

Marketable surplus of milk and price spread in marketing of milk in Shimoga district of Karnataka

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ABSTRACT

The factors affecting milk production available for disposal were identified with the help of multiple regression model. It was observed that milk production (X1) in respective of milch animal (X3) and family size (X2) of milk producer has shown positive relationship. Milk production was also significant in case of small, medium and large farms. At the overall, it was found that family size and milk animals exhibited positive relationship with the marketable surplus. The variation ranged b/w 83.14 to 86.75 amongst the groups. Corresponding marketable surplus of milk was 88.68 per cent of the total milk production.

Key words : Milch animals, Price spread, Marketable surplus

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Multistage sample design was used for the selection of ultimate sample unit. Shimoga, Bhadravathi and Hosnagar talukas of Shimoga district of Karnataka were considered for the study. Then three villages from each taluka were selected randomly. Required information was collected from each village by interviewing 90 farmers each from the category of small (1.01-2 ha), medium (2.01-4 ha) and large (above 4 ha) farmers. Thus, the study was based on the primary data collected from 90 farmers in 9 villages of 3 Talukas in the district.

It is observed from Table 1 that family size and milch animals had positive relationship. The variation ranged between 83.14 to 86.75 amongst the groups. Producers share in consumers rupee was 95 per cent (Table 2). In terms of net price received by the producers, the observed milk marketing channel established its superiority. This revealed that,

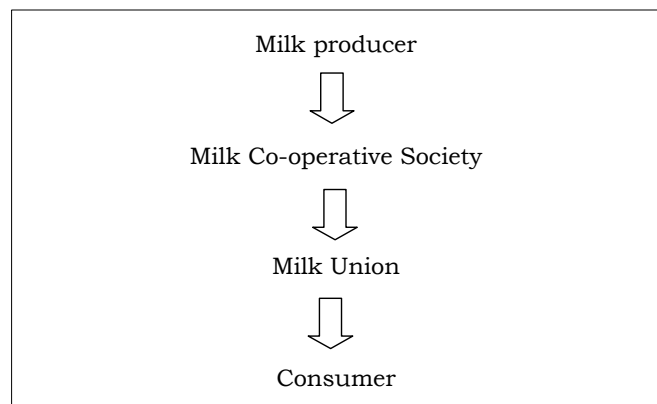


Fig. : Marketing channel identified in the Shimoga district

producers share in consumers price was sustain trial. Thus milk marketing channel was found to be most efficient in protecting the interests of the producers as well as consumers there by maximizing the welfare of the society as a whole. Sangu (1997) and Shajjad Ahmed (2001) from Uttar Pradesh, Devraj from Karnataka and Birdar (1986) from Maharashtra also made some contributions on marketing of milk and price spread of milk under different channels of marketing.

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Table 1: Marketable surplus of milk

Parameters	Small	Medium	Large	Overall
Intercept	1.407	1.899	2.899	1.75
Milk production (X_1)	0.9983** (0.4554)	1.6884** (0.6442)	1.9888** (0.9544)	0.0962 (0.0531)
Family size (X_2)	0.8894** (0.4432)	0.8893 (0.4452)	0.0995** (0.0445)	0.4062** (0.2023)
No. of milch animals (X_3)	0.3885 (0.3443)	0.7445** (0.3445)	0.6694 (0.3352)	0.0804** (0.0402)
R^2	0.83140	0.84956	0.86753	0.88682

** indicates significance of value at $P=0.05$
 Figures in the parentheses are standard errors

Table 2 : Price spread in marketing of milk

Sr. No.	Particulars	Channel-I
1.	Net price to the producer	9.5(95)
2.	Cost incurred by the milk Co-operative Society	-
3.	Net margin of the Co-operative Society	-
4.	Costs incurred by the milk plant	0.25(2.5)
5.	Net margin of milk plant	0.25(2.5)
6.	Price spreads (2+3+4+5)	0.5(5.0)
7.	Purchase price of the consumer	10.00 (100)

Figures in the parentheses are percentages to price paid by consumers

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