



## A STUDY OF CENTRE-MEN INVOLVED IN SELLING POUCH MILK OF COOPERATIVE DAIRIES IN GUJARAT STATE

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### Abstract:

In cooperative dairy sector there is one more level of distribution channel which is called "Centre man". These persons act as retailers of milk & milk products mainly in the morning and evening. They do not own a permanent infrastructure or shop but they stand besides a housing society or a suitable place. The current study was conducted to study the status of centreman in Gujarat dairy sector. After analysis it could be concluded that the strengths of Centreman were Young and literate shop owners, Business hours less than 15 hours (hence offers part time business opportunity), sufficient income for Centre man, Easy establishment norms for centerman. However, the major weakness found were Majority do not have FSSAI License, Leakage of pouches can ruin entire profits, Opposition by existing retailers and other Centre man and residents, Low commission rate

**Key Words:** Milk Retailer, Dairy Supply Chain, Dairy Distribution Channel & Dairy Business

### 1. Introduction:

#### Indian Dairy Sector:

The Indian Dairy cooperatives structure has a huge contribution in raising the milk production in the country upto approximately 146 million tonnes in the year 2014-15 from a meagre milk production 17 million tonnes in the year 1951. The per capita availability of milk in the country has increased to 340 g /day (GCMMF Annual Report 2015-16). Further, milk is the largest agricultural crop in India with market value exceeding Rs 4 lakh crore per annum and the milk group contributes the highest to the total output of our agricultural sector, surpassing the output value of wheat, rice and oilseeds. A typical milk distribution channel in dairy sector is shown below

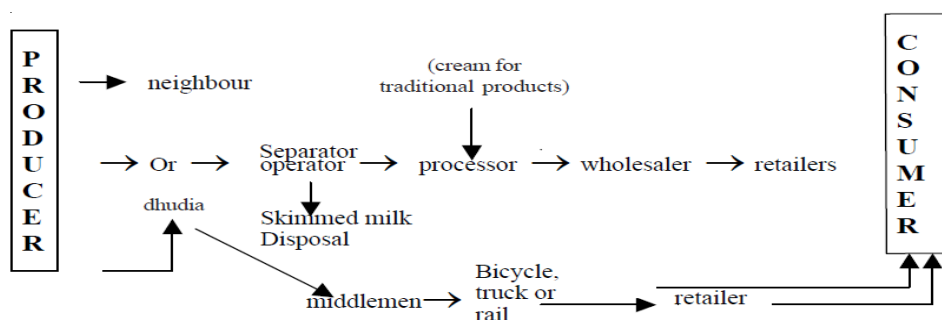


Fig. 7.2: Traditional Channel of Milk Transport

In cooperative dairy sector there is one more level of distribution channel which is called "Centre man". These persons act as retailers of milk & milk products mainly in the morning and evening. They do not own a permanent infrastructure or shop but they stand besides a housing society or a suitable place.

### 2. Methodology:

The study was spread over the entire state and primary data was collected by way of a Questionnaire. The study covered all 26 Districts of Gujarat state, 227 talukas

and further, three villages were selected from each taluka. In total 681 villages from the state were selected and data was collected from Marginal Milk producers (owning 1 to 2 animals) belonging to the villages.

**3. Results and Findings:**

**(a). Type of Ownership of Selected Respondents:**

S.No	License	N	Percentage
1	Sole Proprietor	23	96%
2	Partnership	1	4%
3	Private ltd.	0	0%
	Total	24	100%

Around 96% of the respondent centreman had sole proprietorship business.

**(b). Years in Business of Selected Respondents:**

S.No	Business Year	N	Percentage
1	< 5	11	46%
2	5 - 10	13	54%
3	11 - 15	0	0%
4	> 15	0	0%
	Total	24	100%

Around 50% of the respondent centreman were in the business for less than 5 years and another 50% were in the business for 5 to 10 years.

**(c). Educational Qualification wise Distribution of Selected Respondents:**

S.No	Educational Qualification	N	Percentage
1	Illiterate	2	8%
2	1 - 9	5	21%
3	10th	5	21%
4	11 <sup>th</sup>	0	0%
5	12 th	8	33%
6	UG	4	17%
7	PG	0	0%
	Total	24	100%

Around 50% of the respondent centreman had their education below SSC and another 50% had their educational qualification as HSC or Graduation.

**(d). Business Time per Day of Selected Respondents:**

S.No	Business Time (Hours)	N	Percentage
1	< 5	20	83%
2	5 - 10	4	17%
3	11 - 15	0	0%
4	> 15	0	0%
	Total	24	100%

Around 71% of the respondents were conducting their business for “5 or less than five hours’

**(e). Total Employee/Worker of Selected Respondents:**

S.No	Employee/Worker	N	Percentage
1	1 - 2	24	100%
2	Above 2	0	0%
	Total	24	100%

Around 100% of the respondent centreman carried out their business with 1 to 2 employees.

**(f). Total Investment in Business of Selected Respondents:**

S.No	Investment in Business	N	Percentage
1	0	16	67%
2	500 to 10,000	7	29%
3	10,000 - 30,000	0	0%

4	31,000 - 65,000	1	4%
5	Above 65000	0	0%
	Total	24	100%

Around 67% of the respondent centreman did not invest any money in the business and another 29% had invested amount between Rs. 500 to Rs.10,000

**(g). Own fund or Borrowed Fund Investments of Selected Respondents:**

S.No	Investment	N	Percentage
1	Own fund	8	100%
2	Borrowed Fund	0	0%
	Total	8	100%

Around 100% of the respondent centreman who had invested money in their business had used only “own funds” and not borrowed money.

**(h). Milk Sales (Daily) of Selected Respondents:**

S.No	Daily Sales ( litres)	N	Percentage
1	Less than 120	5	21%
2	121 - 240	7	29%
3	241 -360	8	33%
4	361 -480	4	17%
5	481-600	0	0%
6	> 600	0	0%
	Total	24	100%

Around 60% of the respondent centreman sold milk in the range of 121 litres to 360 litres and another 21% sold below 120 litres.

**(i). Total Monthly Income of Selected Respondents:**

S.No	Income	N	Percentage
1	< 5000	5	21%
2	5000 - 10,000	7	29%
3	10,001 - 15,000	8	33%
4	Above 15,000	4	17%
	Total	24	100%

Around 62% of the respondents earned income in the range of Rs. 5000 to Rs. 15000

**(j). Problem of Centerman With Dealer:**

1	S.No	Late Delivery	N	Percentage
	1	Less	15	63%
	2	Normal	9	38%
	3	Frequent	0	0%
		Total	24	100%
2	S.No	Leakage	N	Percentage
	1	Less	10	42%
	2	Normal	9	38%
	3	Frequent	5	21%
		Total	24	100%
3	S.No	Other	N	Percentage
	1	Less	2	50%
	2	Normal	1	25%
	3	Frequent	1	25%
		Total	4	100%

The problems related to milk dealers like late delivery and leakage were normal or less.

**(k). Perception Related to Other Business Related Issues of Selected Respondents:**

S.No	Norms for Establishing a Centerman	N	Percentage
1	Very Liberal	3	13%
2	Liberal	7	29%

3	Normal	10	42%
4	Strict	4	17%
5	Very Strict	0	0%
	Total	24	100%

Around 83 % of the respondent indicated that the norms for establishing Centerman point were normal to less.

**(I). Perception for profitability of Centerman business of Selected Respondents:**

S.No	Type of Problem	N	Percentage
1	Highly loss making	0	0%
2	Loss making	0	0%
3	Average profits	15	63%
4	Somewhat profitable	9	37%
5	Highly profitable	0	0%
	Total	24	100%

Around 63% of the respondent centreman indicated that Profitability of centreman business had “average profitable” and another 37% indicated that it was “somewhat profitable”.

**4. Conclusion:**

From the above analysis it can be concluded that the strengths of Centreman were Young and literate shop owners, Business hours less than 15 hours (hence offers part time business opportunity), Sufficient income for Centre man, Easy establishment norms for centerman. However, the major weakness found were Majority do not have FSSAI License, Leakage of pouches can ruin entire profits, Opposition by existing retailers and other Centre man and residents, Low commission rate

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