



Research Paper

Economic viability of organized milk processing units in Western Maharashtra

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ABSTRACT : Maharashtra is the sixth largest milk producing state in the country and accounts for 7.24 per cent share in the total milk production of the country. The study was undertaken to examine the milk collection, distribution and relevant costs of milk and milk products of selected co-operative and private dairy units in Western Maharashtra. The investigation was based on both macro and micro level data for year 1999 to 2008. Per litre cost of purchase of milk (Rs. 12.96) was relatively higher in private dairy than co-operative units (Rs. 12.90), while per litre cost of collection (Rs.0.99), processing (Rs. 0.75), distribution (Rs. 0.65) and management cost (Rs. 0.74) were relatively high in co-operative than private dairy unit (Rs. 0.66, Rs. 0.57, Rs. 0.36 and Rs. 0.19), respectively. It was mainly due to efficient management of private dairy unit. The per kg cost of marketing in co-operative dairy unit was high (Rs. 13.50) in the case of ice-cream followed by SMP (Rs. 7.20), ghee (Rs. 6.85), *shrikand* (Rs. 7.50) and white butter (Rs. 3.95), whereas, it was least for table butter (Rs. 3.65). In private dairy unit, the per kg cost of marketing was high (Rs. 6.10) in the case of *shrikand* followed by ghee (Rs. 5.85), white butter (Rs. 3.10), milk peda Rs. 2.98 and khoa Rs. 2.00 during the year 2008. The per unit cost of marketing management of co-operative dairy unit was higher (Rs. 1.95 per kg) than private dairy unit (Rs. 1.02 per kg) in the year 2008. The net returns over variable cost and fixed cost for co-operative and private dairy units has shown an increasing trend, over the period of time.

KEY WORDS : Economic viability of milk, Organized milk, Processing units

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