

**VAIKUNTHA METHA NATIONAL INSTITUTE OF COOPERATIVE
MANAGEMENT,PUNE-7.
GOVT OF INDIA**

**55TH BATCH POST GRADUATE DIPLOMA IN COOPERATIVE
BUSINESS MANAGEMRNT
(2nd Aug- 2021 To Jan-2022)**

DISSERTATION REPORT

**Submitted in Practical Fulfillment for the Requirement in award
of Post Graduate Diploma in Cooperative Business Management**

**THE PERFORMANCE EVALUATION OF TRD 571
THIRUKKANURPATTI MILK PRODUCER'S COOPERATIVE
SOCIETY LTD.,**

A PROJECT REPORT

By

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Under the Guidance of

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Submitted to

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February 2022

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DECLARATION

I here by declare that the work described in this project report entitled **“The Performance Evaluation Of TRD 571 Thirukkanurpatti Milk Producer’s Cooperative Society Ltd.,”** which is being submitted by me in partial fulfillment for the award of Post Graduate Diploma in Cooperative Business Management (PGDCBM) to the Institute Of Co-Operative Management **PUNE.**

Place:

Date:

Signature of Candidate

S.MURUGESHWARI

Roll No : 5528

The Performance Evaluation Of TRD 571
Thirukkanurpatti Milk Producer's Cooperative Society
Ltd.,

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CHAPTER - 1

INTRODUCTION AND DESIGN OF THE STUDY

INTRODUCTION AND DESIGN OF THE STUDY

INTRODUCTION

Cooperation means working together for mutual benefit. The concept of cooperation is as old as human existence. It is accepted that socio-community living is a basic need for human mutual socio-economic development. The history of modern civilization clearly depicts that humanity's social and economic evolution is made possible due to mutual and cooperative institutions.

Modern sociologists profess three basic instincts in man, viz. conflict, competition, and mutual assistance. Whereas cooperative philosophy deals with the mutual instinct of mankind to aim to improve his social existence. It is found that capitalism emphasizes the competitive instinct that is continuously in the State of the struggle for survival. To thinkers like Emerson, "Cooperation has a more evolutionary force in the development of human beings than a competitive struggle for survival."

DEFINITIONS AND PRINCIPLES OF COOPERATION

Definitions

The co-operators and experts have defined cooperatives as:

Majella stated that "Co-operative is a movement whose theory has evolved with time and experience gained by cooperation."

P.H. Casselman remarked that "Co-operative is an economic system with social content."

International Co-operative Alliance (ICA) in 1995 defined Cooperatives as "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through jointly owned and democratically controlled enterprises."

The Seven Principles of Cooperatives

- 1. Voluntary and Open Membership*
- 2. Democratic Member Control*
- 3. Member Economic Participation*
- 4. Autonomy and Independence*
- 5. Education, Training and Information*
- 6. Cooperation among Cooperatives*
- 7. Concern for Community*

COOPERATIVE MOVEMENT IN INDIA

India has basically an agricultural economy with seventy of its total population residing in rural areas. The rural people need not services in daily life which are met by village cooperative societies. The seeds of cooperation in India were sown in 1904 when the first Cooperative Societies Act was passed. Since then, the cooperative movement has made significant progress. Cooperative has extended across the entire country, and there are currently an estimated 230 million members nationwide. Cooperatives can be broadly grouped into several categories.



Fig 1.1 Classification of cooperative societies

1. In the last three decades, world milk production has increased by more than 59 percent, from 530 million tonnes in 1988 to 843 million tonnes in 2018.
2. India is the world's largest milk producer, with 22 percent of global production, followed by the United States of America, China, Pakistan, and Brazil.
3. Since the 1970s, most of the expansion in milk production has been in South Asia, which is the primary driver of milk production growth in the developing world. Milk production in Africa is growing more slowly than in other developing regions because of poverty and – in some countries – adverse climatic conditions.
4. The countries with the highest milk surpluses are New Zealand, the United States of America, Germany, France, Australia, and Ireland.
5. The countries with the highest milk deficits are China, Italy, the Russian Federation, Mexico, Algeria, and Indonesia.

SOURCE: FAOSTAT

Dairy Cooperatives in Tamil Nadu

Tamil Nadu is one of the first ten states in milk production in the Nation, with daily milk production of 223 lakh liters. Out of this, around 38 Lakh liters per day (LLPD) is retained for household consumption, and nearly 32% is i.e.

Around 71 LLPD is being procured by the organized sector, such as Cooperatives and private dairies. The share of cooperatives in overall milk

production in the State is around 16%, i.e., 37 LLPD. Tamil Nadu has moved ahead to third place from the earlier fourth place among the State Cooperatives in milk procurement in the Nation. In Tamil Nadu, there are 9,988 village-level primary Milk Producers' Cooperative Societies (MPCS) having 20.21 lakh members in the Cooperative ambit.

MANAGEMENT OF DAIRY COOPERATIVE SOCIETIES IN THE STATE

The dairy cooperatives in Tamilnadu function under 3 tier system, popularly known as the 'Anand pattern.' The details are:

Tier 1- At Village level- Primary dairy Cooperatives are formed at the village level, forming the base level of the 3 tier system.

Tier2- At District level- District Co-operative Milk Producers' Unions (DCMPU) are the middle-level Cooperative societies at the districts.

Tier 3- At State level - Tamil Nadu Co-operative Milk Producers' Federation (TCMPF) is the apex level society in which all the District Unions in the State are members.

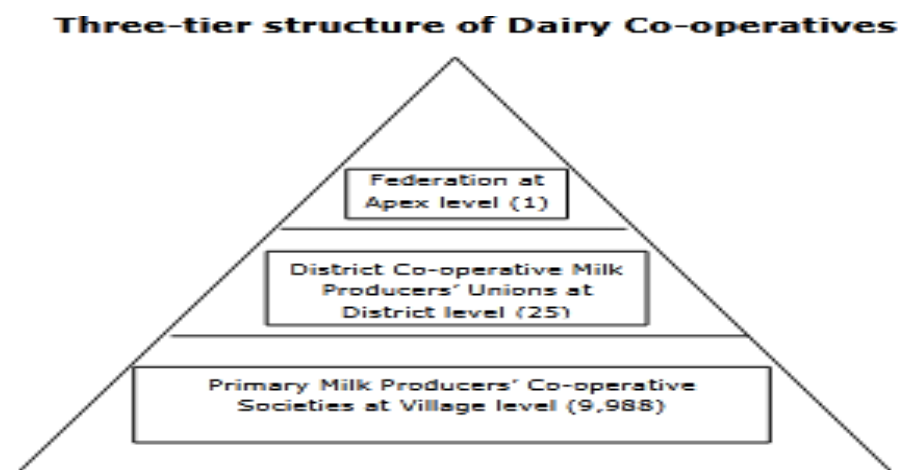


Fig 1.2 three-tier structure

Union-wise Number of Societies & Milk Producers						
S. No	Name of the District Union	No of Societies	No of Societies active/ functioning	Dormant Societies	Milk Pouring Producers	No. of Cattle in Co-op Ambit (In lakh)
1	KPM-TVLR	581	453	128	17,072	0.65
2	VILLUPURAM	633	539	94	33,984	1.55
3	CUDDALLORE	213	177	36	6,584	0.22
4	VELLORE	376	317	59	19,408	1.22
5	TVMALAI	655	551	104	40,937	1.78
6	KRISHNAGIRI	295	234	61	8,373	0.33
7	DHARMAPURI	286	261	25	13,032	0.53
8	SALEM	749	733	16	41,771	1.65
9	NAMAKKAL	521	504	17	16,934	0.55
10	ERODE	518	510	8	30,441	0.62
11	TIRUPUR	472	451	21	16,304	0.55
12	COIMBATORE	362	346	16	8,244	0.91
13	NILGIRIS	94	93	1	2,544	0.09
14	MADURAI	796	768	28	16,313	0.50
15	THENI	541	480	61	8,876	0.35
16	DINDIGUL	192	175	17	5,635	0.29
17	TRICHY	683	609	74	54,252	1.76
18	KARUR	161	145	16	4,877	0.45
19	THANJAVUR	343	282	61	19,591	1.11
20	PUDUKKOTTAI	389	321	68	9,441	0.24
21	SIVAGANGAI	462	417	45	11,190	0.27
22	VIRUDHUNAGAR	154	110	44	3,187	0.16
23	TIRUNELVELI	219	204	15	6,408	0.32
24	THOOTHUKUDI	240	169	71	3,233	0.18
25	KANYAKUMARI	53	53	0	4,544	0.12
	TOTAL	9,988	8,902	1,086	4,03,175	16.39

SOURCE: DAIRY DEVELOPMENT POLICY NOTE 2020-2021

Fig1.3 Union-wise number of societies

DISTRICT COOPERATIVE MILK PRODUCERS' UNIONS

The District Co-operative Milk producers' Union is the middle-level central cooperative Society in the 3 tier Anand pattern. The primary MPCs in the jurisdiction area are the members of the DCMPU. The District Deputy Registrars (Dairying) organize the village-level milk cooperative societies in consultation with the District Unions. With the formation of new District

Cooperative Milk Producers' Unions in Theni, Thoothukudi, Tiruvannamalai, Karur, Cuddalore, and Dharmapuri, to have separate District Co-operative Milk Producers' Union for each District, at present there are 25 District

Cooperative Milk Producers' Unions in Tamil Nadu, covering all the revenue districts except Chennai district. Like all cooperatives, the District Co-operative Milk Producers' Unions are managed by the president's democratically elected Board of Directors. The administrative head of the District Co-operative Milk Producers' Union is the General Manager.

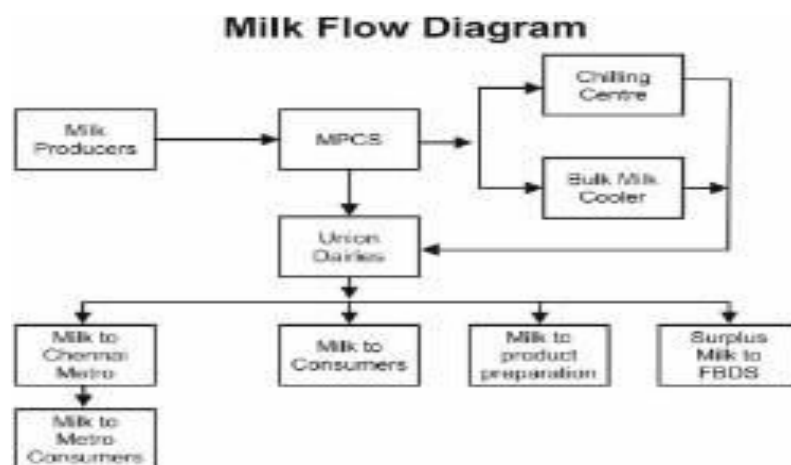


Fig 1.4 Milk flow diagram

District Union-wise average Milk Procurement (inLPD)

S. No	Name of the Union	2016-17	2017-18	2018-19	2019-20 (up to Dec)
1	Kanchi-Thiruvallur	97,812	1,11,775	1,26,937	1,38,187
2	Villupuram				2,10,645
3	Cuddalore	2,09,878	2,16,913	2,48,527	38,041
4	Vellore				1,36,878
5	Thiruvannamalai	3,05,089	3,21,662	3,82,780	2,68,658
6	Dharmapuri				1,31,247
7	Krishnagiri	1,78,698	1,90,177	2,29,381	1,01,929
8	Salem			4,59,039	4,73,693
9	Namakkal	4,97,708	5,29,493	1,59,521	1,56,029
10	Erode	2,99,428	2,91,956	2,03,084	2,08,603
11	Tiruppur			2,24,127	2,33,749
12	Coimbatore	2,62,369	2,44,319	1,61,029	1,54,664
13	Nilgiris	14,223	12,861	12,430	13,425
14	Madurai				1,67,944
15	Theni	2,59,329	2,76,340	2,87,159	1,15,426
16	Dindigul	63,575	59,693	69,902	71,864
17	Trichy				4,43,139
18	Karur	4,11,508	4,34,652	5,07,556	64,031
19	Thanjavur	52,466	56,868	47,334	52,217
20	Pudukkottai	42,810	48,639	56,708	56,403
21	Sivagangai	61,435	57,513	58,929	54,240
22	Virudhunagar	16,663	17,547	16,190	15,221
23	Thirunelveli				38,428
24	Theothukudi	69,193	69,456	66,173	31,167
25	Kanniyakumari	7,570	5,738	5,984	8,207
	Total	28,49,754	29,45,602	33,22,790	33,84,033

SOURCE: DAIRY DEVELOPMENT POLICY NOTE 2020-2021

Fig1.5 Union-wise milk procurement

Union-wise milk handling capacity (in LPD)

Sl. No	Name of the Union	Processing capacity of Dairies		Chilling capacity				Total
		No	Capacity	Chilling Centre		BMC		
				No	Capacity	No	Capacity	
1	Kancheepuram-Thiruvallur	1	1,00,000	2	60,000	12	48,000	1,08,000
2	Villupuram	1	1,00,000	1	1,00,000	15	58,000	1,58,000
3	Cuddalore	0	0	1	10,000	6	26,000	36,000
4	Vellore	1	1,50,000	2	80,000	12	60,000	1,40,000
5	Thiruvannamalai	0	0	2	1,50,000	34	1,52,000	2,97,000
6	Dhanapuri	0	0	1	50,000	17	73,000	1,23,000
7	Krishnagiri	1	2,00,000	1	10,000	4	20,000	30,000
8	Salem	1	5,00,000	1	1,30,000	52	2,22,000	3,14,000
9	Namakkal	0	0	2	1,00,000	12	45,000	1,45,000
10	Erode	1	3,00,000	2	35,000	48	2,34,000	2,69,000
11	Coimbatore	1	5,00,000	3	1,20,000	14	67,000	1,87,000
12	Tiruppur	0	0	2	1,10,000	35	1,72,000	2,82,000
13	Nilgiris	1	50,000	1	10,000	6	11,000	21,000
14	Madurai	1	5,00,000	0	0	16	74,000	74,000
15	Theni	0	0	1	1,00,000	2	7,000	1,07,000
16	Dindigul	1	30,000	2	40,000	12	52,000	92,000
17	Trichy	1	1,50,000	2	1,50,000	38	1,80,000	3,30,000

Sl. No	Name of the Union	Processing capacity of Dairies		Chilling capacity				
		No	Capacity	Chilling Centre		BMC		Total
				No	Capacity	No	Capacity	
	Padalur	1	1,00,000	0	0	0	0	0
18	Karur	0	0	1	50,000	4	20,000	70,000
19	Thanjavur	1	26,000	1	10,000	13	51,000	61,000
20	Pudukkottai	1	35,000	0	0	0	0	0
21	Shivagangai	1	50,000	1	10,000	12	52,000	62,000
22	Virudhunagar	1	50,000	1	10,000	1	5,000	15,000
23	Thirunelveli	1	1,00,000	2	70,000	3	15,000	85,000
24	Thoothukudi	0	0	2	20,000	9	43,000	63,000
25	Kanniyakumari	1	30,000	0	0	0	0	0
	Total	18	29,71,000	34	14,25,000	377	16,87,000	30,69,000
	Metro Dairies							
a	Central Dairy	1	5,00,000	-	-	-	-	5,00,000
b	Ambattur	1	5,00,000	-	-	-	-	5,00,000
c	Sholinganallur	1	6,00,000	-	-	-	-	6,00,000
d	Product Dairy	1	65,000	-	-	-	-	65,000
e	DCPP Tiruvannamalai	1	2,00,000	-	-	-	-	2,00,000
	Total	5	18,65,000	-	-	-	-	18,65,000
	Grand Total	23	48,36,000	34	14,25,000	377	16,87,000	48,36,000

SOURCE: DAIRY DEVELOPMENT POLICY NOTE 2020-2021

Fig1.6 union wise milk handling capacity

Milk Sales Comparison- District Union-wise

S. No.	Name of the District Union	Avg. Milk Sales Per Day (in liters)	
		2018-2019	2019-2020 (up to Feb '20)
1	Kancheepuram-Thiruvallur	23,777	33,405
2	Villupuram	20,876	5,574
3	Cuddalore	New union	15,529
4	Vellore	71,564	60,560
5	Thiruvannamalai	New union	8,318
6	Dharmapuri	27,336	6,565
7	Krishnagiri	New union	19,724
8	Salem	1,50,241	1,54,891
9	Namakkal	50,023	59,283
10	Erode	64,312	64,210
11	Coimbatore	1,46,734	1,47,464
12	Tirupur	14,582	13,301
13	Nilgiris	16,578	16,611
14	Madurai	1,67,259	1,57,959
15	Theni	New union	5,956
16	Dindigul	15,981	16,544
17	Trichy	1,19,896	1,10,584
18	Karur	New union	5,650
19	Thanjavur	29,795	32,403
20	Pudukkottai	14,568	15,798
21	Sivagangai	37,800	43,245
22	Virudhunagar	5,978	7,015
23	Thirunelveli	42,860	28,879
24	Thoothukudi	New union	21,588
25	Kanniyakumari	16,004	16,645
	Total	10,42,164	10,74,696

SOURCE: DAIRY DEVELOPMENT POLICY NOTE 2020-2021

Fig 1.7 union sales comparison

**THE TAMIL NADU CO-OPERATIVE
MILK PRODUCERS' FEDERATION LTD.**

The Tamil Nadu Co-operative Milk Producers' Federation (TCMPF) is the Top-level apex body at the State level in the 3 tier Anand pattern, wherein all the District Co-operative Milk Producers' Unions in the State are members.

The Tamil Nadu Co-operative Milk Producers' Federation Limited (TCMPF), which was registered as a Cooperative society under Tamil Nadu Co-operative Societies Act and Rules, was started on 01.02.1981 by taking over all the commercial activities such as milk procurement, processing, packing, and sale of milk and milk products to the consumers, etc., till then was handled by the erstwhile TNDDC.

Average Milk Procurement

S. No.	Year	(in LLPD)
1	2010-2011	20.67
2	2011-2012	21.40
3	2012-2013	24.36
4	2013-2014	23.22
5	2014-2015	23.68
6	2015-2016	28.97
7	2016-2017	28.50
8	2017-2018	29.46
9	2018-2019	33.23
10	2019-2020 (up to Dec'19)	33.84

SOURCE: DAIRY DEVELOPMENT POLICY NOTE 2020-2021

Fig 1.8 TCMPF milk procurement

METHODOLOGY OF THE STUDY

The Case Study method was adopted For the study. Secondary data were also used for the study. Data regarding share capital, procurement of Milk, union sale of Milk, local sale of Milk, sale of sample milk, semen procurement and sales, purchase and sale of cattle feeds, deposits, etc., collected from the Annual and Audit Reports of the sample society.

SOURCES OF THE DATA

INTERNAL SOURCES

The data such as total members of the Society, members share capital, details about purchase and sale of Milk, details of cattle feed purchase and sales, details of mineral mixture and sales, interests obtained from the deposits, deposits, Receipts and Disbursement Statement, Trading account, Profit and loss account, Balance Sheet of the Society, etc., have been obtained for the period from 2015 - 2016 to 2019– 2020 from the records and registers of the Society and also audit report of the Society. The area of operation, Society's objectives, details of membership, details of management, etc., have been obtained from Society's by-laws.

EXTERNAL SOURCES

The Textbooks for cooperative subjects, Co-operative Journals, World Wide Web, etc., have been used as external sources for the study.

OBJECTIVES OF THE STUDY

- ✓ The study's main objective is to analyze and evaluate the performance of Society with special reference to the purchase and sale of Milk.
- ✓ To study the management practices for controlling trading and administrative expenses of the Society.
- ✓ To study the sample milk and excess and shortage of Milk in the Society.
- ✓ To examine the management Strategies for payment of incentives and bonuses to the members of the Society.
- ✓ To study the viability of Society.

PERIOD OF STUDY

The study of the project is confined to a period starting from the year 2015– 2016 to 2019-2020.

ANALYSIS OF DATA

The data collected were analyzed and interpreted to fulfill the objectives framed for this study. Also, a Suitable bar chart and pie diagram were presented to show the result.

CHAPTERISATION SCHEME

The Project Study is structured into six chapters. The following are details of the chapterisation scheme.

The Project Study begins with “Introduction and design of the study” in the First Chapter, which pertains to the history of a dairy cooperative in India, the dairy development department in Tamilnadu, the Tamilnadu Co-operative Milk Producers Federation Limited, The District Co-operative Milk Producers Union, the Primary Co-operative Milk Producers’ Societies and the Women Milk Producers' cooperative societies. It also includes sources of the data of

both internal and external and external sources, chapterisation of the study, objectives of the study, period of research, and data analysis.

The Second Chapter deals with "Profile of the TRD571 Thirukkanurpatti Milk Producers' Co-operative Society" its origin and growth, area of operation, Membership, Management details, the objective of the Society, and its special features.

The Third Chapter deals with "Business performance of the TRD571 Thirukkanurpatti Milk Producers' Co-operative Society Ltd., which includes membership, sources of funds, working capital, share capital, procurement, and sale of Milk, Net Profit, etc.,

The Fourth Chapter deals with the Findings, Suggestions, and Conclusions of the Project study.

CHAPTER – II

PROFILE OF THE SOCIETY

Chapter-2

ORIGIN AND DEVELOPMENT OF TRD571 THIRUKKANURPATTI MILK PRODUCERS' COOPERATIVE SOCIETY Ltd

The Society was registered on 29th April 1982 and began to function on 22nd June 1982 after the enactment of the Tamilnadu cooperative societies act 1983. Attached to Thanjavur district Cooperative Union.

The Society comes under the Administrative control of the Deputy Registrar of Dairy Co-operative Societies, Thanjavur district.

ADDRESS OF THE SOCIETY

TRD571 Thirukkanurpatti,
Subramaniyar kovil street,
Thirukkanurpatti Village,
Thanjavur District - 613303

AREA OF OPERATION

- Thirukkanurpatti Revenue Villages

OBJECTIVES OF THE SOCIETY

- Setting up a sustainable milk procurement system while also ensuring fairness and transparency.
- It ensures that quality milk is collected by bringing in maximum milk producers under the organized sector.
- Creating more village-level institutional structures following cooperative principles and safeguard the interest of small producers.

- Helping provide rural milk producers with greater access to the organized milk processing sector and thereby enhance the income of small rural dairy farmers. A detailed study on the performance of the study unit is discussed in the following pages.

MANAGEMENT OF THE SOCIETY

The Board administers the Society. The following structure reveals the hierarchy. The functions of a cooperative dairy society can be classified into the following two categories:

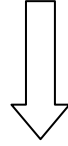
1. Managerial
2. Operational

Managerial

The milk producers of the village, with the support of the milk union, form a village dairy cooperative society. The milk producers become members by buying a minimum of one share of the Society and paying an entrance fee as per the bye-laws. All these members form the general body of the Society, which has the supreme powers subject to the State Cooperative Act, Rules, and Bye-laws.

ORGANIZATION STRUCTURE OF THE SOCIETY

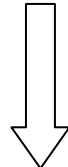
PRESIDENT



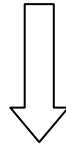
BOARD OF DIRECTORS



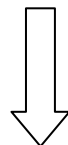
SECRETARY



ACCOUNTANT



Tester & Vendors



Other Assistant

MEMBERSHIP

As per the bye-laws, only genuine milk producers owning mulch animals and who have agreed to sell their Milk through the cooperative milk society are eligible to become dairy cooperatives. There is an explicit provision in the bye-law to prohibit the traders in milk and milk products from becoming members. A member can be expelled if he sells Milk to private agencies or is engaged in trading milk and milk products. The liability of the members is limited to the extent of the paid-up share capital.

Operational

Society's major operations can be classified into two groups:

1. milk trading - involves reception, testing, local and sample milk sale, dispatch of Milk to milk union, payment and accounts keeping
2. providing input services- include animal health coverage, breeding, supply of cattle feed, fodder development, clean milk production, and extension services to producer members.

SPECIAL FEATURES OF THE SOCIETY

- ✓ The society purchases cow Milk from the members in the morning and evening every day from the members of the Society.
- ✓ The Society supplies the Milk the Thanjavur District milk producers union.
- ✓ Society also sells the Milk to the need of the local people.
- ✓ The Society procures the cattle feed from the Union and sale to the members.
- ✓ The Society also procures mineral mixture from the Union and sells the same to the members.

- ✓ The government also supplies the cattle feed to the farmers at a subsidy rate through this milk Producers' Society.
- ✓ The payment is to be made every 1st and 16th of the month through ECS.
- ✓ The Thanjavur District milk Producers Co-operative Union's Veterinary Doctor periodically visits the Society to treat the members' cows.
- ✓ The Statutory Auditor audits the society account.

CHAPTER - III

BUSINESS PERFORMANCE OF THE SOCIETY LIMITED

Chapter- 3

MEMBERS DETAILS IN TRD571 THIRUKKANURPATTI MPCS

A minimum of 25 or more individuals competent to contract under section 11 of the Indian Contract Act of 1872, owning milch animals, can form a Primary Dairy Cooperative Society, with one or more villages as its area of operation. Society can raise the financial resources necessary for the working of the Society in several ways. Each member should take at least one share, the value of which is usually Rs. 10.

Table 3.1: Membership and Paid-up Share Capital

Year	Membership	Share Capital (Rs)
2019-2020	732	7320
2018-19	663	6630
2017-18	663	6630
2016-17	663	6630
2015-16	835	8360

Source: Annual reports of TRD571ThirukkanurpattiMPCS

The above table shows the total membership particulars of the Society for the period from 2015 - 2016 to 2019 – 2020. During 2016 – 2017, 172 members were left from the Society due to a new women's Society registered in the same revenue village. In 2019-2020 69 members were added to the Society by the resolution passed in the General Body meeting.

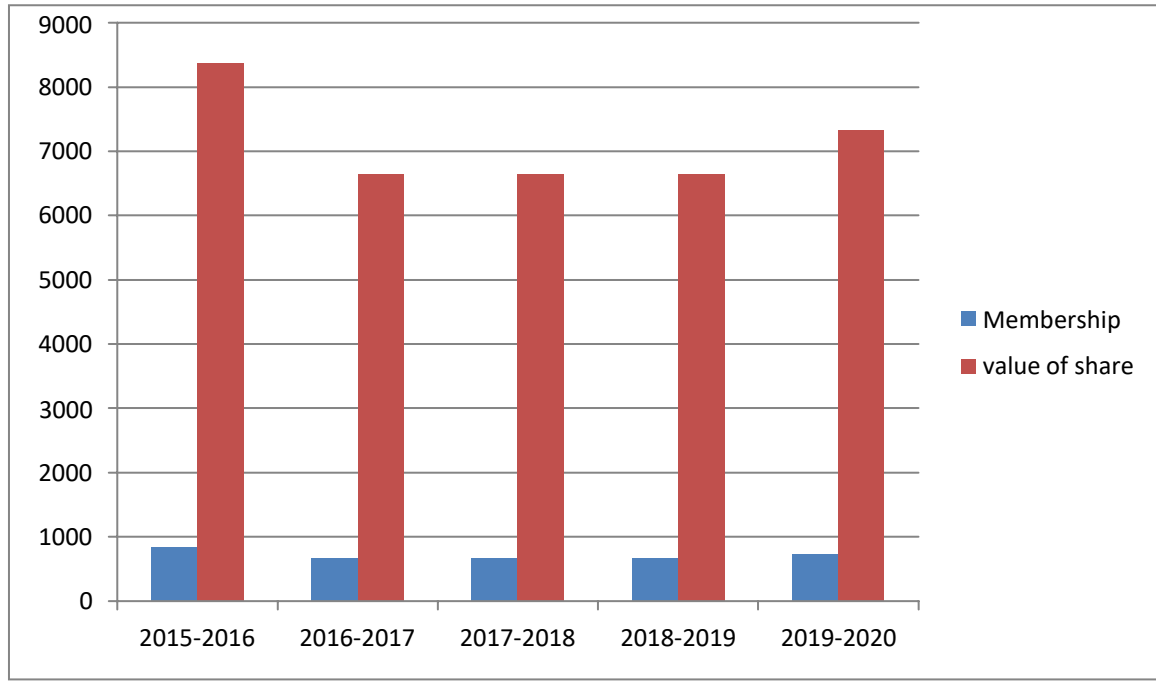


Chart No 3.1 Growth of Membership

PURCHASE OF THE COW MILK

The society purchases cow Milk from the members. The members have enough cow animals to extract Milk from them. The members are felt that growing cow animals are easy than buffalo. Hence, Society procures only cow milk and not buffalo milk.

TABLE NO. 3.2 PURCHASE OF MILK

S.No	Year	No. of liters	Amount (Rs.)
1	2015 – 2016	414296	10605816
2	2016 – 2017	373272.9	9499181
3	2017 – 2018	348925.5	8897581
4	2018 – 2019	322305.1	8168741
5	2019 – 2020	289361.3	7903241

Source: Annual reports of TRD571ThirukkanurpattiMPCS

The above table explains that the procurement of cow milk reduced downward from 2015 to 2020. The purchase amount also decreases gradually from 2015 to 2020.

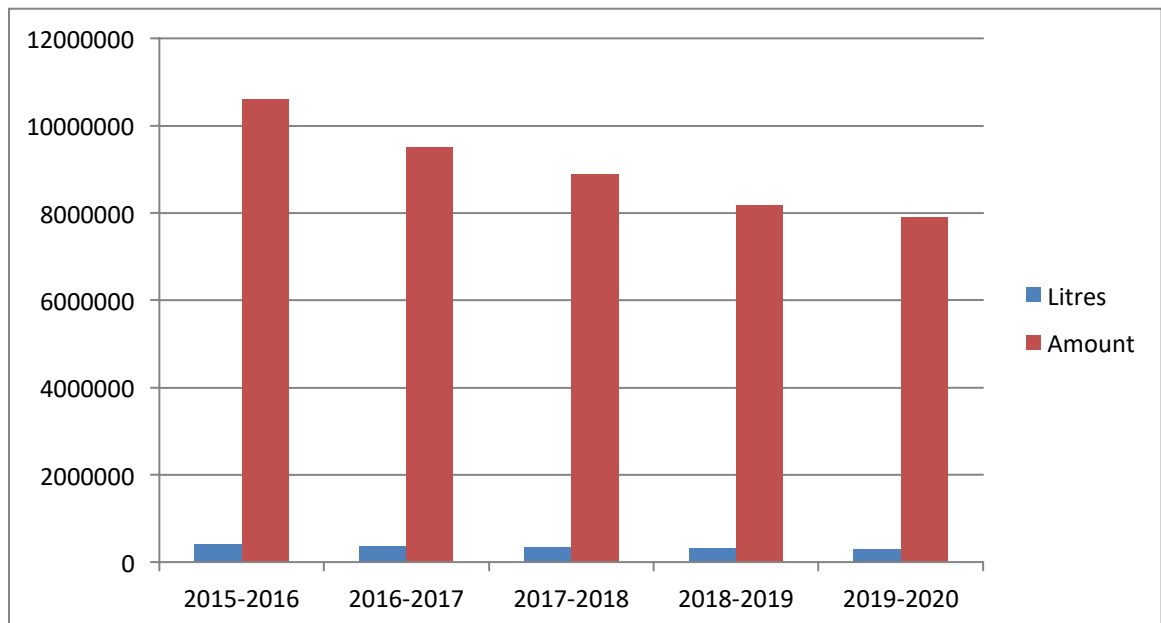


Chart No.3.2 Purchase of Cow milk

This table enumerates the best performance done by the Society for procurement of the Milk. The members are felt that growing cow animals are

easy than buffalo. Hence, the procurement of cow milk is more than buffalo milk in Society.

Reception of Milk:

The Society has a milk collection center either in an owned premise. The milk producers bring Milk in their containers (stainless steel) to Society each morning and evening. A representative sample of Milk is drawn for testing the quality of Milk. Milk is collected in milk cans or directly to the cooler, as the case may be. The collection accessories are made up of stainless steel. The measurement of Milk is done carefully to avoid foam, shortage, etc. The quantity of milk supplied by each individual along with the sample bottle of Milk is recorded against her/his name in the purchase register and the card/passbook of the pourer. The MPCCS performs the following activities:

- Milk collection
- Testing
- Sale of Milk

Testing of Milk:

After the milk collection is over, a composite sample is drawn from the total quantity of Milk collected. This sample is tested for fat, and lactometer reading is also noted in the test register. This is commonly known as the General Test (GT) of Milk collected by the Society. All the accessories/equipment used in the reception and testing of Milk are then cleaned thoroughly with warm water and or detergent solution.

Despatch of Milk:

Lids cover all the filled milk cans tightly, and the cans are loaded in the milk vehicle/truck as per the time schedule of a particular society. The staff of the truck delivers the fat slip of the previous shift, letters from the milk union, other materials as indented by the Society. This is done quickly to avoid any stoppage of the vehicle more than the schedule. The car also unloads the cleaned empty cans received from the dairy plant for the use of the Society for the next shift milk collection.

SALE OF COW MILK TO THE UNION

The Society makes the purchase of Milk from the members and sells the Milk to the Tirunelveli District Milk producers Co-operative Union situated at Tirunelveli. All the buffalo Milk is sold in Local sales. The Milk purchased from the members of the Society is first sent to the chilling center (CC) situated at the Valliyoor, which belongs to the Union. The Union pays the amount to the Society once in ten days along with the milk bill. The amount is directly credited to the society bank account.

Table No. 3.3 Sale of Cow Milk to the Union

S.No	Year	Amount (Rs.)
1	2015 – 2016	10252801.33
2	2016 – 2017	8642295.70
3	2017 – 2018	7810826.86
4	2018-2019	6967770.65
5	2019-2020	6480319.32

Source: Annual reports of TRD571ThirukkanurpattiMPCS

The above table elucidates the selling of Milk for the past five years. The district union pays the milk amount on the basis of the fat and SNF content of the Milk of the Society. Hence, the Society purchases quality Milk from the members and sells the same to the Union.

The quality of the Milk is ensured by providing nutritious cattle feed to society members, which in turn increases fat and SNF. If the fat and SNF increase, then the rate of the selling price also increases.

The above table explains that the union sale of cow milk reduced downward from 2015 to 2020. The amount received from Union also decreases gradually from 2015 to 2020.

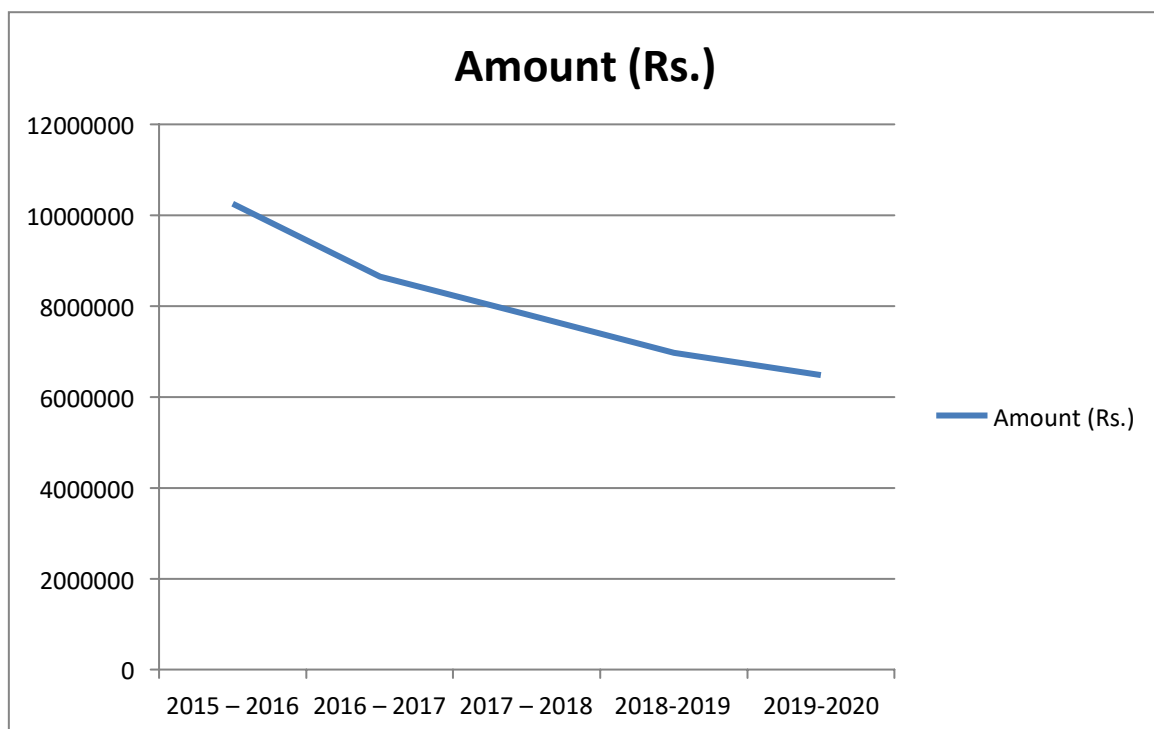


Chart no 3.3 Union milk sales

LOCAL SALE OF MILK

Society sells cow milk to needy people in the local villages. Local sales also help to boost up the Profit of the Society.

TABLE NO. 3.4 LOCAL SALE OF MILK

S.No	Year	No. of liters	Amount(Rs.)
1	2015 – 2016	45491	1528698.60
2	2016 – 2017	55868.900	1843673.70
3	2017 – 2018	60580	1999156.50
4	2018-2019	67428.900	2225153.70
5	2019-2020	71616.3	2545046.40

Source: Annual reports of TRD571 Thirukkanurpatti MPCS

The above table explains that the local sale of cow milk increased upward from 2015 to 2020. The local sales amount is also increased gradually from 2015 to 2020.

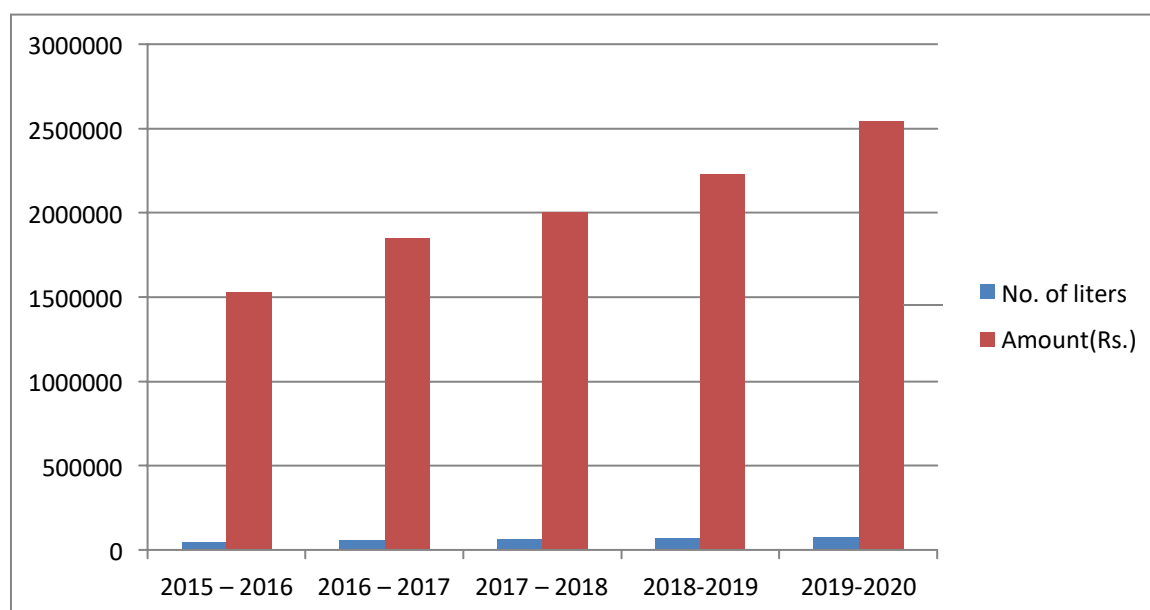


Chart No. 3.4. Local Sales of Milk

Table 3.5: Purchase And Sales Of Milk(in Rupees)

Year	Purchase Of Milk	Sales
2015-16	10605816	12066901.93
2016-17	9499181	10497981.40
2017-18	8897581	9834783.36
2018-19	8168741	9217014.35
2019-2020	7903241	9051651.72

Source: Annual reports of TRD571 ThirukkanurpattiMPCS

The above table explains that the purchase and sale of cow milk reduced downward from 2015 to 2020. The purchase and sale amount is also decreased gradually from 2015 to 2020.

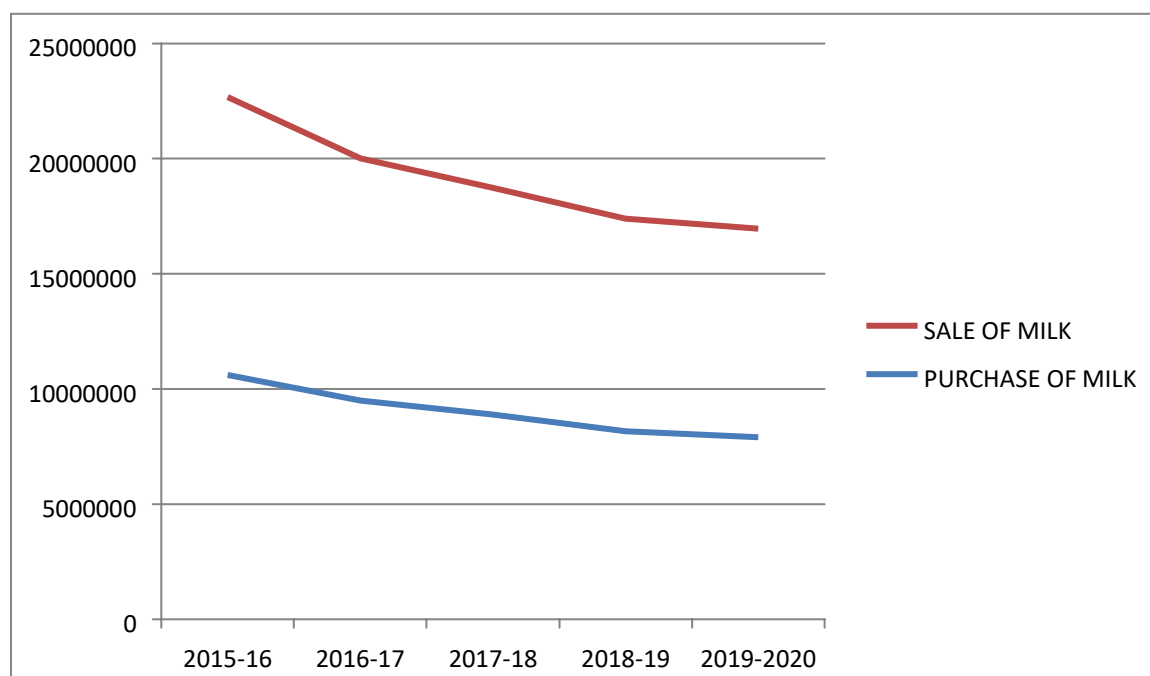


Chart No 3.5: Purchase of Milk and Sales of Milk in values(Rs.)

Cleanliness:

As Milk is a perishable commodity. In order to have improved quality of raw Milk and avoid spoilage besides contamination of Milk, a society maintains cleanliness through the clean milk production process and techniques from producers to society level. Various activities and steps are undertaken for the cleanliness of the utensils, staff, equipment/ accessories, and building emphasizing procurement of clean Milk.

Accounting:

There is a set of standard registers, most of which are completed daily. The others are completed as and when any transaction takes place. The Chairman countersigns all the records as per the decision of the Society and as required under the provisions of bye-laws. The registers and formats are designed in such a way that they reflect the volume of business and financial standing of the Society at any given time. The Society has appointed a local person as an internal auditor who audits the transactions made by the Society on a regular basis.

TRADING AND ADMINISTRATIVE EXPENSES

Every organization controls expenses for improving the Profit of the organization. Trading expenses are those expenses carried out by the Society to carry out their day-to-day trade, namely purchase of milk cans, buying of testing materials, etc. Administrative expenses include expenses other than trading expenses. Some examples of administrative expenses are staff salaries, purchase of stationeries, computer-related expenses, traveling allowance of the staff, etc.

On the said concept, Society also controls the trading and administrative expenses. The control of the trading and administrative expenses boosts the Profit of the Society.

TABLE NO. 3.6 TRADING AND ADMINISTRATIVE EXPENSES

S.No	Year	Trading Expenses (Rs.)	Administrative Expenses (Rs.)
1	2015 - 2016	66923.60	602080
2	2016 - 2017	75662.5	652060.93
3	2017-2018	72593	655298.19
4	2018-2019	49118	653618.10
5	2019-2020	91895.74	695737.80

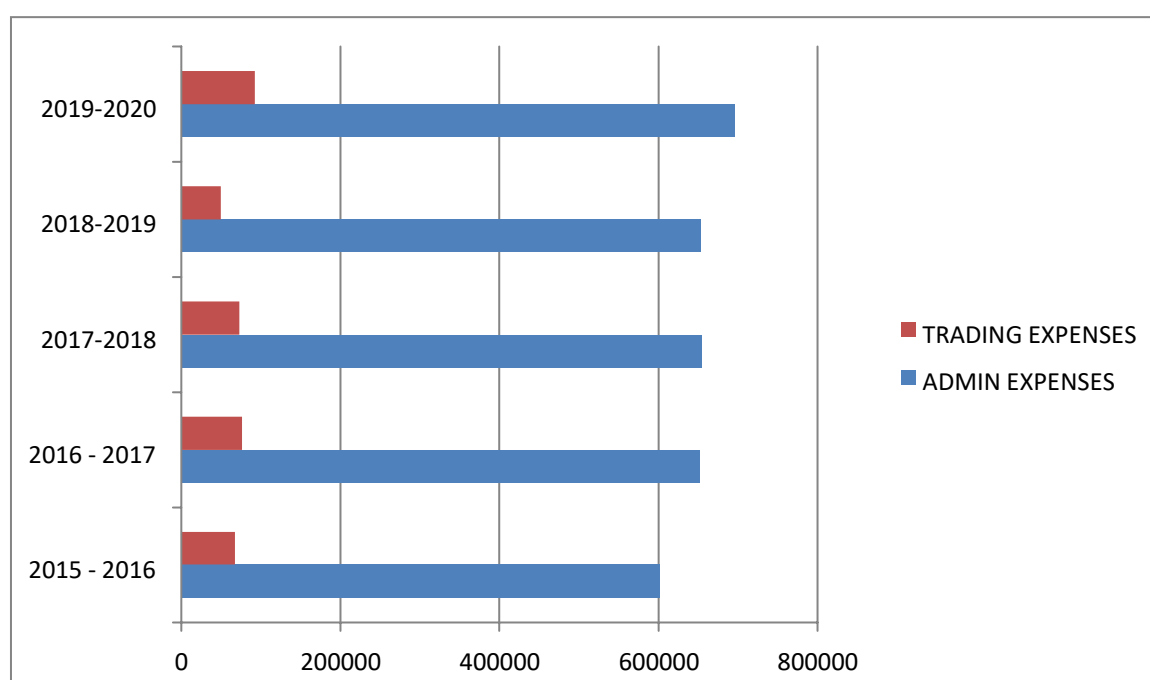


Chart No.3.6 comparison of Trade and Establishment charges

The above table reveals that Trading expenses in fluctuating manner increase from 2015-16 to 2017-2018 then reduced in 2018-2019, and again increased in 2019-20; regarding the administrative expenses, the expenses are gradually rising year by year to the increment in salary to the staffs.

PROFIT OF THE SOCIETY

The Society earned Profit every year. The Profit is to be disbursed to the members as per the Acts and Rules of the Society Act. Society takes necessary steps to gain profit by controlling expenses and improving the procurement of Milk.

Table 3.7: Gross Profit & Net Profit

Year	Gross Profit (In Rs)	Net Profit (In Rs)
2015-16	1159762.93	238723.93
2016-17	964998.90	120210.52
2017-18	728692.61	59985.42
2018-19	866150.80	213458.21
2019-2020	946744.53	283407.73

Source: Annual reports of TRD571 Thirukkanurpatti MPCS

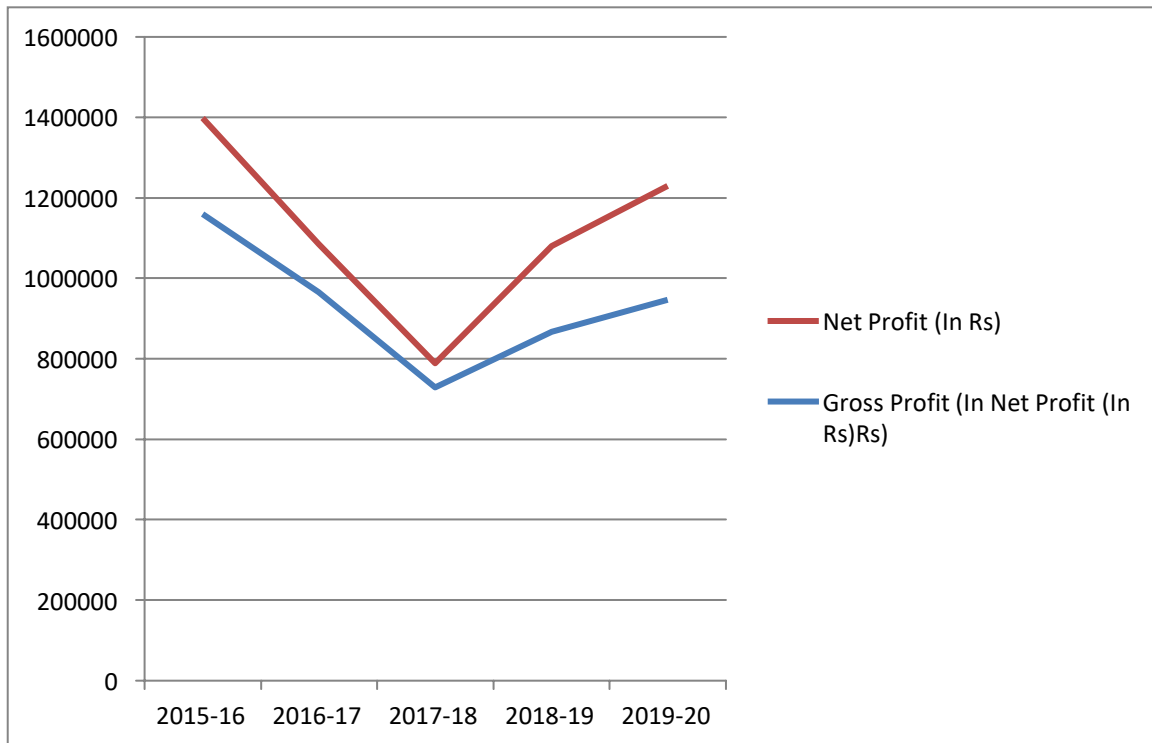


Chart No.3.7. Gross Profit Vs. Net Profit

The above table reveals that the Profit of the Society varying year to year. But during the year 2017 – 2018, Gross Profit was reduced. Net Profit of the Society is reduced on 2017-2018. The following chart compared the gross and net Profit of the Society.

PAYMENT OF INCENTIVE TO THE MEMBERS

The milk society paid an incentive to the members at 2019-2020 Rs.144680.65. Profit is shared between members as a dividend according to the bylaws of the Society instead of the motivation. The incentive is to be paid based on the supply of the Milk to the Society by each member.. the incentive is helpful to the members for supplying more volume of Milk with high quality.

Distribution of Profit:

Besides regular milk price payment, the Society pays dividends on paid-up share capital at the end of the year. The major portion of Society's net Profit is paid in the form of incentives to the producers proportionate to the value of Milk supplied by them during the year. The extent of these benefits is decided in accordance with the provisions made in the bye-laws.

Payment for the Milk:

Milk union generally pays the price of Milk so procured from societies through bank advice on a regular interval, i.e., weekly, every ten days as the case may be. This frequency is generally not changed and is the same for all the societies. The Society pays the pourers daily/weekly/after every ten days as per the managing committee's decision. The relevant entries are made in the Card/Pass Book of the members and the registers of the Society.

Inputs Services

The second important work of society after milk trading is making available the technical inputs to the milk producers for production enhancement activities. Generally, the milk unions have the basic facilities, and the services are provided to the members through the societies on a cost / no profit no loss/grant basis as decided by the milk union. The Society has a trained Artificial Insemination (AI) and Veterinary First Aid (VFA) Worker who looks after the job regularly. Generally, the milk union supplies liquid nitrogen, semen doses, veterinary medicine, cattle feed, and fodder seed to the Society on cost. Apart from this, cattle insurance and other group insurance schemes are also available for the members' benefits.

Artificial Insemination

The trained staff carries out artificial Insemination for the milch animal belonging to the members.

Sale Of Cattle Feed

Cattle feed is made available to the members by the Society. Further, the Society provides animal Health services to the animals belonging to the milk producers through the veterinarians of milk Unions.

Table No. 3.8 Sale Of Cattle Feed

Year	Value of cattle feeds sold (<i>In Rs.</i>)
2015-16	189375
2016-17	301190
2017-18	464575
2018-19	409050
2019-20	267550

Source: Annual reports of TRD571 Thirukkanurpatti MPCs

The above table elucidates the selling of cattle feed for the past five years in a fluctuating manner. The district union supplies the cattle feed according to the demand raised by the Society.

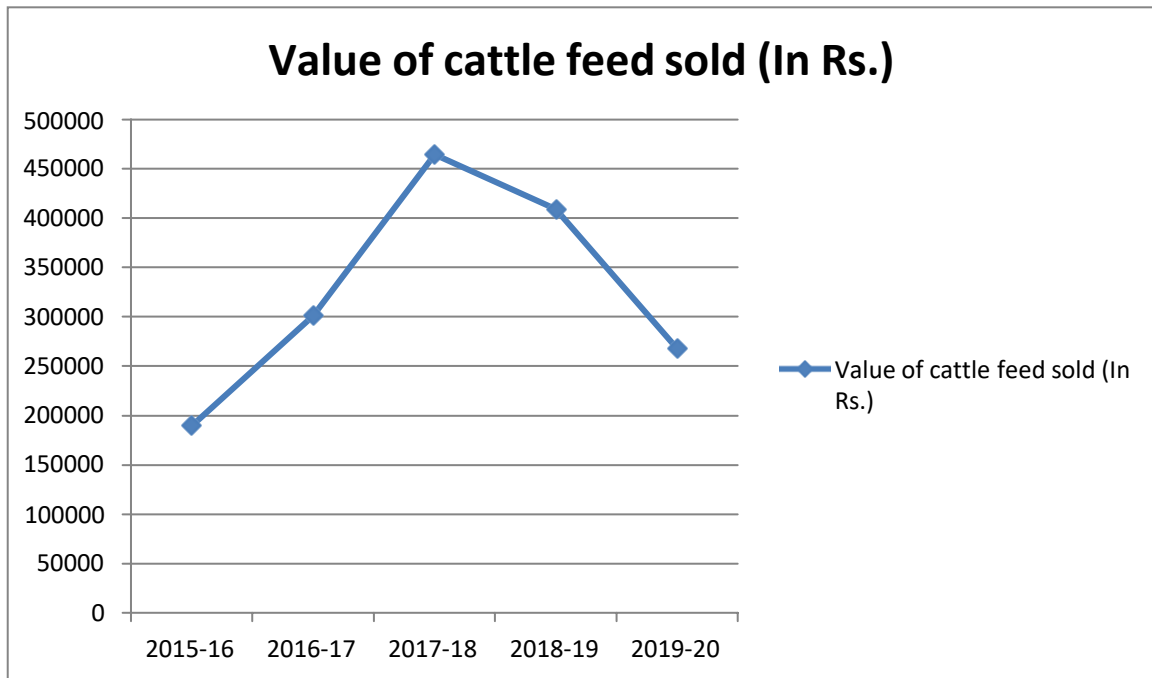


Chart no 3.8 cattle feed sales

Other Functions/Activities

Besides the functions as stated above dairy cooperative Society also organises with the help of the milk union various awareness and training programmes, meetings, camps, visits in connection with capacity building of managing committee members and members, women involvement in a dairy cooperative, clean milk production, better animal keeping and management, health and hygiene, literacy and numeracy.

ANALYSIS OF THE EXPENSE AND PROFIT WITH SALES VALUE

The society analysis its gross Profit, trading expenses, and administrative expenses with the sales values of the financial year. This helps to control the society expenses and take steps to improve the milk productivity of the Society to improve the Profit.

TABLE NO. 3.9 Percentage analysis of the expenses and Gross Profit

S.No	Year	Percentage of Gross Profit	Percentage of Trading Expenses	Percentage of Administrative Expenses
1	2015 - 2016	6.3	0.6	4.99
2	2016 - 2017	9.19	0.72	6.21
3	2017 - 2018	7.41	0.74	6.94
4	2018 - 2019	9.39	0.5	7.1
5	2019 - 2020	10.4	1.01	7.7

Source: Annual reports of TRD571 Thirukkanurpatti MPCs

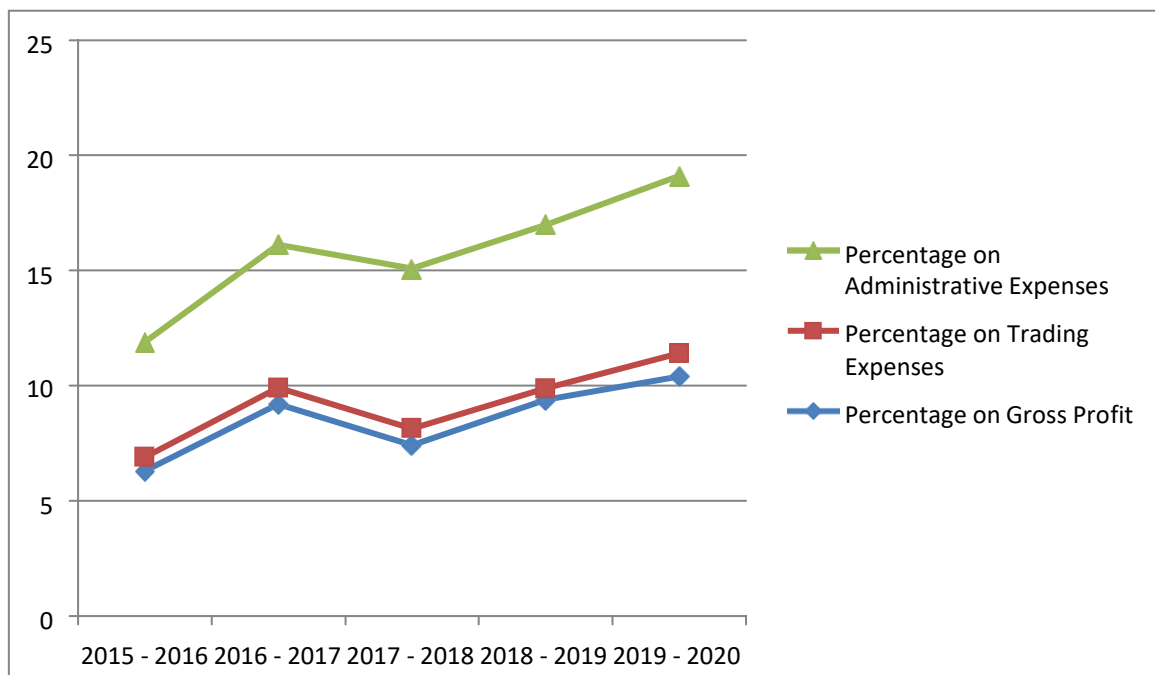


Chart No.3.9 Analysis of Expenses with Gross Profit

CHAPTER – IV

**FINDINGS,
SUGGESTIONS**

CHAPTER - IV

A SUMMARY OF FINDINGS, SUGGESTIONS, AND CONCLUSION

FINDINGS

- During the year 2016-2107, a new women's milk society was started in the same revenue village. This leads to 172 pouring members were leave from the TRD571 Thirukkanurpatti village. So the Society has become weaker.
- During the past five years, only sixty-nine new members were added with the existing 663 members in the Society. Hence, the total number of members in the Society is 732.
- Society provides input services to members like distribution of Cattle Feed, Mineral Mixture and Semen Doses are periodical.
- The Society has every day registered sample milk in the register, which is collected from milk producers.
- The ratio of Trading Expenses to Sales within 10%per year. This is practiced in Thitukkanurpatti MPCS.
- The ratio of Establishment and Contingency Charges to Sales within 5%per year. This is practiced in Thirukkanurpatti MPCS.
- In the year 2019-2020, due to the pandemic situation, payment to milk producers are given in cash.
- Bylaw mentioned that cash in hand norms/rules are should be limit.
- The Society mostly uses the share capital, interest from deposits, and Reserve Fund as sources for working capital.

- During the study period, the purchases of cow milk vary year to year, and in 2019-2020 it is 289361.3 liters.
- The District union paid the milk bill based on the Fat and SNF content of the Milk supplied by the Society to the Union. It encourages Society to pour quality Milk to get maximum earnings.
- In the year 2019 – 2020, the local sale of cow milk is 289361.3 lit
- ers.
- The Society sold the cattle feed and mineral mixture to the members regularly at a subsidized price.
- Mostly the Society does not control the trading and administrative expenses. The trading expenses are low in 2018-19 and high in 2019 – 2020.
- The Gross Profit and net Profit of the Society in 2019-2020 are Rs.946744.53 and Rs.283407.73, respectively.
- The Society distributed net Profit into bonus
- to members, dividends to members, and various funds, including reserve funds for the Society. Mostly 50% of Net Profit was paid to members as an incentive, and 14% of the paid-up value of share capital was paid from the net profit as dividend to the members. Apart from the above, the Society allocated 20% for Reserve Fund and 10% for Building Fund. The Society also paid 3% for the cooperative Research and Development Fund and 2% for the cooperative education Fund.
- The Society used percentage analysis for controlling trading and administrative expenses. It was also used for improving the Profit of the Society. The base for this analysis is the sales value of the Milk. The highest percentage of gross Profit is 10.4% in the year 2019-2020. The lowest percentage of trading expenses is 0.5% in the year 2018-19, and

the lowest percentage of administrative costs is 4.99% in the year 2015-2016.

- The Society came under the "B" category of audit classification for the past five financial years.
- The Society won Awards of Best Quality Milk in Milk Day celebration and Rewards for the past years, which will show the stability, cooperation among members, and growth of the Society. It also reveals that the efficient administrative strategy of the management of the Society.
- It has a manual accounting system, even though a large quantity of Milk is handled every day.

SUGGESTIONS

- According to TamilNadu cooperative societies act 1983 under section 9(d), no associations shall be registered in an area if the same functioning society already exists. I suppose to be started; the Deputy Registrar should receive NOC from the same functioning society in the same area. But here, the corresponding act has not followed because of this the existing has becoming weaker.
- All the members of the Society have not sold the Milk to the Society. Hence, the management of the Society has strived to procure adequate Milk from all members of the Society.
- Milk pouring members are encouraged to pouring enriching milk regularly.

- Availability of cattle feed and fodder seed should be made visible on the notice board.
- Cattle feed should be purchased from the District Union as per the member's requirement and avoid deficit.
- Reach and effectiveness of animal health cover will be improved.
- Society should give high priority to Farmer's induction programme.
- Lack of proper coordination with district-level authorities is the major problem that needs to be rectified.
- The Society has deputed its employees to various training programs to keep them in touch with the changing technology.
- The Society should try computerizing all its operations.
- The public should be motivated by explaining the advantage of cooperatives when compared to other agencies.
- Persons with professional qualification can be employed to bring in higher productivity.
- Society should take strong actions against defaulters.
- Society should focus on sundry debtors and also settle the payment of sundry creditors.
- The management of the Society may impart awareness to the members about the Fat, and SNF may improve the quality of the Milk, which leads to increases the rate of Milk.
- The management may plan to purchase buffalo milk which yields more prices to the members. Hence, the administration may impart awareness to the members for growing an adequate number of buffalos in the member's farming.
- The Society may arrange training to the members for the farming type of growing milk animals rather than individual grows of buffalo or cow.

This will improve more milk productivity and scientific approach for farming milk animals.

- The management may arrange periodical meetings with the members to impart training in the field of new technology, new cattle feed, improve productivity, and know the new diseases affected to the animals and the control mechanism for during those diseases.
- The Society shall expand its business operation by opening a sub-center in the new area and adding new members to the Society. This will help the Society for procuring more Milk.
- The non-members should be motivated by explaining the cooperative milk producer's Society's advantages compared to other private milk agencies. It helps the non-members to join the Society as a member.
- To make arrangements for the efficient supervision system, review reports with suitable remarks on the performance of the supervisory staff can be introduced.
- To make arrangements for the highest volume produced members to introduce the tour to Gujarat to know the type of farming and various methods and techniques available in their farming.
- To purchase high quality of frozen semen and the Society is to be maintained a register for which cattle that semen was used and the quantity and quality of the Milk acquired are to be registered. It helps to the Research and Development in the field of making frozen semen.
- Hence, the management may take steps to raise their salary. It helps to improve the production as well as productivity of the Society.

CONCLUSION

The dairy cooperatives in India are a three-tier structure following the Anand pattern, including Village level Milk Producers' Cooperative Societies District level Milk Producers' Cooperative Union and State level Milk Producers' Cooperative Federations. Dairy Cooperatives provide inputs, animal health care, and extension services to society members and train Village and District level Dairy Cooperatives employees.

Changing the Dairy Cooperative laws and regulations can reduce the role of the unorganized sector in milk marketing.

Furthermore, its future challenges in milk marketing are mainly concerned with quality, product development, infrastructure support development, and global marketing. We can overcome these challenges by strengthening the Dairy Cooperatives.

Hence, we can conclude that the overall performance of TRD571 Thirukkanurpatti milk producer's cooperative Society during the period of study was decreasing for the only reason for new registration of the women society in the same revenue village.

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