

RESEARCH PAPER

Operational efficiency of dairy co-operatives in terms of turn-over returns of capital in Raigad district of Maharashtra, India

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ABSTRACT

For studying the working efficiency of the dairy societies, some economic tests like income, expenditure and expenditure-income ratio, rate of return on capital and rate of turn-over were applied. Income : expenditure ratio of dairy societies from Group I, Group II and Group III was 1.9:1, 2.85:1 and 2.07:1, respectively. In Group II and Group III, income was higher than Group I. Overall ratio was 2.14:1. The expenditure income ratio in the Group I, Group II and Group III was 0.5:1, 0.35:1 and 0.48:1, respectively. The ratio at overall level was Rs.0.45:1.

Key words : Dairy co-operatives, Turn-over, Operational efficiency

Large volume of business, higher income and higher net profit are desirable trends and are indicators of better business. The profit / loss position itself indicates the working efficiency of the societies.

The success of dairy society directly depends on the volume of turn-over. With larger amount of turn-over, it is possible for the society to increase the profit and transfer the benefits to the members. Therefore, the total turn over of the society has important bearing on the working of the society. The rate of turn-over is another concept used in judging the economic – efficiency of the business. The rate of turn-over is the criterion to judge the operational efficiency of the dairy co-operative societies.

MATERIALS AND METHODS

For present investigation, the set of questionnaire was specially designed so as to get all informations relevant to the objectives of the study. The data were collected by survey method and questionnaires were filled in by personal interviews with the secretaries/chairman and members of the societies. Out of 14 tahasils of Raigad district, 4 tahasils and from each tahasils five societies were selected randomly. The information was collected during February and March, 2001 and data were analyzed by tabular method and arithmetic tools.

RESULTS AND DISCUSSION

Table 1 shows the income-expenditure ratio of the dairy societies from small, medium and large groups. Income-expenditure ratio of the dairy societies from Group-I (small group), Group II (medium) and Group III (large) was 1.9:1, 2.85:1, 2.07:1, respectively. In Group

III and Group II. Income was higher than in Group I, income-expenditure ratio of dairy societies from Group I was lower than the other two groups. At overall level, the ratio was 2.14:1.

The expenditure income ratios for dairy societies in the Group I, Group II and Group III were 0.5:1, 0.35:1 and 0.48:1, respectively. This meant that for earning one rupee income, expenditure incurred by the societies in Group I was Rs.0.50:2, in Group II was Rs.0.35:1 and Group III was Rs.0.48:2. Thus, societies in small group (Group I) incurred more expenditure indicating lower economic efficiency. The societies of medium group (Group II) incurred lower expenditure indicating higher economic efficiency.

The ratio at overall level was Rs.0.45:1. It was observed from income expenditure and expenditure ratios that those two ratio were exactly opposite to each other. As one ratio increased, the other one decreased.

Rate of return to capital indicates the efficiency with which capital is used. The rate of return on capital at profit was 28.44 per cent in Group I, 68.86 per cent in Group II and 80.0 per cent in Group III. At over all level, the rate of return on capital was 41.12 per cent. The rate of return on capital in large group and medium group was higher than the rate of return of capital in the small group. Thus, it denoted that capital is profitability used by the societies in the large group and medium group.

It is expected that side of business has an effect on the rate of turn-over of the efficiency with which the business is carried out. Following is the relationship between total turn-over, average working capital and average rate of turn-over of the sample dairy societies