

**A Research Project on  
Issues & Challenges of Dairy Co-operatives amidst Covid-19- A Focused Study of Pune &  
Ahmednagar Districts of Maharashtra**

**Research Team**

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**EXECUTIVE SUMMARY**

Dairy farming plays a crucial role in socio-economically uplifting the lives of rural households in the country. Dairy is providing employment to 8 crore of farmers and accounts 5 % of the national economy. It plays a vital role in generating income for small farmers (1-2 ha land), marginal farmers (below 1 ha land), landless labourers and women. Co-operatives provide means to the people living in the rural areas to improve their condition and allow them to showcase their talents through collective efforts.

The World Health Organization first became aware of COVID-19 virus on December 31, 2019. To restrict the spread of COVID-19, country wide lockdowns were imposed by governments. Countries closed their borders for international travellers. The pandemic created social and economic disruptions, disrupted demand and supply chains around the world. In India, imposition of restrictions for the control of COVID-19 pandemic affected supply as well as demand of milk.

The research project entitled, 'Issues & Challenges of Dairy Co-operatives amidst COVID-19- A Focused Study of Pune & Ahmednagar Districts of Maharashtra', analyzed the role of different stakeholders of dairy co-operatives in sustaining the business during COVID-19, the issues and challenges faced by the dairy co-operatives, the coping strategies adopted by management of dairy co-operatives during COVID-19.

The research was both quantitative and qualitative in nature. The research relied on primary as well as secondary data. Several research papers had been reviewed. Various Annual reports of NDDB, DAHD, Economic Survey, 2021-22 etc. were referred. Different websites were used to collect secondary data.

Primary data had been collected from the Board of Directors, Managing Director, Employees of milk unions and Dairy Farmers (Members). Personal interviews were conducted with the help of an interview schedule to collect data. Telephonic interviews were conducted to

collect information from dairy farmers of Baramati Doodh Sangh. To collect qualitative data, Focus Group Discussion was used. Three milk unions were selected for the research purpose. Two milk unions were selected from Pune district and one from Ahmednagar district. 'Pune Zillha Sahakari Dudh Utpadak Sangh, Katraj' from Katraj, Pune, 'Baramati Taluka Sahakari Doodh Utpadak Sangh, Baramati' from Baramati Taluka of Pune and 'Sangamner Taluka Sahakari Dudh Utpadak and Prakriya Sangh, Sangamner' from Ahmednagar district were selected. For the purpose of data collection through the interview schedule, a total of 179 respondents were taken. Focus Group Discussion involved 72 participants.

### **Findings & Suggestions**

It was found that, one of the three identified dairies experienced increase in milk collection during COVID-19 lockdown while milk collection of other two dairies declined. Further, it was observed that, the average dip in milk sales of all the three milk unions was 28.95 percent. Demand for ice-cream dwindled while demand for milk products like paneer and ghee was more than the previous year. Government of Maharashtra started procuring excess milk to convert it into SMP. It was noticed that, there was decrease in supply of concentrated feed but the prices of concentrated feed increased in the same proportion. There was no impact on veterinary care, cattle health and artificial insemination activities undertaken by the milk unions. Shut down of public transport created issues to dairy employees. One of the milk unions gave extra daily allowances to employees for attending the office during critical times while other gave one month salary in advance. Milk unions continued to procure milk even after the market demand decreased. Virtual meetings replaced offline meetings. When it comes to dairy farmers, more than 4/5th of the dairy farmers did not face any difficulty while supplying milk. Majority of them did not receive their payments on time and had negative impact on their income. Some of the dairy farmers faced difficulty in taking care of their cattle. More work needed to be done to help and support dairy farmers for cattle care and cattle feed. According to the opinions of dairy farmers, there was disruption in milk collection between 1-5 days. Prices received by dairy farmers for a liter of milk also reduced.

It was observed that, there had not been any major policy changes undertaken by milk unions after COVID-19 pandemic. Therefore, it is suggested that, they should make strong policy changes like maintaining special fund or preparing risk management strategies to face

such unprecedented events in future. Participants suggested that there should be minimum support price decided for milk so that, in such unprecedented events milk doesn't get affected.