

Performance of Hanuman Sahakari Dudh Vyavasyik Krushipurak Seva Sanstha Yalgud in Kolhapur district of Maharashtra

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Abstract

The Hanuman Sahakari Dudh Vyavasyik Krushipurak Seva Sanstha Yalgud, a prominent cooperative in Kolhapur district, Maharashtra, has significantly shaped the dairy sector and the socio-economic landscape of the region. This thesis explores the cooperative's organizational structure, management practices, and economic performance over the period from 2013-14 to 2022-23. Key areas of focus include the procurement, processing, and distribution of milk products such as Shrikhand, Pedha, and Basundi, as well as the financial trends and challenges faced by the cooperative. Data from annual reports and interviews with dairy officials provide a comprehensive overview of Yalgud's operations and its vital role in promoting dairy farming and improving farmer livelihoods. The findings revealed that Yalgud Dairy has a well-defined organizational structure, with effective allocation of responsibilities across various departments, including procurement, production, quality management, and marketing. Over the study period, the cooperative has consistently increased milk procurement and sales, achieving positive growth rates. Financial analysis indicates a remarkable upward trend in net profits, rising from Rs. 320 lakhs in 2013-14 to Rs. 483.5 lakhs in 2022-23, underscoring the dairy's economic viability. The benefit-cost ratios for its products show that Basundi is particularly favorable, offering the highest gross returns and production yield, while Shrikhand and Pedha also contribute positively to overall profitability.

Key words : Yalgud, procurement, profits, methodology, constraints, profitability.

FAO statistics indicates that 843 million tons were produced in 2018. The same report estimated that in 2022, the combined milk production of the EU (159.82 million tons), US (102.99 million tons), Pakistan (64.97 million tons), China (43.45 million tonnes), New Zealand (21.22 million tons), Argentina (11 million tons), and Australia (9 million tons) would be 405 million tons. In 2023, this quantity is anticipated to increase to 409 million tons. Global milk output climbed by more than 81% during the last three decades, from 524 million tonnes in 1992 to 949 million tonnes in 2023. With a quarter of the world's milk produced, India leads the world's milk producers, followed by the US, Pakistan, China, and Brazil. Since the 1970s, most of the rise in milk production has been in South Asia, which is the key engine of milk production growth in the developing

world. Since 1997, India has been the leading country in both milk production and dairy product consumption. Only 20% of the milk produced is accessible to cooperatives and private dairies. Of the total milk produced, 34% is sold in the unorganized market, while 46% is consumed locally. According to estimates, the India's total milk output in 2022–2023 would be 230.58 million tonnes, up 22.81% over the previous five years when it was 187.75 million tonnes in 2018–19. Furthermore, compared to predictions for 2021-2022, production increased by 3.8% in 2022-2023.

The yearly growth rates in the past have been 5.81% in 2020-21, 5.69% in 2019-20, 5.77% in 2021-22, and 6.47% in 2018-19. Uttar Pradesh produced the most milk in 2022–2023 (15.72 percent of the total milk

produced), followed by Rajasthan (14.44%), Madhya Pradesh (8.73%), Gujarat (7.59%), and Andhra Pradesh (6.70%). Karnataka (8.76%), West Bengal (8.65%), and Uttar Pradesh (6.99%) had the highest annual growth rates (AGR) compared to the previous year.

Study area : Maharashtra rank 6th in milk production. Annual milk turn-over of Kolhapur zilla dudh utpadak sangh district is around 900 crores to which the Hanuman Sahakari Dudh Vyavasyik Krishipurak Seva Sanstha Yalgud contributed near about 50 crores. The annual turnover of Yalgud dairy is 20.61 cr. Therefore, the area is purposively selected for studies.

Data Collection : The data was collected by method of conducting personal visit and information gathered by asking questions to officials of Yalgud dairy. The main source of information is Annual report of Yalgud dairy. Which provided all the requisite information required while conduction of research.

Results and Discussion

The Table 1 explains the financial performance of a dairy operation in year 2022-2023. The Annual returns, total costs, and net returns. The dairy's revenue was generated from two main sources: the sale of milk and milk products. It shows returns from the sale of milk and various milk products. The sale of milk generated Rs. 98,87,130, while milk products such as Shrikhand, Pedha, and Basundi contributed Rs. 88,69,500, Rs. 95,81,250, and Rs. 80,48,250, respectively, leading to a total revenue of Rs. 3,63,86,130.

The cost section details fixed costs of Rs. 59,99,591 and variable costs of Rs. 2,29,42,713, resulting in a total cost of Rs. 2,89,42,304. The total cost includes cost of procurement of milk and processing cost of milk and milk products during year 2022-23. The net returns calculated as total returns minus total

costs amount to Rs. 74,43,826, indicating profitability. Additionally, the benefit-cost (B:C) ratio of 1.26 describe that for every Rs. 1 spent, the operation earns Rs. 1.26, reflecting a healthy financial outcome for the dairy business.

Table 1 provides a detailed analysis of three dairy products: Shrikhand, Pedha, and Basundi, focusing on their financial merits. For each product, it lists fixed costs, average variable costs, selling prices per unit, and the resulting difference between selling price and average variable cost, which indicates profitability per unit sold.

The break-even point in kilograms shows the quantity that must be sold to cover all costs; for Shrikhand, it's 4,246 kg, for Pedha, it's 4,295 kg, and for Basundi, it's 3,281 kg. The final quantity produced and sold was also noted, with Shrikhand at 49,275 kg, Pedha at 27,375 kg, and Basundi at 38,325 kg. Overall, this analysis highlights the financial performance and profitability potential of each product in the dairy operation.

Table 1. Cost and returns

Components	Quantity	Price unit ¹ (Rs.)	Total (Rs.)
Returns			
Sale of milk (lakh litres)	02.19	45	98,87,130
Sale of milk products (Mt)			
Shrikhand	49.27	180	88,69,500
Pedha	27.37	350	95,81,250
Basundi	38.32	210	80,48,250
Total returns			3,63,86,130
Cost			
Fixed cost			59,99,591
Variable cost			2,29,42,713
Total cost (FC+VC)			2,89,42,304
Net Returns (Total Returns - Total Cost)			74,43,826
B:C Ratio (Total Returns/ Total Cost)			1.26

Table 2. Break even analysis

Product	Fixed cost (Rs.)	Average variable cost (Rs.)	Selling price unit ⁻¹ (Rs.)	Difference (Rs.)	Breakeven point (Kg)	Final Qty (kg)
Shrikhand	2,59,000	119	180	61	4246	49275
Pedha	3,56,455	267	350	83	4295	27375
Basundi	2,62,456	130	210	80	3281	38325

Conclusions

Yalgud Dairy has consistently grown its revenue from 2013-14 to 2022-2023, demonstrating resilience despite market fluctuations. The data illustrates Yalgud Dairy's strong financial growth over the past decade, highlighting its profitability and efficient management.

Suggestions

Dairy should explore new areas of product making. The areas near city Kolhapur Ichalkaranji, Hupari, have immense demand of products like cheese and skim milk powder. The dairy should focus on making these new products with continuing making traditional product.

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