

**“A Study On Challenges Confronted By The Dairy Products Exporters With
Special Reference To Coimbatore District”**

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ABSTRACT:

The study was conducted in Coimbatore district with objective of assessing challenges confronted by the dairy product exporters in Coimbatore district. India is the largest producer of milk. For the Indian dairy industry, effort need to be directed to accelerating the pace of application and adoption of modern technologies to improving productivity, and to reducing costs of operations and ensure greater availability of milk and milk products. To attain this, national development programs need to be dived tailed with state government's programmers on animal husbandry and dairying, poverty alleviation programmers, R&D strategies, agricultural universities and other developmental agencies. Globalization remains a key force in driving Indian economy and India's dairy industry products acknowledge the demands and preferences around the world by consumers. Involvement of intermediaries; lack of bargaining power by the producers and lack of infrastructure facilities for collection, storage, transportation and processing are the major constraints which affects the prices received by producers in milk marketing. The Indian dairy industry needs to focus simultaneously on the four-fold challenge of quality, product development, infrastructure- support development, and global marketing. Governments also have taken steps to encourage the dairy farmers to increase exports and by promoting schemes and subsidy for strengthening the dairy sector industry.

Keywords: Globalization, Constraints, Challenges, Schemes and Subsidy, Employment Opportunities, SWOT Analysis.

1.INTRODUCTION

Globalization is one of the greatest strategic challenges for all industries as well as dairy industry. Globalization and Liberalization are the Mantras of the new economy today, which is

now on the fast track. India is the world's largest milk producer. India ranks first in milk production as well as consumption in the world accounting for around more than 17% of the global milk production. India also stands distinct with the lowest milk production costs in the world. The world dairy market has undergone significant structural changes over the last two decades as the milk production has expanded by an annual average compound growth rate of almost 2 percent. Industry production is rapidly moving forward. Dairy industry provides livelihood to millions of homes in villages, ensuring supply of quality milk and milk products to people both in urban and rural areas. In India, dairying has been considered as one of the activities aimed at alleviating the poverty and unemployment especially in rural areas. Dairy products are a major source of cheap and nutritious food to millions of people in India and the only acceptable source of animal protein for large vegetarian segment of Indian population, particularly among the landless, small and marginal farmers. Livestock has been appeared as subsistence sector dominated by small holders to fulfill their needs of milk, food and cash income on daily basis. In the rural areas, livestock is considered as a more secure source of income for the small farmer and landless poor people. The dairy sector in the India has shown remarkable development in the past decade and India has now become one of the largest producers of milk and value-added milk products in the world. Livestock production is the most useful way to improve the income of the landless and the small farmers. Nearly one third of world's intake of animal protein is provided by milk and milk products. Development of dairy sector is not only required to meet the increasing demands of animal protein but its development is necessary for social and economic reasons as dairy animals are good source of regular cash income, economically utilize the family labour, produce social security and supply growing markets.

2. OBJECTIVES OF THE STUDY

- To identify the major constraints faced by the dairy product exporters in Coimbatore district
- To know about the schemes, services and subsidy provided by APEDA for dairy milk exports.

- To study about the employment opportunities in Indian dairy industry.

3. METHODS OF DATA COLLECTION

The data has been collected through internet and journals. The researcher has used both primary as well as secondary data. The research was conducted only in Coimbatore district.

Primary Data

The primary data have been collected through a structured questionnaire. The questionnaires were distributed to 55 dairy product exporters from Coimbatore district.

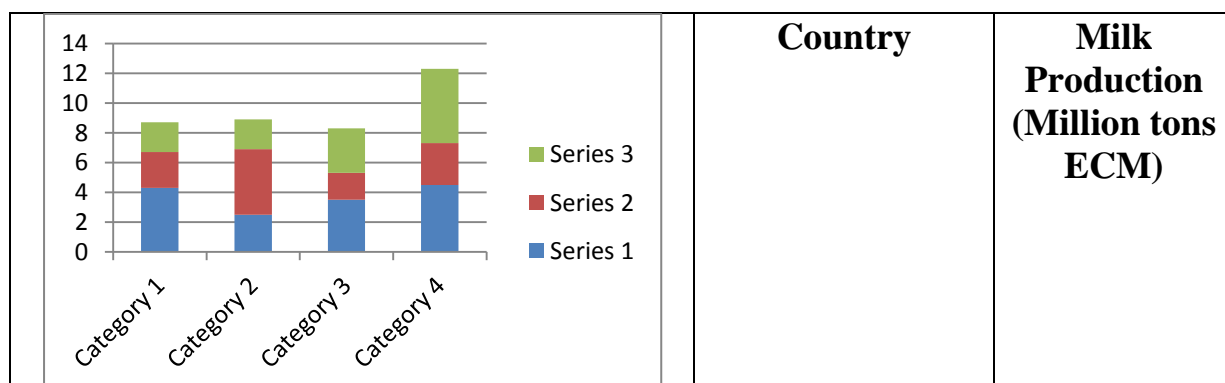
Secondary data

Secondary data have been collected from various sources namely from journals, magazines, other research work and also from other authentication websites.

4.1 GLOBAL PERSPECTIVE

Indian dairy industry should plan for reach out to newer markets, but the strategy here is more products specific. Indian dairy industry should plan to expand across the board. Many people are attracted to products that are free of chemicals and are manufactured naturally. Follow the government guidelines to get the organic seal to include in product advertising and packaging. In order to increase the competitiveness of Indian dairy industry, efforts should be made to reduce cost of production, increasing productivity of animals, better health care and breeding facilities and management of dairy animals can reduce the cost of milk production.

4.1.1 Table Showing Global Perspective of Dairy Milk Production



1	India	137.5
2	U.S.A	84.3
3	Pakistan	41.6
4	China	33.9
5	Brazil	32.0
6	Germany	31.1
7	Russian Federation	30.1
8	France	25.2
9	New Zealand	21.3
10	United Kingdom	14.1

4.2 CONSTRAINTS

The main constraints for small scale household dairy production were land shortage, feed shortage and inefficient veterinary service, low genetic potential of indigenous cows, disease prevalence, and high feed cost fluctuation and poor transportation access to sell produced milk. Low productivity of milk animals is a serious constraint to dairy development. The dairy sector holds high promise as a dependable source of livelihood for the vast majority of the rural poor. Liberalization of the world trade poses new challenges and has opened up new export opportunities for the dairy industry. The dairy sector in India needs to enhance its competitive economic advantage in dairy products in terms of both quality and cost its credibility in international markets.

The major technical constraints expressed by dairy farmers were lack of technical guidance (85.00%), followed by poor knowledge about feeding and health care (84.00%) lack of knowledge about cheap and scientific housing of animals (74.00%) and unavailability of high genetic bull (73.00%)

4.2.1 Table Showing Opinion about Constrains Facing in Carrying out Dairy Products

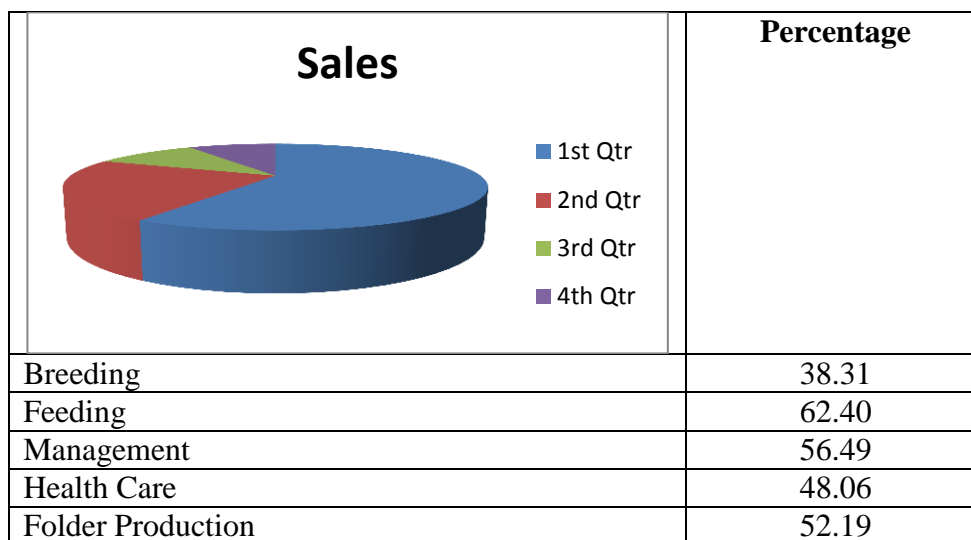
S.NO	CONSTRAINTS	SA	AG	N	DA	SDA	TOTAL	MEAN
		5	4	3	2	1		
1	Cleanliness and Hygiene	49	6	0	0	0	55	4.9
		245	24	0	0	0	269	
2	Cooling Temperature	33	18	3	1	0	55	

		165	72	9	2	0	248	4.5
3	Time	23	21	10	1	0	55	4.2
		115	84	30	2	0	231	
4	Humidity	6	13	23	8	5	55	3.1
		30	52	69	16	5	172	
5	Cost	8	14	18	12	3	55	3.2
		40	56	54	24	3	177	
6	Distance	5	12	11	19	8	55	2.8
		25	48	33	38	8	152	
7	Meeting Demand	23	15	5	6	6	55	3.8
		115	60	15	12	6	208	

4.3 CHALLENGES

Dairy industry is of crucial importance to India. The country is the world's largest milk producer, accounting for more than 13% of world's total milk production. It is the world's largest consumer of dairy products, consuming almost 100% of its own milk production. Dairy products are a major source of cheap and nutritious food to millions of people in India and the only acceptable source of animal protein for large vegetarian segment of Indian population, particularly among the landless, small and marginal farmers and women. Dairying has been considered as one of the activities aimed at alleviating the poverty and unemployment especially in the rural areas in the rain-fed and drought-prone regions. In India, about three-fourth of the population live in rural areas and about 38% of them are poor. The Indian dairy industry needs to focus simultaneously on the four- fold challenge of quality, product development, and infrastructure support development, and global marketing.

4.3.1 Table Showing Challenges faced by the Beneficiaries at the Time of Dairy Exporting



4.4 SCHEMES FOR DAIRY FARMING

Role of credit institutions is limited towards small livestock farmers due to which the influential people get the credit. Government of India is making efforts for strengthening the dairy sector through various central sector schemes like “National programme for bovine breeding and dairy development” National dairy plan and “Intensive dairy development programme” and also government should take steps regarding dairy farmers for promoting various services and schemes.

❖ Subsidy for Dairy Farming

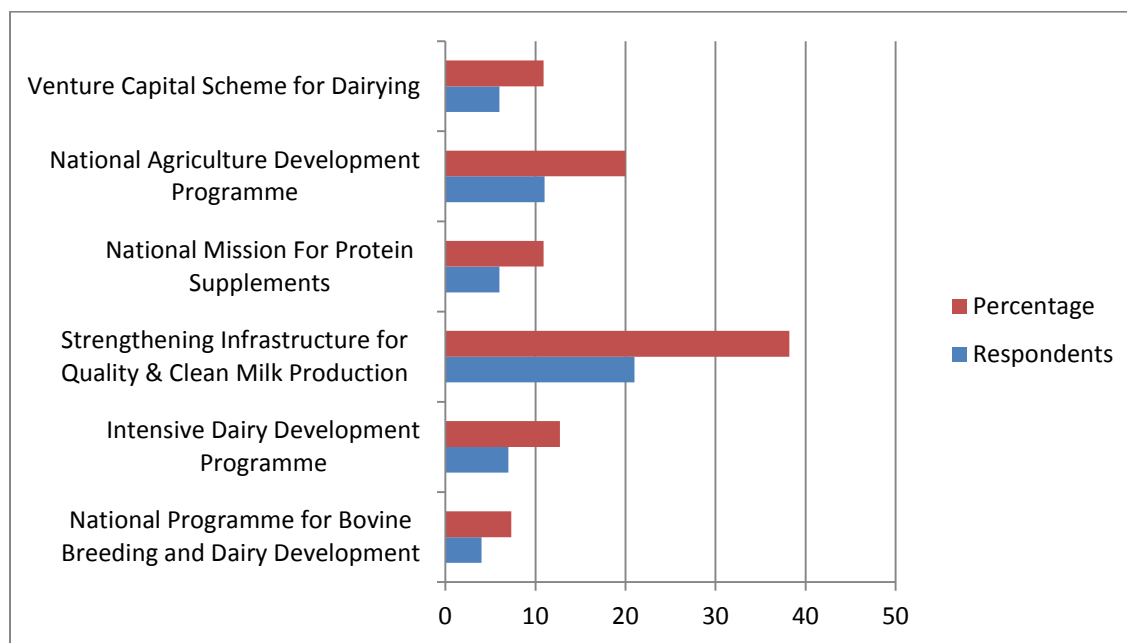
Subsidy is a form of financial support from government to promote dairy farming in India. The primary capital subsidy is from central government which is managed through NABARD. State government also provides support through subsidized fodder seeds, medicines, equipments, veterinary services, etc.,

4.4.1 Table Showing the Schemes Availing From APEDA for Dairy Product Exports

PARTICULARS	RESPONDENTS	PERCENTAGE (%)
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National Programme for Bovine Breeding and Dairy Development	4	7.3
Intensive Dairy Development Programme	7	12.7
Strengthening Infrastructure for Quality & Clean Milk Production	21	38.2
National Mission For Protein Supplements	6	10.9
National Agriculture Development Programme	11	20
Venture Capital Scheme for Dairying	6	10.9
TOTAL	55	100

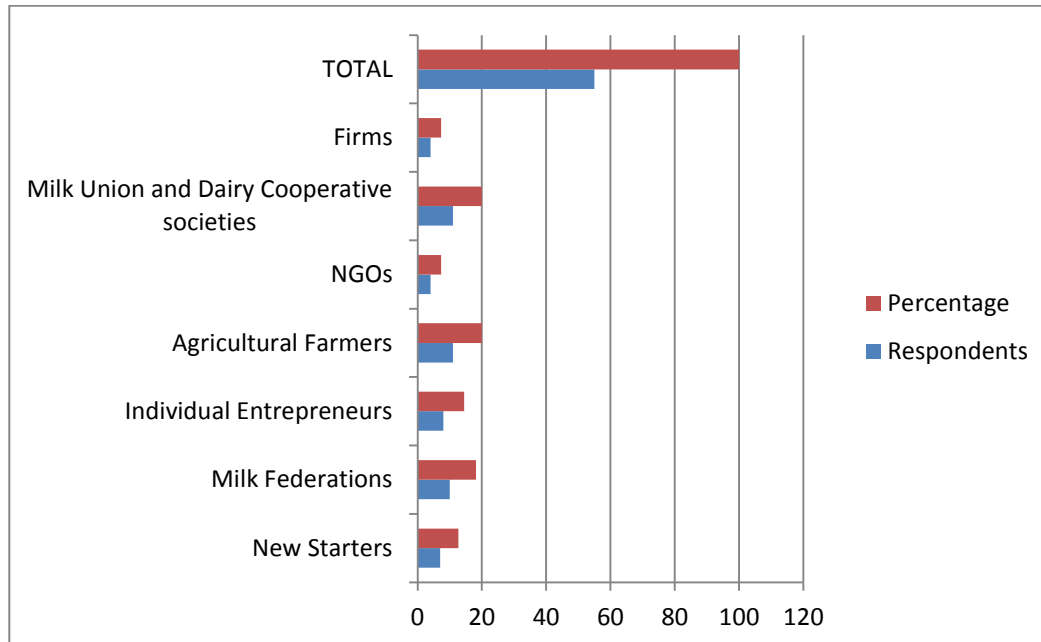
4.4.1 Chart Showing the Schemes Availing From APEDA for Dairy Product Exports



4.4.2 Table Showing Eligibility for NABARD Subsidy in Dairy Farming

PARTICULARS	RESPONDENTS	PERCENTAGE (%)
New Starters	7	12.7
Milk Federations	10	18.2
Individual Entrepreneurs	8	14.5
Agricultural Farmers	11	20
NGOs	4	7.3
Milk Union and Dairy Cooperative societies	11	20
Firms	4	7.3
TOTAL	55	100

4.4.2 Chart Showing Eligibility for NABARD Subsidy in Dairy Farming



4.5 EMPLOYMENT OPPORTUNITIES

Increase rural employment opportunities through entrepreneurship. Agriculture has played a major role in Indian economy as it provides employment to 45% population and also provides

inputs for agro-based industry. Livestock has been appeared as subsistence sector dominated by small holders to fulfill their needs of milk, food and cash income on daily basis. In the rural areas, live stock is considered as a more secure source of income for the small farmer and landless poor people. Livestock sector has an important role towards the development of rural economy and its importance may well be recognized from the fact that 35-40 million rural populations are dependent on livestock. Participation of women in dairy farming in the rural areas is very important in Indian dairy sector industry.

5. SWOT ANALYSIS OF DAIRY INDUSTRY

The dairy industry has its own strengths and weaknesses to build on present scenario for future growth. Strengths and weaknesses are the internalities of the present situation of dairy industry within the country. Opportunities and threats are the externalities of the future situation, not only within the country, but also expected from outside the borders. The analysis attempts to identify the strengths to meet the opportunities and the threats of the future and weaknesses are going to be challenged or shown up by these threats and opportunities.

The following table of Strengths, Weakness, Opportunities and Threats is to be used as a guide for the analysis that as follows:

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> o Largest milk producer o Fast growing economy o Annual highest milk production growth o Emerging competent regulatory system and authority o New Food safety and standard law o Research and Educational Institutes o 'Strong successful cooperative movement', in particular parts of India 	<ul style="list-style-type: none"> o Low milk productivity Poor veterinary services o Lack of data on dairy sector o Weak organized retailing and established cold chain o Large unorganized dairy sector o Poor raw milk quality o Lack of Good dairy practices o Weak financial services o Low dairy plants efficiency
OPPORTUNITIES	THREATS

<ul style="list-style-type: none"> o Large rural market o Increasing quantity of available milk for processing o Fast growing economy o Diversification o Large market and investment opportunity o Increasing income of consumers o Changing life style and preference for milk and milk products o More number of adult consumers 	<ul style="list-style-type: none"> o Food safety o Unhygienic practices by farmers at farm o Uncontrolled use of antibiotics and medicines on milch animals o Drought and flood
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6. CONCLUSION

The primary purpose of developing efforts is improvement of production per animal per head. The major constraint in milk marketing is the involvement of the unorganized sector. Changing the dairy-cooperative laws and regulations can reduce the unorganized sector's milk marketing. The main cause of low milk production of our dairy animals is the poor availability of nutrients in quality as well as quantity. This is major issue for development of dairying. By enhancing the quantity and quality of feeds, livestock production can be improved up to 50% from exiting genetic pool of animals. Indian dairy industry is one of the largest and fast growing industries in the country which provide ample job opportunities and contribute significantly to the economy of the country. The dairy sector in the India has shown remarkable development in the past decade and India has now become one of the largest producers of milk and value-added milk products in the world. Governments also have taken steps to encourage the dairy farmers to increase exports and by promoting schemes and subsidy for strengthening the dairy sector industry.

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