



Distribution channels, price spread and constraints in marketing of milk-evidences from Karnataka

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ABSTRACT : The present investigation was taken up in Karnataka state with an overall objective of studying marketing of milk. The study is based on primary data obtained from 90 dairy farmers and analyzed using simple and conventional tabular method. The study revealed that dairy co-operative located at the grass root level was the major channel in distribution network of milk. The price spread analysis indicated that milk producers got 95 per cent of the ultimate price paid by the consumers. The marketable surplus of milk at the farm level was affected by factors such as production and family size. The major constraints in milk production and marketing were low price, delay in payment, high cost of crossbred cows and inadequate credit facilities.

KEY WORDS : Price spread, Marketable surplus, Constraints

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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. Nearly 70 million farm families are deriving their livelihood from dairy. Dairy being a labour intensive activity provides / generates sustainable employment opportunities. Government of India launched NDDDB 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. The state has been able to earn this distinction with comparatively more daily milk production. The State Government is trying to

encourage milk production in order to meet the ever growing demand for milk in the consuming areas. The emphasis is to increase 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 the 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 from 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 were selected at random. For selection of milk producers, a list of milk producers owning at least one crossbred or local cow

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