the society from 1998-99 to 2007-08**

From the table it is clear that during 1998-99 the number was 125 and during 2007-08 it decreased to 63. From 1998-99 to 2007-08 it showed a decreasing trend. The CAGR of active and polling members was -6%. It means that the members who had supplied at least 500 Ltrs/ year or 180 days of milk per year to the society was decreasing every year.

#### **2.4 Types of members**

The society has two types of membership, 'A' class membership and 'B' class membership. As on 1<sup>st</sup> April 2010 the society has 347 'A' class members and 42 'B' class members. 'A' class shares have the face value of Rs 10 and 'B' class shares have the face value Re 1



## **2.5 Procedure for Taking Membership**

A milk producer must give application in the prescribed format to the society for getting membership. The application should be submitted to the secretary. The secretary will put up application for approval in the committee meeting. Any order of refusal must be communicated with the milk producer within 15 days from the date of decision about refusal. The refused applicant has the right to appeal to the Registrar of Cooperative Societies. No individual can subscribe more than one-fifth of the total paid up share capital.

## **2.6 Voting Right**

The criteria for getting voting right in the society are ;

The member should supply at least 500 litres of milk to the society during the previous year

OR

He should supply milk for 180 days in the previous year.

## **2.7 Liability of the members**

Liability of the members is limited to their share amount

## **2.8 Input Services to the members**

The society provides cattle feed to the milk producers at subsidized rate. They also provide veterinary services to the cattle with the assistance of Milma

The table below gives the cattle feed sale of the society from 1998-99 to 2007-08

**Table 2.3 Cattle feed sold by the society from 1998-99 to 2007-08**

<b>Year</b>	<b>Cattle Feed(Rs)</b>	<b>Growth index</b>
1998-1999	138000	100.00
1999-2000	224640	162.78
2000-2001	114048	82.64
2001-2002	197904	143.40
2002-2003	149760	108.55
2003-2004	108780	78.82
2004-2005	108936	78.93
2005-2006	227664	164.97
2006-2007	165804	120.14
2007-2008	263520	190.95

**Source: Annual reports of the society from 1998-99 to 2007**

From the table it is clear that the cattle feed sale of the society shows an increasing trend over the years. The CAGR of cattle feed sales of the society is 6%. It means that the income of the society from cattle feed sales increased over the years

## **2.9 Sources of Funds**

The funds of the society shall be mobilized from the following sources:

- Share capital
- Reserves.
- Grants
- Entrance fee
- Loans
- Deposits from members

At present the society mobilizes funds from share capital, reserves and entrance fee.

### 2.9.1 Share Capital of the society

As mentioned earlier the society has 'A' class and 'B' class shares. The table below gives the share capital of the society from 1998-99 to 2007-08

**Table.2.4 The share capital of the society from 1998-99 to 2007-08**

Year	Share Capital(Rs)	Growth index
1998-1999	3050	100.0
1999-2000	3110	101.9
2000-2001	3180	104.2
2001-2002	3240	106.2
2002-2003	3250	106.2
2003-2004	3250	106.2
2004-2005	3300	108.1
2005-2006	3330	109.1
2006-2007	3370	110.4
2007-2008	3370	110.4

**Source: Annual reports of the society**

The table shows that in the year 1998-99 the share capital was 3050. It has increased to 3370 during the year 2007-08. The CAGR of share capital is 1%. It shows a slightly increasing trend over the years.



## 2.10 Working capital of the society

The components of working capital of the society are share capital, reserves and surplus. The table below gives the working capital of the society from 1998-99 to 2007-08

**Table 2.5 Working capital of the society from 1998-99 to 2007-08**

<b>Year</b>	<b>Working Capital (Rs)</b>	<b>Growth Index</b>
1998-1999	102423	100
1999-2000	159540	155
2000-2001	232341	226
2001-2002	272848	266
2002-2003	306219	298
2003-2004	33521	324
2004-2005	115519	112
2005-2006	181753	177
2006-2007	292900	285
2007-2008	251041	245

**Source: Annual reports of the society from 1998-99 to 2007-08**

The CAGR of working capital is 9%. It means that over the years the working capital of the society has increased. It can be considered as a positive sign.

## 2.11. Milk collection and sales by the society

The society collects milk from the members and makes local sales and also sales to Milma. Details of milk collection and sales by the society is shown in the table below from 1998-99 to 2007-08

**Table 2. 6 Milk collection and sales of the society from 1998-99 to 2007-08**

Year	Milk collected from farmers(Ltrs)	Growth Index	Sold to MILMA (Ltrs)	Growth Index	Local Sales(Ltrs)	Growth Index
1998-1999	173375	100	146000 (84)	100	27375 (16)	100
1999-2000	169757	97	140525 (83)	96.25	29200 (17)	106
2000-2001	158775	91	136875 (86)	93.75	21900 (14)	80
2001-2002	148190	85	133590 (90)	91.5	14600 (10)	53
2002-2003	138700	80	120450 (87)	82.5	18250 (13)	66
2003-2004	131400	75	108405 (83)	74.25	22630 (17)	82
2004-2005	125195	72	92345 (74)	63.25	32850 (26)	120
2005-2006	123735	71	63985 (52)	43.8253425	54750 (48)	200
2006-2007	134685	77	76285 (57)	52.25	58400 (43)	213
2007-2008	117530	67	58400 (50)	40	59130 (50)	216

**Source: Annual reports of the society from 1998-99 to 2007-08**

**Note: Figures in brackets indicate the percentage of sales to Milma and local sales out of the total milk collection**

The CAGR of milk collection by the society is -3%.It means that over the years the milk supplied by the members is decreasing during the study period. This can be considered as a negative sign. We have seen that over the years the membership of the society increased slightly. Still milk collection by the society



decreased very much. The reasons might be either the production fall or the farmers dependence on other channels to sell more milk. On examining the percentage of milk sales to Milma and local sales during the last five years, the percentage of local sale has tremendously increased and the quantity of local sales has also increased. The sale of milk to Milma by the society also shows a decreasing trend. The CAGR of the sales to Milma is -8%. The local sale of milk by the society shows a positive trend. The CAGR of local sale is 8%. Even though the milk collection of the society declined it had maintained its local sales at a sound rate.

## **2.12. Audit classification of the society**

The audit classification of the society of the society through out the study period was 'B'

## **2.13 Profit Distribution**

The gross profit of the previous year should be announced in the general body meeting and the terms given below should be deducted from it

- The interest for deposits
- The working expense of the society
- Losses
- Depreciation for building and other assets
- The bad debts
- Contribution to the provident fund and gratuity of employees

The balance amount shall be considered as the net profit of the society. The net profit shall be distributed as

- Not less than 25% to the reserve fund



From the remaining amount not greater than 9% of the paid up share capital shall be given to the shareholders as dividend.

After the above deductions the remaining amount shall be distributed as

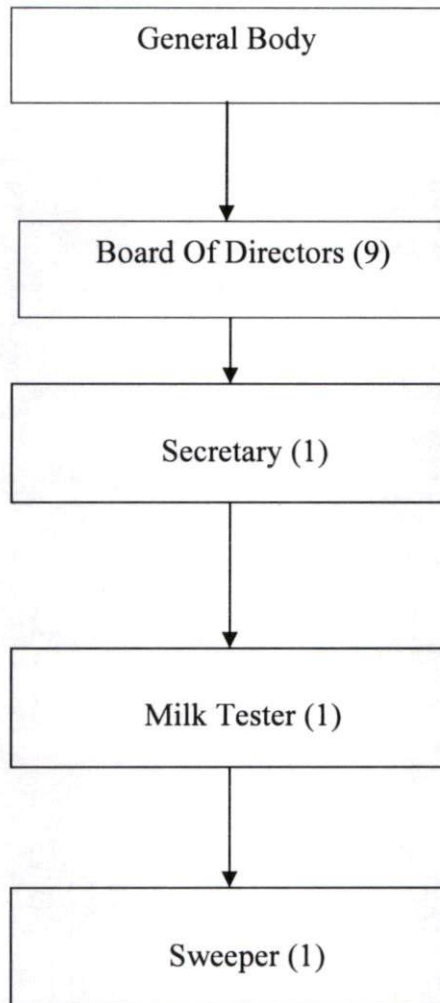
- 65% shall be given as the bonus to members.
- 10% shall be earmarked for cattle development fund
- 10% shall be distributed as the bonus to employees
- 5% shall be earmarked for cooperative education fund

If any amount is remaining after all this distribution it shall be added to the reserve fund.

#### **2.14. Administrative setup**

General body is the highest authority of the society. The Board of Directors of the society include 9 members including President. The members of the board consist of , 1 SC/ST member, 1 woman member and 7 from others (general category). The board members elect the president. The society has a paid Secretary, one milk tester and one sweeper. The organizational structure of the society is shown below.

## 2.15 Organizational Structure



## 2.16 General Body Meeting

General body is the supreme authority of the society. The responsibilities of the general body meeting are of the following;

- Electing Board of directors
- Approving the annual audit report
- Amendment of byelaws for the smooth functioning of the society
- Dismiss members under Sec.17 of Kerala Cooperative Societies Act 1969
- Solve the complaints of members
- Elect a representative to milk unions or district cooperative bank

- Approving the annual budget
- Provides advances to the member
- Appropriating profit under Section 56 of Kerala Societies Act 1969
- Taking necessary decisions relating to the functioning of the society.

### **2.17 Secretary**

Secretary is a person appointed to implement the decisions taken in the general body meeting. He is responsible for the routine working of the society. He is also responsible for taking legal measures in the interest of the society. He is also the custodian of the books of accounts and other records of the society.

### **2.18 Conclusion**

The Avinissery Ksheerolpadka Sahakarana Sangham Ltd No R34D is situated in a rural area. It has been working for 37 years in that area. The society is meant for working for the socio economic development of the members. From the above details it is clear that the membership of the society shows only slight increasing trend over the years. This means that during the study period the society could not attract more new members. The performance of the society is discussed in the next chapter



*EVALUATION OF ENTERPRISE  
ROLE PLAYED BY AVINISSERY  
KSHEEROLPADAKA SAHAKARANA  
SANGHAM Ltd (No. R34D)*

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## **Chapter III**

### **Evaluation of Enterprise Role Played by the Avinissery ksheerolpadaka saharana sangham Ltd No R34D**

The Avinissery Ksheerolpadaka Sahakarana Sangham Ltd No R34D has been working in the areas for a long time. Dairy farmers in the area are depending on this organization. As it is a cooperative institution it has enterprise and institutional role to play. In order to know the extent of success in the enterprise role played by the society a proper evaluation on the financial aspects is very essential. Ratio analysis is the main tool for the performance evaluation. It is a technique for analysis and interpretation of financial statements. A ratio is a simple arithmetical expression of the relationship of two mathematical expressions. It may be defined as the indicated quotient of two variables. Analysis and interpretation of various financial ratios provide a better understanding of financial position and performance of the organization. The ratio analysis helps in financial planning and forecasting, decision making, coordination communication, etc.

The ratios used for the analysis are:

- Gross Profit Ratio
- Net Profit Ratio
- Return on shareholder's fund Ratio
- Return on total asset Ratio
- Cost of goods sold ratio
- Establishment expense ratio
- Manpower expense ratio
- Interest expense ratio
- Provisions ratio

### 3.1 Gross profit ratio

Gross profit ratio is an important general profitability ratio. It measures the relationship of gross profit to net sales and is usually expressed as a percentage. Thus it is calculated by dividing gross profit by sales

$$\text{Gross profit ratio} = \frac{\text{Gross profit}}{\text{Net sales}} \times 100$$

The two basic components of the gross profit ratio are sales and cost of goods sold since gross profit is simply the excess of net sales over cost of goods sold. Net sales can be found by deducting sales returns or return inwards, if any out of cost of sales.

The gross profit ratio indicates the extent to which selling price of goods per unit may decline without resulting in losses on operation of the society. It reflects the efficiency with which the society carries the operations of procurement and sales of milk and cattle feed. As the gross profit is found by deducting cost of goods sold from the net sales, higher the gross profit ratio, better the result. A low gross profit ratio, generally indicates high cost of goods sold due to inefficient purchasing policies, lower sales, lower selling prices, tight competition etc

Table 3.2 below gives the gross profit ratio, gross profit per litre of milk collected and the margin of buying and selling price per litre of milk collected.



**Table 3.2 Gross profit ratio, gross profit per litre of milk collected from 1998-99 to 2007-08**

1	2	3	4	5	6
Year	Gross profit(Rs)	Net sales (Rs)	Gross profit ratio(%)(2/3*100 )	Milk collection (ltrs)	Gross profit per litre of milk collected(Rs)
1998-99	125024	1354492	9.2	173375	0.72
99-20	195019	1907440	10.2	169757	1.14
00-01	177454	1738489	10.2	158775	1.1
01-02	169939	1806147	9.4	148190	1.1
02-03	186518	1840960	10.1	138700	1.3
03-04	194470	1830887	10.6	131400	1.4
04-05	225018	1958297	11.4	125195	1.7
05-06	242845	2317535	10.4	123735	1.96
06-07	226466	2454120	9.2	134685	1.6
2007-08	259463	2369836	10.9	117530	2.20

**Source: The secondary data collected from the society**

From the table it is clear that the gross profit of the society shows a positive trend over the years. The CAGR of gross profit is 7.5% The gross profit ratio has varied from 9.2% to 11.4%. Though fluctuated from year to year it has showed an increasing tendency. The CAGR of milk collection is -3%, indicating reduction in the quantity of milk collected. Though the milk collection has declined, the gross profit of sales of the society shows an increasing trend. The CAGR of sales value of the society is 5.7%. This shows a positive trend. This is because of the increase in the price of milk. The gross profit per litre of milk collected also shows an increasing trend. It has almost tripled over the years.

The society deals with the sales of milk and cattle feed. So gross profit is derived from sales of both milk and cattle feed. In the following paragraphs a split up of gross profit from milk and cattle feed is separately shown

### 3.1.A Gross profit from sales of Milk

The gross profit ratio of milk sales , gross profit per litre of milk collected and the margin of average buying and selling price are given in the table below

**Table 3.3 Gross profit ratio from milk sales from 1998-99 to 2007-08**

1	2	3	4	7	5	6	8	9	10
Year	Sales (Rs)	Purchase of milk (Rs)	Gross Profit (Rs)	Gross profit ratio((%)(4/2*100)	Milk collection(Ltrs )	Gross profit per litre of milk collected (Rs)	Average buying price per litre(Rs)	Average selling price per litre(Rs)	Margin
1998-99	121642	1129887	86605	7.1	173375	0.5	6.5	7	0.5
99-2000	168280	1519334	163466	9.7	169757	0.9	8.9	9.9	0.9
00-01	162441	1463767	160674	9.8	158775	1	9.2	10.2	1
01-02	160823	1483766	124477	7.7	148190	0.8	10.0	10.8	0.8
02-03	169120	1534598	156602	9.2	138700	1.1	11	12.1	1.1
03-04	172217	1571408	150699	8.2	131400	1.1	11.9	13.1	1.2
04-05	184931	1653320	196041	10.6	125195	1.5	13.2	14.8	1.5
05-06	208981	1854798	235073	11.2	123735	1.8	14.9	16.8	1.9
06-07	228836	2048792	239524	10.4	134685	1.7	15.2	16.1	1.7
2007-08	210636	1874254	232062	11.0	117530	1.9	15.9	17.5	2

Source: The secondary data collected from the society

From the table it is clear that the gross profit from sale of milk alone shows an increasing trend over the years. The CAGR of gross profit of milk is 10.5%. Though it has fluctuated, it shows an increasing tendency over the years. The gross profit ratio also fluctuated over the years. But in general over the years it shows an increasing trend. The margin of buying price and selling price also increased over the years. It has increased from Rs 0.50 in 1998-99 to Rs 2 in 2007-08



### 3.1.B Gross profit of cattle feed

The gross profit from cattle feed sales of the society from 1998-99 to 2007-08 is shown below

**Table 3.4 Gross profit ratio of cattle feed provided by the society from 1998-99 to 2007-08**

1	2	3	4	5	6	7	8
Year	Opening stock(Rs)	Purchase (Rs)	Closing stock(Rs)	Cost of goods sold(2+3-4)	Sale of cattle feed(Rs)	Gross profit(Rs) (6-5)	Gross profit ratio (%) (7/6 *100)
1998-99	27398	132000	26491	132907	138000	5093	3.69
99-00	43963	216000	28096	217413	224640	7227	3.2
00-01	28096	110000	44356	93740	114048	20308	17.8
01-02	9547	192613	28615	173545	197904	24359	12.3
02-03	19413	148524	32531	135406	149760	14354	9.5
03-04	30683	96872	34488	93067	108780	15713	14.4
04-05	35076	106080	63475	77681	108936	31255	28.6
05-06	34297	224809	26085	222307	227664	5357	2.3
06-07	26085	164686	37512	153259	165804	12545	7.5
2007-08	25892	262228	19152	258072	263520	5448	2.06

Source: The secondary data collected from the society

From the table it is clear that the gross profit from sale of cattle feed is not showing an improved sign. It fluctuates over the years. The CAGR of gross profit from cattle feed is 0.67%. It means that only small progress have occurred in the gross profit of cattle feed over the years. The gross profit ratio is totally unstable. During the initial years of study period it has increased, but it declined gradually. But the sale of cattle feed shows a positive trend over the years. The CAGR of sale of cattle feed is 6.7%. This is because of the increase in the price of cattle feed every year.



From the above analysis it can be concluded that the sale of cattle feed does not have much influence in the changes in the gross profit of the society.

### 3.2 Net profit ratio

Net profit ratio establishes a relationship between net profit and sales, and indicates the efficiency of activities of the firm. This ratio is the overall measure of the firms profitability and is calculated as :

$$(i) \quad \text{Net profit ratio} = \frac{\text{Net profit}}{\text{Net sales}} \times 100$$

The two basic elements of the ratio are net profit and sales. The ratio is very useful as if the profit is not sufficient, the firm shall not be able to achieve a satisfactory return on its investment. Obviously, higher the ratio, the better is the profitability

The table below shows the net profit of the society from 1998-99 to 2007-08

**Table 3.5 Net profit ratio of society from 1998-99 to 2007-08**

1	2	3	4
Year	Net profit(Rs)	Net sales(Rs)	Net profit ratio(%) (2/3 *100 )
1998-1999	112163	1354492	8.2
1999-2000	103613	1907440	5.4
2000-2001	76684	1738489	4.4
2001-2002	92970	1806147	5.1
2002-2003	115270	1840960	6.2
2003-2004	156719	1830887	8.5
2004-2005	40179	1958297	2.0
2005-2006	120180	2317535	5.1
2006-2007	99925	2454120	4.07
2007-2008	101672	2369836	4.2

Source: The secondary data collected from the society

From the table it can be seen that net profit of the society is decreasing over the years. The CAGR of net profit is -0.97%. From this itself we can say that the net profit of the society is having a negative growth over the years. Within 10 years the money value has decreased and the price level has increased. The net sales has increased because of the increase in the price level. In spite of this, the absolute figure of net profit becomes negative. This is a concern for the society

### 3.3 Return on total assets ratio

Return on total assets ratio indicates the efficiency of the society in generating return from all financial resources committed to total assets

$$\text{Return on total assets ratio} = \frac{\text{Net profit}}{\text{Total assets}} \times 100$$

The two components of return on total assets ratio are the net profit and total assets. Higher the return on total assets ratio higher will be the overall profitability of the firm. The total assets were taken from the audited balance sheet of the society. It includes items such as fixed assets, current assets, movable and immovable items, etc.

The table below shows the return on total assets from 1998-99 to 2007-08

**Table 3.6 Return on total assets ratio of society from 1998-99 to 2007-08**

1	2	3	4
Year	Net profit (Rs)	Total assets(Rs)	Return on total assets ratio (3/2 *100) (%)
1998-1999	112163	971975	11.53
1999-2000	103613	1026483	10.09
2000-2001	76684	1114054	6.8
2001-2002	92970	1229419	7.5
2002-2003	115270	1386697	8.3
2003-2004	156719	1544232	10.1
2004-2005	40179	1693918	2.3
2005-2006	120180	1816239	6.6
2006-2007	99925	1931949	5.1
2007-2008	101672	2151665	4.7

Source: The secondary data collected from the society



From the table we can see that the total assets of the society show an increasing trend over the years. The return on total assets ratio shows a decreasing trend. Even though the absolute amount of return on total assets increased, the ratio shows a decreasing trend. This is because of the changes in the net profit of the society. The net profit of the society shows a very decreasing trend over the years. The CAGR of total asset is 8.27%. But the CAGR of net profit is -0.97%. That is why the return on total assets ratio decreased so much. The society has not been able to increase the profitability in pace with the increase in assets.

### **3.4 Return on shareholder's fund**

The return on shareholders' fund popularly known as ROI or return on shareholder's investment is the relationship between net profit and the shareholder's fund

$$\text{Return on share holder's investment} = \frac{\text{Net profit}}{\text{Share holder's fund}} \times 100$$

The ratio is generally calculated as the percentage by multiplying the above with 100. The two basic components of this ratio are net profit and share holder's funds. The shareholder's fund includes share capital and reserves. This ratio is one of the most important ratios used for measuring the overall efficiency of the society. Higher the ratio, better are the results. The table below shows the return on shareholder's fund ratio from 1998-99 to 2007-08



**Table 3.7 Return on shareholder's fund ratio of society from 1998-99 to 2007-08**

1	2	3	4
Year	Net profit(Rs)	Shareholder's fund(Share capital+ Reserves & surplus) (Rs)	Return on shareholder's fund ratio(%)(3/2) (2/3 *100)
1998-1999	112163	129588	86.55
1999-2000	103613	157689	65.7
2000-2001	76684	183662	41.7
2001-2002	92970	202893	45.8
2002-2003	115270	226145	50.9
2003-2004	156719	254963	61.4
2004-2005	40179	294193	13.6
2005-2006	120180	304268	39.4
2006-2007	99925	334353	29.8
2007-2008	101672	359334	28.2

**Source: The secondary data collected from the society**

From the table it is clear that shareholder's fund shows a positive trend over the years. The CAGR of shareholders fund is 10.7%. The shareholder's fund shows a very increasing trend during the study period. But we can see that the return on shareholders fund ratio decreased from 86.55% to 28.2%, even though the shareholders fund increased. The society has not been able to increase the profitability in pace with the increase in shareholders' fund. This might be on account of decline in the quantity of milk collection and increase in the establishment and manpower expenses of the society.

### **3.5. Expense Ratios**

Expense ratios indicate the relationship of various expenses to net sales. The lower the ratio the greater is the profitability and higher the ratio, lower is the profitability. The various expense ratios used in the study are

- Cost of good sold ratio
- Establishment expense ratio
- Man power expense ratio
- Interest expense ratio
- Provisions ratio

### 3.5.1 Cost of good sold ratio

The table below shows the cost of goods sold of the society from 1998-99 to 2007-08

**Table 3.8 Cost of good sold ratio of society from 1998-99 to 2007-08**

1	2	3	4	6	7	8
Year	Opening stock(Rs)	Purchases(Rs)	Closing stock(Rs)	Sales +Other income(Rs)	Cost of goods sold(Rs)(2+3-4)	Cost of good sold ratio(%) (7/6*100)
1998-99	27398	1261887	26491	1354492	1262794	93.23
99-00	43963	1735334	28096	1907440	1751201	91.8
00-01	28096	1573767	44356	1738489	1557507	89.5
01-02	9547	1676380	28615	1806147	1657312	91.7
02-03	19413	1683122	32531	1840960	1670004	90.7
03-04	30683	171408	34488	1836995	1667603	90.7
04-05	35076	1759400	63475	1964555	1731001	88.1
05-06	34297	2079607	26085	2323943	2087819	89.8
06-07	26085	2213478	37512	2459778	220205	89.5
2007-08	25892	2136482	19152	2373715	2143222	90.2

**Source: The secondary data collected from the society**

The CAGR of cost of goods sold is 5.43%. From the table we can understand that the cost of good sold has increased from the beginning to end of the study period. But when we look on the ratio we can find out that the ratio has slightly decreased



from the beginning to the end of the study period. This is because of the increase in the total sales of the society throughout the study period..

### 3.5.2 Establishment expense ratio

The establishment expense of the society includes expense for land and building, depreciation fund, building recruitment fund, reserve for milkotester, etc. The table below shows the establishment expenses of the society from 1998-99 to 2007-08

**Table 3.9 Establishment expense ratio of society from 1998-99 to 2007-08**

1	2	3	4
Year	Sales+ other income(Rs)	Establishment expense(Rs)	Establishment expense ratio(%)(3/2*100)
1998-1999	1354492	36586	2.7
1999-2000	1907440	41897	2.1
2000-2001	1738489	75492	4.3
2001-2002	1806147	59158	3.2
2002-2003	1840960	94866	5.1
2003-2004	1836995	66107	3.5
2004-2005	1964555	199380	10.1
2005-2006	2323943	107559	4.6
2006-2007	2459778	100084	4.0
2007-2008	2373715	152212	6.4

**Source: The secondary data collected from the society**

From the table it is clear that the establishment expense ratio of the society fluctuates during the study period. Even though it has made fluctuations it shows an increasing tendency over the years and has increased from 2.7% in 1998-99 to 6.4% in 2007-08. The CAGR of establishment expense is 15.32%. This means that over the



years the expenses increased very much. This is a negative sign as the amount of expense is high and adversely affects the profitability.

### 3.5.3 Manpower expense ratio

The manpower expenses of the society includes salary expenses, provision for gratuity, etc. The table below shows the manpower expense of the society from 1998-99 to 2007-08

**Table 3.10 Manpower expense ratio of the society from 1998-99 to 2007-08**

1	2	3	4
Year	Manpower expense(Rs)	Sales+ other income(Rs)	Manpower expense ratio(%)(2/3*100)
1998-1999	47176	1354492	3.4
1999-2000	53382	1907440	2.74
2000-2001	83136	1738489	4.7
2001-2002	71442	1806147	4.07
2002-2003	53014	1840960	2.87
2003-2004	73990	1836995	4.02
2004-2005	84313	1964555	4.2
2005-2006	76649	2323943	3.2
2006-2007	89450	2459778	3.6
2007-2008	105299	2373715	4.4

**Source: The secondary data collected from the society**

The CAGR of manpower expense is 8.3%. The manpower expenses ratio of the society also shows an increasing trend over the years. It is a negative sign for the society as the increase in expenses adversely affects the society

### 3.5.4 Interest expense ratio

The table below shows the interest expense of the society from 1998-99 to 2007-08

**Table 3.11 Interest expense ratio of society from 1998-99 to 2007-08**

1	2	3	4
Year	Interest expenses(Rs)	Sales + other income(Rs)	Interest expense ratio(%)(2/3*100)
1998-1999	464	1354492	0.34
1999-2000	195	1907440	0.01
2000-2001	892	1738489	0.05
2001-2002	1412	1806147	0.078
2002-2003	3414	1840960	0.18
2003-2004	4552	1836995	0.246
2004-2005	1301	1964555	0.066
2005-2006	1970	2323943	0.085
2006-2007	353	2459778	0.014
2007-2008	127	2373715	0.005

**Source: The secondary data collected from the society**

From the table it can be understood that the interest expense ratio of the society is decreasing every year during the study period. In 1998-99 it was 0.34% and it reached 0.005% during the last year of study period. The interest expense of the society is very low. It was only Rs 464 in the first year of study and it reached Rs 127 in the last year of study. The CAGR of the interest expense is very low, that is - 12.15%. The society didn't have much borrowing during the study period. So that the interest expenses were also less during the study period.

### **3.5.5 Provisions to total income ratio**

Provisions of the society includes the provision for bad and doubtful assets. The table below shows the provisions of the society from 1998-99 to 2007-08



**Table 3.12 Provisions ratio of society from 1998-99 to 2007-08**

1	2	3	4
Year	Provisions (Rs)	Sales + other income(Rs)	Provisions to total income ratio (%) (2/3*100)
1998-1999	11368	1354492	0.8
1999-2000	17573	1907440	0.9
2000-2001	-5623	1738489	-0.3
2001-2002	48759	1806147	2.6
2002-2003	-12959	1840960	-0.7
2003-2004	19845	1836995	1.08
2004-2005	-24874	1964555	-1.2
2005-2006	-10729	2323943	-0.4
2006-2007	19294	2459778	0.78
2007-2008	-1873	2373715	-0.0007

**Source: The secondary data collected from the society**

From the table it can be understood that the society has incurred a very small expense for provisions during the study period. This can be considered as a positive sign. During the first year of study it was 0.8% and it reached -0.0007% during the last year of study. This means that the society had a very less expense in the case of provisions. This can be considered as a positive sign



### 3.6 COCLUSION

From the analysis of the financial aspects of the society we can understand that the society is not having a good financial performance. The society could not play its enterprise role well. The gross profit has increased by 7.5 % over the years. Gross profit ratio has varied from 9.2% to 11.4%.It shows a fluctuating behaviour. Gross profit from milk alone also increased and which is almost tripled while that of cattle feed alone has decreased. The net profit ratio, return on shareholder's fund, return on total assets etc have decreased. The cost of goods sold ratio has decreased slightly. The establishment expense, manpower expense etc have increased. It is a negative sign. The increase in gross profit could not compensate increase in the establishment and manpower expenses which are mostly fixed in nature. The prices collected and paid are administered. The probable methods to improve profitability are, increase in the local sales and procurement of more milk. As per the structure the cooperative institutions has certain limits for local sales. So the improvement in the profitability can be made possible if and only if dairying is made economically viable and the society could give adequate return to the members. This part that is whether the society could protect farmer's interest is examined in the next chapter

*EVALUATION OF INSTITUTIONAL  
ROLE PLAYED BY AVINISSERY  
KSHEEROLPADAKA SAHAKARANA  
SANGHAM Ltd (No.R34D)*

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**CHAPTER IV**  
**EVALUATION OF INSTITUTIONAL ROLE PLAYED BY THE**  
**AVINISSERY KSHEEROLPADAKA**  
**SAHAKARANA SANGHAM**

From the analysis of the financial aspects of the society it can be understood that the profitability of the society has declined over the years. It means that the efficiency of the enterprise role has come down. From the analysis of the first part it can be understood that the milk collection by the society has decreased throughout the study period. The farmers would be ready to supply milk to the society only when they get reasonable price for the milk. Only then we can say that the institutional role of the society has been played well. In this aspect a study had been conducted to know about the institutional role played by the society. For this a survey had been conducted among the farmer members of the society. The major objective of the study is to analyze whether the farmer members of Avinissery Ksheerolpadaka Sahakarana Sangham Ltd No.R34D are satisfied with the services provided by the society and also to check whether they can meet the milk production expenses with the income from dairying.

**4.1 SOCIO ECONOMIC CHARECTERISTICS OF FARMERS**

The major socio-economic characteristics that have been analyzed are age, gender, educational qualification, occupation, annual income, land holding, family size etc



- **Age**

The table below shows the age wise classification of respondents

**Table 4.1. Age of respondents**

Indicators	Number of respondents	Percentage to total
Age		
20-40	4	13
40-60	17	54
>60	9	30
Total	30	100

**Source: Primary data collected from sample farmers**

The age of most of the respondents is between 40 and 60. Out of 30 respondents, 17 are coming under this range. The age of four respondents are between the range of 20 and 40. Nine respondents are above 60 years. From the table it is clear that the number of youngsters coming to this field is very less.

- ii. **Gender**

The table below shows the gender wise classification of respondents

**Table 4.2 Gender of respondents**

Indicators	Number of respondents	Percentage to total
Gender		
Male	28	93
Female	2	7
Total	30	100

**Source: Primary data collected from sample farmers**

Majority of the respondents are males. Out of 30 respondents 28 are males and 2 are females. It accounts for 93%. It means that the membership of the society has

mainly taken by male members of the family even though the female members are involved in the dairying.

### iii. Size of land holding

Cow has to be fed especially with green grass. Dairying requires some landholding for cultivation of fodder crops, feed, etc. So dairying and size land holding are related to each other. The table below shows the details regarding the size of landholding of the respondents

**Table 4.3 Details regarding Size of land holding**

Indicators	Number of respondents	Percentage to total
.Size of land holding		
<10Cent	6	20
10-20 Cent	6	20
20-50 Cent	10	33
>50 Cent	8	27
Total	30	100

**Source: Primary data collected from sample farmers**

The size of landholding of majority of the respondents are between 20 and 50 cents.10respondents out of 30 are coming under this category.8 members are having above 50 cent landholding.12 respondents are having land up to 20 cents. It is clear that more than 70% of farmers have below 50 cent landholding.

#### iv. Educational Qualification

The table below shows the education wise classification of respondents

**Table 4.4 Educational qualification of respondents**

Indicators	Number of respondents	Percentage to total
4.Educational qualification		
Illiterate	2	7
Primary	27	90
High School	0	0
Secondary	1	3
Graduate and above	0	0
Total	30	100

**Source: Primary data collected from sample farmers**

Majority of the respondents are having only primary education. 27 respondents out of 30 are coming under this category. Two respondents are illiterate and one is having secondary education. From the table it is clear that dairying is the occupation of less educated people.



## v. Occupation

Dairying can be taken as main or subsidiary occupation. In the following table the field of main occupation of the respondents is given.

**Table.4.5 Occupation of respondents**

Indicators	Number of respondents	Percentage to total
Occupation		
Primary sector	29	97
Secondary sector	0	0
Tertiary sector	1	3
Total	30	100

**Source: Primary data collected from sample farmers**

Primary sector means job in agriculture and allied activities. Secondary sector means job in industrial field and tertiary sector means job in service sector. The occupation of majority of the respondents is in primary sector. 29 out of 30 respondents are doing agricultural and allied activities. Only one respondent is a Govt. employee

## vi. Annual Income

The table below shows the income wise classification of respondents

**Table.4.6. Annual income of respondents as given by the sample farmers**

Annual income (Rs)	Number of respondents	Percentage to total
<10000	7	23
10000-20000	21	70
>20000	2	7
Total	30	100

**Source: Primary data collected from sample farmers**

The annual income of majority of the respondents is between Rs 10000 and Rs 20000. Twenty respondents out of 30 are coming under this range. 7 respondents are having annual income below Rs 10000 and only two respondents are having annual income above Rs 20000

## 4.2. DETAILS REGARDING THE DAIRY ANIMAL

### 4.2.1. Number of cattle and production per day

The table below shows the details regarding the number of cattle and production per day

**Table 4.7 Details of number of cattle and production/day**

Sl. No	Indicators	Number of respondents	Percentage to total
1.	Cattle heads		
	1	17	56.4
	2-6	11	36.6
	6-10	0	0
	>10	2	7
	Total	30	100
2.	Production( litres/ day)		
	5-10	16	53.4
	10-20	9	30
	20-50	3	10
	> 50	2	6.6
	Total	30	100

**Source: Primary data collected from sample farmers**

The majority of farmer respondents are having only one dairy animal.17 farmers out of 30 are coming under this range.11 respondents are having the dairy animal between 2-6.And only 2 respondents are having dairy animals above 10.This means that majority of the respondents are not doing dairying as a large scale business.

The milk production of majority of the respondents is between 5-10 litres per day. 16 farmers out of 30 respondents are coming under this range.9 farmers are producing 10-20 litres per day. Only 3 farmers are having the production between 20-50 litres per day and 2 farmers are having the production above 50 litres per day. We can say the majority of the farmers have the milk production of less than 10 litres

#### **4.2.2 Lactation period, dry period and economic life period of dairy animal**

The table below shows the details regarding the lactation period, dry period and economic life period of dairy animal



173 964



**Table.4.8 Details regarding the lactation period, dry period and economic life period**

Sl.No	Particulars	Number of respondents	Percentages to total
1	Days in lactation/ year		
	150-210	8	26.6
	211-300	22	73.4
	Total	30	100
2	Days in dry / year		
	65-150	22	73.4
	150-210	8	26.6
	Total	30	100
3	Economic Life period (year)	0	0
	<4	30	100
	4-6	0	0
	6-10	0	0
	>10		
	Total	30	100

**Source: Primary data collected from sample farmers**

Majority of the respondents opined that the lactation period of cow is between 211-300 days/year.22 out of 30 respondents opined this. Only 8 respondents are of the opinion that lactation period is between 150-210.

22 out of 30 respondents are of the opinion that the dry period of a cow is between 65-150 days

All the respondent opined that the economic life period of a cow would be 4-6years.Life period in the sense that the average holding period of cow. After the economic life period they will sell the cow

### 4.3 MILK DISPOSAL

#### 4.3.1 Mode of milk disposal

The table below shows the mode of milk disposal by the respondents

**Table4.9 Mode of milk disposal ( Rank according to quantity of milk )**

Particulars	Rank		
	I	II	III
Society	17	12	0
Household Sales	12	17	0
Private Vendors	1	0	1

From the table it is clear that most of the respondents are supplying milk to the society with first preference.17 respondents out of 30 are supplying more quantity of milk to the society and the remaining is supplied for local sales.12 respondents are supplying more quantity of milk to the households and then to the society. Only one respondent is supplying more quantity of milk to the private vendors. All the farmers are supplying milk to other channels also. No member is there who is supplying milk only to the society.

### 4.3.2 Reason for joining the society

The table below shows the reasons for joining the society

**Table 4.10 Reasons for joining the society**

Particulars	Number of respondents
Nearness	30
Stable market	30
To avail services from the society	12
Influenced by the BOD	0
Influenced by other members	0

**Source: Primary data collected from sample farmers**

All the respondents opined that they had joined the society because of the nearness and also to get a stable market. 12 respondents out of 30 said that they had joined the society to avail the services provided by the society along with the reasons of nearness and stable market.

### 4.3.3 Reasons for milk disposal to different channel

The table below shows the reason for sale of milk to different channel.

**Table 4.11 Reasons for sale of milk to different channel**

Particulars	Society	Private Vendors	Local sales
Better price	0	2	30
Accessibility	30	1	30
Input services	30	0	0

**Source: Primary data collected from sample farmers**



From the table it is clear that the reasons for supplying milk to the society are mainly accessibility and other services such as feed and veterinary services provided by the society. All the respondents are of this opinion. From the table it is clear that the accessibility for local sales and society is equal. But the society is not giving as better price as local sales

The respondents who are giving milk to the private vendors are very less. The reasons for supplying milk to them are better price and accessibility.

The main reasons for local sale of milk as opined by the respondents are better price and accessibility. All the respondents are having this opinion

#### **4.4 EXPENSES**

##### **4.4.1 Cost of production of milk**

For the computation of cost, the entire cost involved in the milk production is categorized into Fixed and Variable costs. The fixed cost involved in cattle rearing are depreciation for cost of cattle, cost of cattle shed, cost of vessels. The cost of feed, cost of veterinary aid and cost of labour both hired and owned are included in the variable cost.

For the computation of expenses and returns of milk production three groups were made, small scale farming, medium size farming and large scale farming and number of cattle are 1, 2-6 cow and above 6 cow respectively. In each size group the expense and return per cattle is calculated.

##### **4.4.1.A Fixed cost of production of milk**

The table below shows the fixed cost of production of milk

Table 4.12 Fixed cost per year of milk production

1 Size groups	2 Fixed cost			3 Scrap value			4 iv. Economic Life span			5 Depreciation			6 Total fixed cost per year
	Animal	Shed	Vessel	Animal	Shed	Vessel	Animal	Shed	Vessel	Animal	Shed	Vessel	
1 Cow	27000	7000	1300	6000	-	-	5	10	5	4200	700	260	5160
2-6 Cow	26500	6050	1200	6000	-	-	5	10	5	4100	605	240	4945
Above 6 Cow	23000	5020	1000	6000	-	-	5	10	5	3400	502	200	4102

Source: Primary data collected from survey

The table above shows the fixed cost per year of the milk production. It is assumed that all milch animals have got an economic life of 5 years and thereafter, there will be a scrap value of Rs.6000/animal. The scrap value is deducted from the amount invested on buying cattle and the remaining amount is equally charged over five years ie. the life span of animal. This cost is considered as the depreciation for animal.

Depreciation for cattle shed is calculated by dividing the amount invested for cattle shed by 10 years ie. the life span for cattle shed and for vessels the amount divided by 5 year, that is its life span. In these cases the scrap value is not taken into account.

The fixed cost per year of each size group is calculated above. From the table it can be understood that the fixed cost for rearing one cow is more than that of other groups.

#### **4.4.1. B Operational Cost of production**

The operational cost involved in dairying is broadly classified into cost of feed, cost of veterinary aid, cost of milking and cost of routine care. The feed cost includes the cost of feed from the society and also from other sources

The table below shows the operational cost of production of milk



**Table.4.13 Operational cost of milk production (Cost in Rs)**

Sl no.	Items	Cost per animal per annum
1	Feed from society	23400
	Feed from other sources	13220
	Total feed cost	36620
2	Labour cost	8800
3	Cost of veterinary	1000
	Total operational cost	46420

**Source: Primary data collected from sample farmers**

From the table we can see that the major operational cost incurring on dairying is the cost for cattle feed. The average cost of cattle feed during the lactation period and dry period is taken. The farmers buy feed from the society and also from other sources. The farmers buy an average 36 bags of cattle feed in one year from the society. One bag cattle feed contains 50 kg and it costs Rs 665. The cost of feed from other sources includes green fodder and dry fodder. During the lactation period the feed consumption by the cow is more than that of dry period. The total cost of dry fodder during the lactation period is an average of Rs 3000 and that of dry period is an average of Rs 2000. The total cost of dry fodder during the lactation period is an average of Rs 9000 and that of dry period is an average of Rs 2000.

Next to feed cost, the major item is the labour cost which consists of cost of milking and routine care. Then comes the veterinary expenses. In a year for a cattle only Rs 1000 is incurring as veterinary cost.

#### 4.4.2 Total cost of production

The table below shows the total cost of production of milk

**Table 4.14 Total cost of milk production per milch animal (Cost in Rs)**

Sl no	Items	Size Groups		
		1 Cow	2-6 Cow	Above 6 cows
1	Operational cost			
	• feed cost	36620 (71)	36620 (71.3)	36620 (72)
	• labour cost	8800 (17.06)	8800 (17)	8800 (17)
	• cost of veterinary	1000 (2)	1000 (2)	1000 (2)
	Total operational cost	46420 (90)	46420 (90.37)	46420 (91.88)
2	Fixed cost			
	a. cattle	4200 (8)	4100 (7.9)	3400 (6.7)
	b. cattle shed	700 (1.3)	605 (1.1)	502 (0.9)
	c. vessels	260 (0.5)	240 (3.9)	200 (0.3)
	Total fixed cost	5160 (10)	4945 (9.66)	4102 (8.2)
3	Total maintenance cost	51580(100)	51365(100)	50522(100)

**Source: Primary data collected from sample farmers**

**\*Note: - figures in brackets indicate per cent to total**



From the table we can understand that operational cost is the major portion of total maintenance cost. It accounts for about 88% of the total maintenance cost of milk production. In size group 1, the total operational cost accounts for 90 %, in size group 2, it is 90.37 % and in size group 3, it is 91.88%

#### 4.5 RETURNS

The return from dairying mainly includes earnings from sale of milk and other supplementary incomes from cow dung, sale of processed products, sale of calves.

The table below shows the income from milk production per animal

**Table 4.15 Income from milk production per animal**

Sl no.	Items	Size Groups			Average
		1 Cow (Rs)	2-6 Cows (Rs)	Above 6 cows(Rs)	
1	Total maintenance cost	51580	51365	50522	51155
2	Supplementary income				
	1. from cow dung	1000	1600	2300	
	2. from processed products	1000	2000	3500	
	3. from sale of calves	2000	2200	3400	
	Net cost (1-2)	47580	45565	41322	44822
3	Milk yield( in litre)	2400	2500	2600	2500
4	Cost of milk production per litre	19.80	18.60	16.50	17.9
5	Income from milk per litre	21	22	22	21.6
6	Gain per litre	1.20	3.40	5.50	3.7

**Source: Primary data collected from sample farmers**

The cost of production of milk per litre of milk is worked out by net maintenance cost i.e. total maintenance cost minus supplementary incomes. For the



purpose of estimating returns, the price per litre is computed using the weighted average price, the weights assigned being the share of milk sold through different marketing channels. The formula for the income estimation was

$$WA = \frac{\sum Q_i P_i}{\sum Q_i}$$

$Q_i$ =quantity of milk sold and  $P_i$  is the price received by different marketing channel. The price given by the society to the farmers is Rs 17 per litre. The average price per litre for local sale and private vendors is Rs 24. The average sale of milk to the society per day by first size group is 4 litres, second is 3 litres and third is 2.5 litres. The average local sale of first group is 5.5 litres, second is 7 litres and third is 8 litres.

The milk yield in one year for each size group is calculated by multiplying the milk yield per day of each size group with the average lactation days. The average milk yield per day for first size group is 9.5 litres, for second is 10 litres and for third is 10.5 litres. The average lactation period of a cow is taken as 250 days.

From the table it is clear that the milk production in a large scale gives more gain than the small scale production. The milk production with only one cow gives Rs 1.20 per litre as gain. But milk production with 2-6 cows gives Rs 3.40 as gain per litre. More gain is given by milk production with above 6 cows i.e. It gives Rs 5.50 as gain per litre. The cost of production per litre is less in case of large scale farming than small scale farming.

#### **4.6. CONCLUSION**

The main occupation of majority of members in the society is dairying. The small farmers in the area of study are giving more quantity of their milk to the society. As mentioned earlier the price per litre of milk given by society is only Rs 17 and the cost of milk production per litre is Rs 19.80. But the average local selling

price of milk per litre is Rs 24. It means that that sale of milk with the society is not giving benefit to the farmers. They can not meet their expenses from the income from the sale with the society. It means the society can't perform its institutional role well. From the analysis it can be understood that the small scale farming is not economically viable. More gain per litre of milk produced is achieved by large scale farmers. The majority of the members in this area are poor farmers. So they can't go for large scale farming. They are not interested to continue dairying as an occupation. Still they are continuing it because they have no other way.

*SUMMARY OF FINDINGS AND  
CONCLUSION*

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## **CHAPTER V**

### **SUMMARY OF FINDINGS AND CONCLUSION**

#### **5.1 SUMMARY**

The dairy cooperatives are playing a very important role in the dairy development of our country. The cooperative societies have the dual role to be performed, the enterprise and institutional role. That is it should work for the development of the organization itself and also for the development of its members. The cooperatives should bring both the institutional and enterprise values in their performance. Only then the cooperative organization becomes a successful one. Success in the enterprise role leads to attain a good financial position for organization. Success in the institutional role leads to the socio-economic development and satisfaction of members of the organization

The present study was undertaken to evaluate the institutional and enterprise performance of Avinissery Ksheerolpadaka Sahakarana Sangham Ltd No R34D. The performance of the society as an enterprise was analyzed using the secondary data collected from the financial records of the society for 10 years from 1998-99 to 2007-08. The performance of the society as an institution was analyzed using the primary data collected through the survey of 30 farmer members of the society.

#### **5.2. FINDINGS OF THE STUDY**

- 1) Within 10 years the membership of the society increased by 1%
- 2) The share capital of the society also increased by 1%
- 3) The number of members who were eligible for voting decreased by -6%.

- 4) The working capital of the society increased by 9%
- 5) The milk collection of the society showed a decreasing trend. It decreased by -3%. The sale of milk to milma also showed a decreasing trend. It decreased by -8%. But the local sale of milk showed an increasing trend. It increased by 8%
- 6) The cattle feed sales of the society increased by 6%
- 7) The audit classification of the society through out the study period was B.
- 8) The gross profit of the society has made a fluctuating tendency over the years. But in general it showed an increasing trend. It increased by 7.5%. The gross profit per litre of milk collected also showed an increasing trend over the years.
- 9) The gross profit from sale of milk alone showed an increasing trend, but that of the cattle feed showed a decreasing trend
- 10) The net profit of the society showed a very decreasing trend during the study period. It has decreased by -0.97%
- 11) The return on total assets ratio showed a decreasing trend during the study period
- 12) The return on shareholder's fund also showed a very decreasing trend. It has decreased from 86% to 28%
- 13) The cost of good sold ratio increased by 5.43% during the study period
- 14) The manpower expense ratio increased by 8.3%
- 15) The establishment expense ratio increased by 15.32%
- 16) Provisions were negligible and it still decreased
- 17) The interest expense was very small. And still the ratio showed decreasing trend.



- 18) The majority of the members of the society are males. But discussion with farmers revealed that the female members of the family are actively participating in dairying.
- 19) The annual income of the majority of the members lies between Rs 10000 and Rs 20000
- 20) Majority of the members in the society have only one cattle
- 21) The majority of the members in the society opined that they had joined the society because of nearness and to get a stable market. Some of them opined that they had joined the society to avail the services of the society
- 22) All the sample members supply milk to other sources in addition to society.
- 23) Most of them opined that they are supplying milk to the private vendors and local sales in order to get better price from there
- 24) The fixed cost for small scale dairy farming is more than the large scale dairy farming
- 25) The operational cost for small scale farming is also more than the large scale dairy farming
- 26) The maintenance cost for small scale farming is more than for large scale farming
- 27) The cost per litre of milk is high for small scale farming than large scale dairy farming
- 28) The revenue per litre of milk is high for large scale farming than small scale dairy farming
- 29) The gain per litre of milk is high for large scale farming than small scale dairy farming. It is Rs 1.20 for small scale farming, Rs 3.40 for medium scale farming, Rs 5.50 large scale farming.



30) The farmers can't meet their expenses of dairying with the price given by the society

31) The society could not successfully perform its enterprise and institutional role

### **5.3 SUGGESTIONS**

From the analysis it can be understood that the price given by the society to the members is not adequate enough to meet their expenses of dairying. The large scale farming is more profitable than the small scale dairying. So if the society provides any financial assistance for the members to have large scale dairying, it will lead to the economic development of the members. That is in addition to marketing of milk, the society shall diversify its activities by providing facilities for development of large scale dairying. And also the Govt. should permit the society to increase the local sales and thus the profitability can be increased and by this more return can be given to the farmers.

### **5.4 CONCLUSION**

The performance evaluation of Avinissery ksheerolpadaka saharana sangham Ltd No R34D reveals that the society as a whole is not a success. From the financial analysis it can be understood that profitability of the society is not in a good position. It is decreasing year after year. That is the enterprise role played by the society is not a success. The major reason for the negative growth of profitability is the decrease in the milk collection over the years. Members would be ready to supply milk to the society only when they get a reasonable return from the society. From the survey conducted among the farmer members of the society it was understood that the

members are not getting reasonable return from the society. That is, the society is not successful in its institutional role also.

The dairy industry as a whole is facing such problems. The Govt. should intervene into this area and introduce certain schemes to make dairying viable for the farmers. Otherwise dairy farming and milk producing societies in our country can't exist in long run.

**PERFORMANCE EVALUATION OF  
AVINISSERY KSHEEROLPADAKA  
SAHAKARANA SANGHAM Ltd (No.R34D)**

By,

**DIVYA. G  
(2006-05-119)**

**ABSTRACT OF THE PROJECT REPORT**

*Submitted in partial fulfillment of the requirement for the degree of*

*Bachelor of Science in Co-operation & Banking*

**Faculty of Agriculture**



**COLLEGE OF CO-OPERATION, BANKING AND MANAGEMENT**

**Kerala Agricultural University  
Vellanikkara, Thrissur- 680656**

**Kerala, India**

**2010**



## **ABSTRACT**

The study entitled "Performance evaluation of Avinissery Ksheedolpadaka Sahakarana Sangham Ltd No R34 D" was undertaken to examine the enterprise and institutional role played by the society. The enterprise role of the society was analyzed using the secondary data collected from the financial records of the society, ten years from 1998-99 to 2007-08 . The institutional role of the society was analyzed from the primary data collected through a survey of thirty sample farmer members of the society.

From the study it could be understood that the profitability of the society is not sound. The major reason of the low profitability is the decline in the milk collection by the society. The farmers would be ready to supply milk to the society only when they get fair price to the milk. This was analyzed through the survey of farmers and could understand that the price given by the society to the farmers is not reasonable. The farmers cannot meet the expenses out of this price. That is, the society cannot perform its enterprise and institutional role well.

The dairy industry in India is facing such a problem. Immediate policy measures should be taken to save dairy industry and milk producing societies from these troubles.

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*APPENDIX*

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**Kerala Agricultural University**  
**College of Co-operation, Banking and Management**  
(Schedule of Data Collection)

Institutional role played by The Avinissery Ksheerolpadaka Sahakarana  
Sangham Ltd No (R34D)

1. NAME

2. ADDRESS

3. AGE 20-40 ;40-60 ;>60

4. SEX MALE/FEMALE

5. SIZE OF LANDHOLDINGS NIL ; <20 CENT ; 20-50CENT  
>50 CENT

6. EDUCATIONAL QUALIFICATION ILLETERATE ; PRIMARY  
HIGH SCHOOL ; SECONDARY  
GRADUATE AND ABOVE

7. OCCUPATION PRIMARY ; SECONDARY  
TERRITORY

8. ANNUAL INCOME <10000 ; 10000-20000 ; >20000

9. FAMILY DETAILS

SI.NO	NAME	AGE	LITERACY	OCCUPATION	INCOME FROM OCCUPATION	INVOLMENT IN DAIRYING



10. DETAILS REGARDING THE DAIRY ANIMAL

SL.NO.	CATTLE BREED	NUMBER	LACTATION	PRODUCTION

11. REASONS FOR JOINING THE SOCIETY?

- TO AVAIL SERVICES FROM SOCIETY
- INFLUENCE OF OTHER MEMBERS
- MOTIVATED BY BOD
- OTHERS(SPECIFY)

12. MODE OF MILK DISPOSAL (RANK ACCORDING TO QUANTITY OF MILK SOLD)

- HOME CONSUMPTION
- SOCIETY
- HOUSEHOLD SALE
- PRIVATE VENDORS

13.DETAILS REGARDING MILKING PERIOD

CATTLE	DAYS IN LACTATION/YEAR	DAYS IN DRY/ YEAR

14. REASONS FOR SELLING MILK TO DIFFERENT CHANNELS

PARTICULARS	REASONS FOR SELLING MILK TO		
	SOCIETY	PRIVATE VENDORS	LOCAL SALE
BETTER PRICE ACCESSIBILITY NON EXPLOITATIVE OTHER SERVICES NO OTHER SOURCE OTHERS			

## 15. DETAILS REGARDING THE EXPENSES AND RETURNS

### ❖ FIXED COST

ITEMS	AMOUNT
COST OF CATTLE	
COST OF CATTLE SHED	
COST OF VESSELS	
COST OF INSURANCE	
TOTAL FIXED COST	

### ❖ VARIABLE COST

SL.NO	ITEMS	COST(Rs)
1	FEED (FROM SOURCES OTHER THAN SOCIETY)	
2	FEED PROVIDED BY SOCIETY	
2	LOAN AMOUNT  RATE OF INTEREST	
3	LABOUR COST- FOR COST OF MILKING COST FOR ROUTINE CARE TRANSPORTATION(MILK & FEED) OTHERS(SPECIFY)	
4	COST OF VETERINARY MEDICINES ARTIFICIAL INSEMINATION EMBRYO TRANSFER CONSULTANCY CHARGES OTHERS	

16. RETURNS

❖ SALE OF MILK

TO SOCIETY		PVT VENDORS		LOCAL SALES	
QTY	PRICE	QTY	PRICE	QTY	PRICE

❖ SALE OF PROCESSED PRODUCTS

ITEMS	QUANTITY	PRICE/L

❖ SALE OF COW DUNG

QUANTITY	PRICE

❖ SALE PRICE

PARTICULARS	MALE	FEMALE
CALVES		
CATTLE		

❖ OTHER RETURNS ( IF ANY)

18. INPUT SERVICES PROVIDED BY SOCIETY

PARTICULARS	QTY	RATE
1.CATTLE FEED		
2.FODDER		
3.VETERINARY SERVICES		

19. WHETHER YOUR MILK PRODUCTION HAS DECLINED?

YES/NO



20. DO YOU WANT TO CONTINUE DAIRYING IS AN OCCUPATION?

YES/NO

21. IS DAIRYING IS REMMUNERATIVE?

YES/NO

22. IF NO, SPECIFY REASON?



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