



Research Paper

Appraisal of vertical integration of dairy farm

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ABSTRACT : The present study was initiated with an object to know the benefits of the vertical integration. For the study, the Shivamrut dairy farm located at Karjat, Ahmednagar district of Maharashtra was selected having the capacity of 130 buffaloes. In the selected dairy farm, three vertically integrated functions were followed which were fodder production, dairy farm and milk retailing outlet. The data were collected for the year 2011-12. The results of the study revealed that the vertical integration of the dairy farm can increase the benefit over the cost incurred in the production process. The B:C ratio of the integrated dairy farm was 3.35, whereas B:C ratio of individual farm was 3.10. Existing capacity of the selected dairy farm was much greater than the break-even point of the farm. The minimum 87528 lit. milk production should be demanded per annum to cover at least cost of production.

KEY WORDS : Integration, Vertical integration, Dairy farm integration

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