

A Prime Minister's Dream



1964. Shri Lal Bahadur Shastri, the then Prime Minister, stayed overnight in a Gujarat village called Ajarpura. He was on his way to Anand to inaugurate the cattle feed factory of the Kaira District Co-operative Milk Producers' Union.

Over a dinner of dal, roti and a glass of milk he learnt of the astonishing progress made by the village. He was most impressed with the Kaira District Co-operative Milk Producers' Union, of which Ajarpura was a member. The farmers explained how the Union had grown from two village co-operatives to Asia's largest dairy. He listened to accounts of how co-operative dairying had doubled the incomes of the small and marginal farmers and landless rural labourers. How they now received a fair and assured price for their milk and how harijans stand in the same queue as everyone else at milk-collection time.

A sign of the changing times

He was all attention when farmers described the Union's success with improved cattle feed, artificial insemination, veterinary services etc. He saw in their eyes pride in co-operative achievement, the satisfaction of having helped to build an institution of their own, and the confidence in the changing times. He compared what he now saw with what he knew about the poor state of dairying in other parts of the country... the acute milk shortage... unsatisfactory performance of dairies... the scourge of the middle-man.

Man of action

Shri Lal Bahadur Shastri sensed the need for a national organisation which would bring about a thriving dairy sector through dairy co-operatives organised on similar lines. "If we can transplant the spirit of Anand to many other States", he mused, "it will rapidly transform the socio-economic conditions of people in rural areas." A man of action, he initiated the setting up of an organisation to create Anands in every milkshed in the country. That was the National Dairy Development Board.

THE ANAND PATTERN

The Anand (or 'Amul') Pattern is the successful formula adopted by milk producers in Kaira District, Gujarat.

In 1946, these producers formed the Kaira District Co-operative Milk Producers' Union Ltd., Anand (AMUL). Initially, this co-operative union handled only 250 litres of milk a day collected from just two villages. Today, it is a federation of 900 primary societies with 3,40,000 producer-members. During the flush season, it handles over 9,00,000 litres a day collected from these 900 villages. It owns a central plant which operates 24 hours a day, processing milk and producing butter, milk powder, baby food, cheese, and other dairy products marketed under the famous AMUL brand name. In 1981-82 its turnover was more than Rs. 87 crores!

Structure and method of operation

The basic unit in the Anand Pattern is the Village Milk Producers' Co-operative—a voluntary association of milk producers in a village who wish to market their milk collectively. All the Village Milk Producers' Co-operatives in a district are members of their District Co-operative Milk Producers' Union.

Every milk producer can become a member of the society by paying a membership fee of Rs. 5 and a registration fee of Re. 1. At a general meeting of members, representatives are elected to form a managing committee which recruits a secretary, milk collector, fat tester, clerk, inseminator, accountant and helper to carry out the day-to-day work of the society.

All the registered societies are affiliated to the Union which has a board of directors consisting of nineteen elected members. The board frames the Union's general policy with regard to milk procurement supply, manufacture of milk products, pricing, pattern of distribution

Dreams and Reality

of funds, etc. It employs a top professional manager as a Managing Director who in consultation with the elected farmer board of directors appoints other competent managers, technicians and supportive staff.

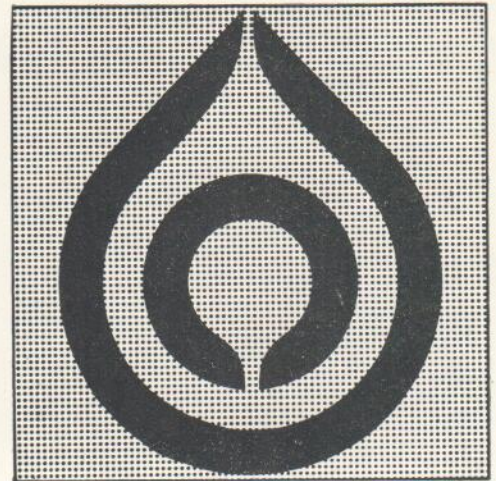
The Union develops marketing facilities for all the milk which its members want to sell, sustains the growth of co-operatives and provides a package of technical inputs to members to enhance their milk production. The system evolved for milk procurement from each village is also used as a distributional outreach for providing compounded cattle feed, fodder seeds, artificial insemination services and various veterinary services including round-the-clock emergency visits of the veterinary doctors.

In every village, milk is collected twice every day, morning and evening. Cash payment is made on the spot on the basis of fat and solids-non-fat (SNF) content. The milk is then sent to the dairy plant where it is pasteurized. The required amount of liquid milk is sent to the consumption areas and the surplus is converted into dairy products. Every milk producer receives on an average Rs. 5 to Rs. 6 every day from the sale of his milk. This amount is an important contribution to the family income. For many families, especially those of widows and the poor, it often serves as the sole means of livelihood.

In addition to payment for milk, the Union pays dividends and bonus to the producers. It also organises extension activities like mobile exhibitions, film shows, trips to the Union and other institutions concerned with dairy development. It helps the co-operatives build up sufficient funds for rural development activities such as construction of milk collection centres, schools, roads, hospitals and provision of water facilities, telephone services, electricity, etc.



The NDDB was created in 1965.



The IDC took shape in 1970.

A task force is born

1965. The National Dairy Development Board took shape. From the time of its inception, it shouldered daunting responsibilities to help the country become self-sufficient in milk. At that point in time, the dairy industry was facing innumerable problems.

Vicious circle

The dairies were then located in urban consumption areas and not in rural production areas. Without an efficient procurement system, the dairies could not collect much of the milk produced in the villages. Several rural milksheds were thus largely untapped and the quantum of milk collected was insufficient to meet the demands of the cities. So, many dairies had to depend partly on milk contractors to procure the milk for them and partly on commercially imported milk powder, to "create" milk. Yet they could not meet the demand. Milk powder imports were a costly drain on the country's scarce foreign exchange reserves. The contractors' milk supplies were erratic. The dairies mostly functioned inefficiently. Many made losses.



MILKING THE PRODUCER AND CONSUMER: Middle-men bought good milk from the villager at a low price and sold adulterated milk in the cities at exorbitant rates.

There were long queues at the milk booths. In effect, milk was rationed. Milk scarcity bred even more middle-men, who exploited both village and city dweller. They bought good milk produced in the villages at a very low price, adulterated it with water, extracted much of the cream, and sold the diluted milk to the city at an exorbitant price.

In most villages, one middle-man had a monopoly. The villagers were forced to sell their milk, a highly perishable commodity, to this agent at the price fixed by him. In flush season, when the buffaloes produced the most milk, the price sank to rock bottom.

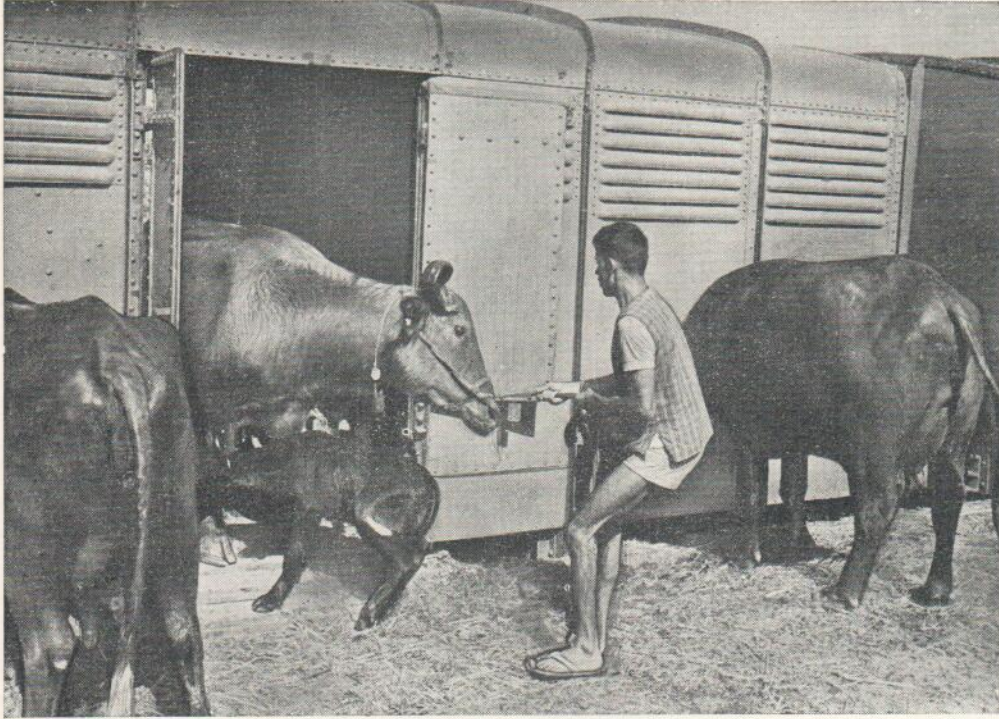
Milk being in short supply in the cities, people had no alternative but to buy their requirements from the go-between and pay the price he demanded.

On account of high prices and low quality, city milk availability stag-

nated. Thanks to increasingly poor returns, milk producers were not encouraged to invest in production, so milk produced in the villages failed to keep up with the growth in population, creating ever more acute shortages.

Genetic set-back

To exploit the urban demand private milk contractors took away the best milch cattle from the villages and established cattle stables in the cities. They were not only fouling the environment, but also starving the calves to death and slaughtering the milch animals when they went dry, thereby causing an immense genetic set-back.



GOING, GOING GONE: Milk contractors took away the best milch cattle from the villages.



CATTLE STABLES:
The milch cattle taken to the cities were kept in most unhygienic conditions.



GENETIC SET-BACK: Calves were starved to death and many of the milch animals were slaughtered when they went dry.