

Constraints and Strategies for Promotion of Dairy Enterprises

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Abstract

This study was conducted in Deoria district in Uttar Pradesh. Out of sixteen blocks, four blocks namely Salempur, Bhatpar Rani, Bhatni and Bankata were selected for the study. Two villages from each block making a sample of eight villages and fifteen dairy entrepreneurs from each village were selected by random sampling technique. Thus 120 rural dairy entrepreneurs were selected as respondents. Constraints faced by dairy entrepreneurs in setting up dairy enterprises were grouped into four categories viz. socio-personal, economic, technological and communicational constraints. Low level of consumer awareness and motivation, poor access to finance, irregular and ineffective training programmes for upgrading know-how and skills and inadequate access to training programmes were the major constraints for dairy entrepreneurship development. The strategies suggested to strengthen the adoption of dairy enterprise by entrepreneurs included creation of proper consumer awareness for enhancing motivation, provision of institutional finance on reasonable interest and improving access and effectiveness of training programmes in dairy enterprise.

Introduction

Dairy entrepreneurship is considered as an important occupation especially in rural areas, which has high employment potential. It has been estimated that 61.5 million could be employed in animal husbandry and fisheries sectors. Livestock is an integrated part of rural livelihood, and is often opted as an Income Generating Activity (IGA) by SHGs. The single largest contributor to the total GDP is milk, which is contributing about 66 percent of the share from the animal husbandry sector; hence it is considered essential for the farm economy.

Dairy development plays a prominent role in the rural economy in supplementing the rural households, particularly the landless, marginal and small farmers. It also provides subsidiary occupation in semi urban areas and for the people living in hilly, tribal and drought prone areas where crop output may not sustain the family. According to the estimates of Central Statistical Organization (CSO), the value of output from livestock was about Rs 3,88,370 crores during 2010-11. Milk accounted for 68 percent

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of this output and the single largest commodity in India. It was higher than paddy or wheat in terms of values of output, (Bhasin 2008).

India is in a peculiar situation where poverty is not only acute but a chronic malady even in the presence of abundant natural resources. Prevalence of chronic unemployment, under employment, poor quality of human capital, inadequacy of skills to address social problems, superstitions, social taboos, low level of technology, poor economic organizations are some of the maladies the country is facing. Keeping this in view the present study is an attempt to bridge the gap in information with the objectives of analyzing constraints perceived by the rural people in adoption of dairy enterprise and to identify the strategies for faster development of dairy enterprises.

Methodology

The present study was conducted in four blocks of Deoria district in Uttar Pradesh. Out of sixteen blocks in the district, four blocks, namely Salempur, Bhatpar Rani, Bhatni and Bankata were selected for this study. Further two villages from each block making a sample of eight villages and fifteen dairy entrepreneurs from each village were selected by random sampling technique. Thus a total sample of 120 rural dairy entrepreneurs were selected as respondents for the field investigation. A well structured interview schedule was administered for identification of constraints. The data collected through interview were tabulated and analyzed using simple statistical tools.

Results and Discussion

In the present study constraints faced by dairy entrepreneurs in setting up dairy enterprises were grouped into socio-personal, economic, technological and communicational constraints which are presented in Table 1.

Socio-personal Constraints. Analysis revealed that low level of consumer awareness and motivation was the most important constraint expressed by majority of the dairy entrepreneurs (93.33%), followed by lack of pertinent knowledge about new innovation (86.66%), low level of education (80.83%), poor investment due to poor savings (75.83%), lack of managerial capabilities (70.00%), fear of failure (67.50%) and dominance of males in the decision making process (65.00%).

Table 1. Constraints encountered by Dairy Entrepreneurs

S. No.	Constraints	Dairy entrepreneurs (n=120)		Rank
		Frequency	Percentage	
A	Socio-personal Constraints			
1	Low level of consumer awareness and motivation	112	93.33	I
2	Lack of managerial capabilities	84	70.00	V
3	Low level of Education	97	80.83	III
4	Dominance of male in decision making process	78	65.00	VII
5	Poor investment due to poor saving	91	75.83	IV
6	Lack of family support	66	55.00	IX
7	Negative social attitude	56	46.66	XI
8	Problem of more competition	64	53.33	X
9	Fear of failure	81	67.50	VI
10	Lack of pertinent knowledge about new innovation	104	86.66	II
11	Low exposure to business, hence less experience	38	31.66	XII
12	Social custom and traditions	69	57.50	VIII
B	Economic Constraints			
1	Difficult and costly maintenance management of dairy practices	63	52.05	IV
2	Involvement of middlemen in getting loan from bank	41	34.16	VI
3	Poor access to finance	111	92.50	I
4	Non-availability of loan facilities for the purchase of inputs	107	89.16	II
5	High price of dairy animals	91	75.83	III
6	Lack of government/NGO support	52	43.33	V
C	Technological Constraints			
1	Technology shown is beyond the means of common people	83	69.16	III
2	Lack of adequate knowledge of seasonal management related to dairy practices	41	34.16	VII
3	Lack of knowledge about disease and pest management	61	50.83	V
4	Lack of know-how about the importance of artificial diet as stimulating feeding	30	25.00	VIII
5	Poor access to input	97	80.83	II
6	Difficulty in maintaining dairy animals during death period and also during extreme low and high temperature	52	43.33	VI

S. No.	Constraints	Dairy entrepreneurs (n=120)		Rank
		Frequency	Percentage	
7	Irregular and ineffective training programme for upgrading the know-how and skills related to dairy enterprise	112	93.33	I
8	Lack of scientific processing, storage and marketing facility of honey and other honey products	72	60.00	IV
D	Communicational Constraints			
1	Poor rapport with extension agencies	61	50.83	III
2	Inadequate access to training programmes	103	85.83	I
3	Poor infrastructure particularly transport and communication facilities	79	65.83	II
4	Low social mobility of rural women	47	39.16	IV

Economic Constraints. Poor access to finance was the major economic problem expressed by most of the entrepreneurs (92.50%), followed by non availability of loan facilities for the purchase of input (89.16%), high price of honey bee colonies (75.83%), difficult and costly maintenance management of dairy practices (52.05%), lack of government/ NGO support (43.33%) and involvement of middlemen in getting loan from bank (34.16%) which were constraints perceived by dairy entrepreneurs in establishing dairy enterprises.

Technological Constraints. Irregular and ineffective training programmes for upgrading the knowhow and skills related to dairy enterprise was observed as the major technical constraint since it was expressed by majority of the entrepreneurs (93.33%) followed by poor access to input (80.83%) and technology (69.16%).

Communicational Constraints. Communicational constraints reported are inadequate access to training programmes (85.83%), poor infrastructure particularly transport and communication facilities (65.83%), poor rapport with extension agencies (50.83%) and low social mobility of rural women (39.16%). Similar findings were also reported by Singh, et. al. (2006) and Vyas and Patel (2000).

Strategies

Constraints which prevent dairy entrepreneurs in starting self-employment necessitate design of development strategies. The following strategies are suggested not only to remove the bottlenecks mentioned above but also to strengthen the adoption of dairy enterprise by rural entrepreneurs.

Socio-personal Strategies. Table 2 reveals that, under socio-personal strategies, creation of proper consumer awareness for enhancing motivation was expressed by most of the entrepreneurs (93.88%) followed by easy access to new innovation (83.88%) and improvement of educational facilities (80.00%). This could be made possible through effective entrepreneurial training. Further, there is need to create more awareness and interest among the people about the benefits of dairy enterprise and they need to be motivated to adopt modern practices. There is need to diversify dairy products to different valuable and nutritive substances which could also be used as employment generating activity for rural youth and women.

Table 2. Strategies for accelerating the adoption of dairy enterprise by Dairy Entrepreneurs

S. No.	Strategies	Dairy Entrepreneurs (n=120)		Rank
		Frequency	Percentage	
A	Socio-personal Strategies			
1	Access to new innovation	103	85.83	II
2	Improving managerial capabilities	83	69.16	IV
3	Improvement in educational facilities	96	80.00	III
4	Creation of proper consumer awareness for enhancing motivation	112	93.33	I
B	Economic Strategies			
1	Loans, grant and subsidies should be linked directly with dairy entrepreneurs as the present loan delivery system has failed to reach many dairy entrepreneurs	50	41.66	IV
2	Provision of institutional finance on reasonable interest and easy terms	104	86.66	I
3	Increasing access to various inputs on subsidized basis	94	78.33	II
4	Loan should be made available to the dairy entrepreneur at low rates of interest and tax exemption to be extended to this enterprise	63	52.50	III
C	Technological Strategies			
1	Generation of simple and cost effective technologies	85	70.83	III
2	Enhancing access to scientific and improved inputs	93	77.50	II
3	Improving access to regular and effective training programmes for upgrading the know-how and skills	109	90.83	I
4	Development of scientific processing storage and marketing facility for milk and milk products	71	56.16	IV

S. No.	Strategies	Dairy Entrepreneurs (n=120)		Rank
		Frequency	Percentage	
D	Communicational Strategies			
1	Improving infrastructure particularly transport and communication facilities	100	83.33	II
2	Increasing social mobility of rural women	59	49.16	IV
3	Increasing rapport of rural people with extension agencies	69	57.50	III
4	Effective participation of rural people in training programmes	117	97.50	I

Economic Strategies. Out of four economic strategies perceived by entrepreneurs the most important one was provision of institutional finance on reasonable interest and easy terms (86.66%). The other strategies perceived by the entrepreneurs in order of their importance in descending order were increasing access to various inputs on subsidized basis (78.33%), loan availability to the entrepreneurs at low rates of interest and tax exemption to be extended to this enterprise (52.50%). However, loan, grants and subsidies should be linked directly with entrepreneurs (without involvement of middle men) as the present loan delivery system has failed to reach many entrepreneurs.

Grants and subsidies provided by the government under different schemes for dairy enterprise are also to be made public to avoid misappropriation or favoritism in disbursement of these funds. The present policy of subsidies needs to be reviewed; the subsidy should be linked with performance since the existing pattern has failed to reach the dairy entrepreneurs (Table 2).

Technological Strategies. Regarding technological strategies, improving access to regular and effective training programmes for upgrading knowhow and skills was the most important strategy expressed by majority of respondents (90.83%) followed by enhancing access to scientific and improved inputs (77.50%) and generation of simple and cost effective technologies (70.83%). It is a fact that there is a lack of regular and effective training for up gradation of technical know-how and skills related to scientific dairy enterprise. Therefore adequate manpower is to be developed to enhance trained field workers in dairy enterprise at village, block, tehsil and district levels. Graded training should be imparted in different organizations. The government, NGOs and educational institutions should come forward to popularize dairy enterprises through integrating effective training, mass-media and financial assistance. Necessary arrangement should be made to provide various scientific and improved inputs to entrepreneurs at reasonable cost.

Communicational Strategies. Table 2 reveals that “Effective participation of rural people in training programmes” was the most important communicational strategy expressed by majority of the respondents (97.50%) followed by improving infrastructure particularly transport and communication facilities (83.33%). The other strategies of importance were increasing rapport of rural people with extension agencies (57.50%) and increasing social mobility of rural women (49.16%). There is need to create more awareness and interest in dairy enterprise. People engaged in traditional practices must be motivated to adopt modern practices by organizing regular and proper training programmes and providing technical guidance. Therefore, adequate skilled manpower and trained fieldworkers should be developed for improving the knowledge and up gradation of skills of entrepreneurs at village, block and district levels. These findings were found to be supported by reports of Singh, et.al. (2006), Chaudhary (2013), Govindappa (1999), Sarkar and Sohal (1986).

Conclusion

It may be concluded that low level of consumer awareness and motivation, poor access to finance, irregular and ineffective training programmes for upgrading the know-how and skills and inadequate access to training programmes were the major constraints for dairy entrepreneurship development. The strategies suggested to strengthen the adoption of dairy enterprise by entrepreneurs were creation of proper consumer awareness for enhancing motivation, provision of institutional finance at reasonable interest, improving access and effectiveness of training programmes in dairy enterprise. There is a need to create more awareness and interest in dairy enterprise. People engaged in traditional practices need to be motivated to adopt modern practices through regular and proper training programmes and providing technical guidance. Adequate skilled manpower and trained field workers should be developed for improving the knowledge and for up gradation of skills of entrepreneurs at village, block and district levels.

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