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Research Paper

An economic analysis of milk production

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ABSTRACT : The present investigation is an attempt to study the economics of milk production with primary data obtained from 90 milk producers of Karnataka state. The study revealed that the cost of production of milk was Rs. 7.73, Rs. 3.88 and Rs. 5.94, respectively in case of local cows, crossbred cows and buffaloes. The gross returns were found to be highest in case of crossbreed animals as compared to local cow and buffalo since the later are genetically poor yielders. The crossbreed cows are potentially high yielders with better management practices. Dairy unit has employment potential for both family and hired labour across different farm size groups of small farmers (107 man days), medium farmers (145 man days) and large farmers (225 man days). The net return after meeting out the cost of production was found to be highest in case of crossbreed cows followed by buffaloes. The cost-benefit ratios have amply demonstrated profitability of raising crossbreed cows on all the farm size groups.

KEY WORDS : Economic analysis, Employment, Cost of milk production

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INTRODUCTION

India is the largest producer of milk and milk products in the world. Milk and milk products account for more than 18 per cent of farm production. Dairy being a labour intensive activity provides / generates sustainable employment opportunities. Government of India launched NDDB in 1964 to promote dairy industry throughout the country on comprehensive basis and this was popularly known as operation flood. This programme was designed to create flood of milk by helping rural producers to organize village dairy co-operatives on the pattern of Anand to provide access to milk processing and marketing. At present there are about one lakh dairy co-operatives covering 10 million membership. Karnataka state which is the forerunner in milk production ranking third largest milk producer in the country. With this dairy development has profound impact on the rural economy of the state. The state Government is trying to encourage milk production in order to meet the ever growing demand for the milk in the consuming areas. The emphasis is to increase the milk production in rural areas by encouraging small and marginal farmers to undertake dairy as subsidiary enterprise. Constant efforts are being made to develop dairy enterprise in rural areas on scientific lines to increase the productivity of dairy animals through proper feeding, breeding and management to ensure fair returns to milk producers. Efficient marketing system for marketing of milk plays an important role in increasing the share of dairy farmers in consumer rupee. Marketing is as important as production and indeed it is an integral part of production. This study examines distribution, price spread and constraints in marketing of milk.

MATERIALS AND METHODS

The study was undertaken in Shimoga district of Karnataka state. It is based on primary data obtained from 90 milk producers of three Taluks namely, Shimoga, Bhadravathi and Hosanagar since these accounted for about 50 per cent of total population of milk producers of Shimoga district. A list of leading milk producing villages was obtained from concerned government departments and three villages from each Taluk where selected at random. For selection of milk producers, a list of milk producers owning at least one crossbred or local cow or buffalo was obtained from village level extension workers of respective villages. From the list, 10 milk producers from each village were selected at random. Thus, the sample consisted of three taluks, nine villages and 90 milk producers