

## CURRENT STATUS OF TRIPURA COOPERATIVE MILK PRODUCERS UNION LIMITED (GOMATI):AN OVERVIEW OF ISSUES AND CONCERNS

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### **Abstract**

*Co-operative societies are based on few values and principles. Cooperative societies may be governed by the respective State cooperative societies Act or by the Multi-State Cooperative Societies Act. Cooperatives have an important role to play in the future setting of our economy. In spite of the drawbacks experienced in the working and administration of the co-operative societies, Co-operative societies have positively contributed to the growth and development of the Indian economy. Co-operative Sector is beautifully blended in between a public sector and the private sector. It has benefits of both the sectors and disadvantages of neither of them. Tripura Cooperative Milk Producers Union Limited (TCMPUL) has emerged as a pioneering cooperative organization in the state of Tripura. The organization has made a significant impact on the milk production. The paper highlighted the current Issues of Tripura Cooperative Milk Producers Union Limited (another name of the organization is Gomati). In this study, various prospects of the organization have been analyzed. Various roles and strategy carried out by the organization have also discussed here. To know the customer and retailers view, a co-relationship study has derived between the perception of customers and retailers on the basis of ranking given by the customers and retailers related to the purchase of Gomati products based on some important factors (Quality, Price, Taste, availability, Variety, Packaging, and Image of the company). In conclusion, some suggestions offered for resolving the various contemporary Issues of TCMPUL.*

**Key Words:** *Blended, Contemporary, Emerged, Pioneering, Resolving.*

### **INTRODUCTION**

Co-operative Society is a charitable organization. It should, therefore, conduct itself in a businesslike manner in attaining its objectives efficiently. It is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Section 4, of the Indian Co-operative Societies Act, 1912 defines a cooperative "as a society which has its objective the promotion of economic interest of its members in accordance with co-operative principles"(Khandkar, 2011).

The broad objectives a co-operative society are: i) To render service to its members instead of making profits, ii) It encourages a state mutual help in the place of competition, iii)It assures a state of self-help in the place of dependence, iv)It develops a state of moral solidarity in the place of unfair business activities(Khandkar ,2011). But, the objects of the society stipulated in the Bye-laws, the Society has been formed by the members with some specific objects.

Tripura Cooperative Milk Producer's Union Ltd. is the only milk dairy of Tripura and is playing a monopoly market in Tripura. TCMPUL first started their business with the milk i.e. of two types, Toned Milk and Double Toned Milk. Then their business was diversified from only Milk to other Milk products like Paneer, Ghee, Ice-cream, Misti Doi, Gomati Prani Khadya, etc. The organization is now continuously providing the various services to the societies. But, there are certain issues have been found in the organization regarding the financial aspects, its management and services.

### **REVIEW OF LITERATURE**

The review of literature connected with Prospects, Issues and Concern of Dairy Cooperative Union and Primary Dairy Cooperative Societies and other type of cooperative society's .The literature on Tripura Cooperative Milk Producers Union Limited (Gomati) is not numerous and it is scattered. No such book is available on Tripura Cooperative Milk Producers Union Limited (Gomati), but few books are available on cooperatives societies. A larger number of studies have been carried out on Dairy Cooperative Union and Primary Dairy Cooperative Societies and other type of cooperative societies to procure knowledge on Producer Cooperative Societies.

Ranganathan & Rajarajan (2014) discussed about various issues and reasons for slow progress of cooperative marketing societies in Tamil nadu. Natarajan et al. (1980) studied on Consumer Cooperatives in Andhra Pradesh. They also studied about various financial issues and concerns. The results of their analysis showed that the liquidity position of the cooperatives was not satisfactory.

Siddaram, Sonnad and Shivashankar (2007) in their study, marketing performance of Milk and Milk Products in North Karnataka have evaluated. The results indicated that the investment in private processing unit was quite high compared to the



co-operative sector unit. Patil (1991) explore Karnataka State Cooperative Milk Producers Federation Ltd and its impact on Dairy Development. He has discussed about various issues of Cooperative Milk Producers Federation Ltd. He studied the Performance of Milk Producer's Cooperative Societies and their Impact on Dairy Farming in Dharwad district, Karnataka.

Nishi, Saha and Kumar (2011) assessed the dairy farmers' satisfaction with dairy cooperative societies. Organisational participation, market potential and economic motivation were found to have strong influence on the satisfaction level of farmers. Shankara Murthy (1986) assessed the marketing Performance of the Karnataka State Co-Operative Marketing Federation Ltd.

Dogarawa (2014) analyzed the role of Cooperative Societies in Economic Development. The aim is to investigate the ways in which cooperatives can act as agents towards sustainable community development. Karki (2005) found that Dairy cooperative is a very popular business not only in developing countries but also in developed countries. Developed countries have been giving emphasis on the enhancement of dairy products and market expansion.

Singh (2006) in his book investigated with the main objectives of assessing the impact of integrated Dairy Development Programme on the socio-cultural and socioeconomic life of tribal dairy farmers in Uttaranchal by evolving a strategy for strengthening dairy development programmes in tribal areas which included factors like the education of farmers, building strong cooperative institutions, fixing reasonable milk prices, providing veterinary services, etc.

Sarker et al (2008) analyzed the objectives, cost, return and relative profitability of cooperative and non-cooperative milk producers' societies of West Bengal. They have calculated the ratio, Gross profit, Net profit, Overall profitability, EBIT, etc of cooperative farms. They analyzed the issues and prospects of Cooperative and Non Cooperative Farms of West Bengal. They have also studied on Economics of Milk Production in West Bengal.

Sidhu and Sidhu (1990), in their joint case study on the Primary Cooperative Service Society & Milk Producers Cooperative Society in Punjab, have expressed that success of Cooperative can be understood on the basis of few parameters such as consistency in the growth rate of the membership . To know the prospects of Primary Cooperative Service Society & Milk Producers Cooperative Society, they took the indicators such as average lending of the member, pattern of over dues, capital formation, the business expansion patterns & the measures of income, expenditure & profits, etc.

The survey of the existing literature indicates that there is no comprehensive study on Tripura Cooperative Milk Producers Union Limited (Gomati). The Cooperative Societies have been unable to draw the attention of the researchers to any noticeable extent. It is a modest attempt to examine the various issues of Tripura Cooperative Milk Producers Union Limited (Gomati).

## **METHODOLOGY**

The study is based on both primary as well as secondary data. As the proposed study is a descriptive study, therefore, in the course of analyzing the issues, a number of text and references books, and other published and unpublished documents relating to the study are considered for reference. The primary data for the study have collected from customers and retailers through personal canvassing of questionnaires. For analysis issues and different factors (Quality, Price, Taste, availability, Variety, Packaging, and Image of the company) 18 Retailers & 60 customers have selected from Agartala. Adequate numbers of respondents were selected after careful consideration. Observation and discussion with the respondents are considered the main source of information.

The information regarding the number of products, their respective way of getting promoted by the company, issues etc. are collected from the office of the Tripura Cooperative Milk Producers' Union Ltd. The data were collected from 60 customers by questionnaire and interview method in order to determine the awareness, level of satisfaction, taste and preferences, packaging style, availability of the product etc. Some important related information was also collected from 18 retailers through structured questionnaire method.

There exists a correlation between the factors considered for the purchase of Gomati products by customers and the perception of retailers regarding the same. Correlation has been derived between the perception of customer and retailer on the basis of ranking given by the customers and retailers related to the purchase of Gomati products based on the same factors Quality, Price, Taste, availability, Variety, Packaging, and Image of the company.

The formula of correlation coefficient is as follows:

$$r(X, Y) = \frac{[\sum (X \cdot Y) / n] - \{(\sum X) \cdot (\sum Y)\}}{[s_x \cdot s_y]}$$

$$\text{Here, } s_x = \sqrt{\left\{ \frac{1}{n} \sum X \cdot X \right\} - \left\{ \frac{(\sum X)^2}{n} \right\}}$$

$$\text{And } s_y = \sqrt{\left\{ \frac{1}{n} \sum Y \cdot Y \right\} - \left\{ \frac{(\sum Y)^2}{n} \right\}}$$

Here No. of customers= (X)  
No. of retailers= (Y)  
Correlation between customers and retailers= 'r (X, Y)  
 $s_x$  and  $s_y$  are standard deviation.

Some of the data were also collected from the official records of Agartala Dairy. The data considered for analysis in this research work is purely reliable. The collected and analyzed data are presented in tabular form in percentage as well as absolute figures as and where necessary.

### FINDINGS AND DISCUSSIONS

Gomati Cooperative Milk Producers' Union Ltd. had registered under the Societies Act on 2nd March, 1982 and started the milk procurement activities on end of 1982. Since 1982 and 1983 the milk union was under the government nominated board and truly governed by the Animal Resource Department, Government of Tripura (Gomati Cooperative Milk Producers' Union Ltd, 2015). The Agartala Dairy was handed over to the Milk Union by the state government on September, 1983. First elected board of the Tripura Cooperative Milk Producer's Union Ltd. has taken over the charge of Milk Union in the year 1994 and In the year 1994-95, Tripura Milk Union was privileged by the Central Government sponsored scheme, in the form of IDDP-I (Integrated Dairy Development Programme-I) with this assistance & with the all-out effort could make Tripura Cooperative Union a profit making organization (Tripura Cooperative Milk Producer's Union Ltd, 2012).

The organization is a non-credit and production oriented unit functioning for 365 days towards procurement of fresh milk from villages, processing, production and marketing of milk and milk products. The organization marketed their products as the brand name "GOMATI". During 1992-93 total marketing of liquid milk was hardly 4,000 liter per day. Capacity of Agartala Dairy (installed in 1980-81) was expanded from 10,000 liters per day to 15,000 liters per day in the year 1997- 98 under IDDP-I (Integrated Dairy Development Programme-I) and work of further expansion to 19,000 liters per day is completed in the year 2010 under IDDP-III (Tripura Cooperative Milk Producer's Union Ltd, 2012). Further to liquid milk marketing, the milk union has also diversified its business by the value added milk products. Tripura is also a low milk producing area like other North-Eastern states and Tripura Milk Union could collect a maximum of 30% of total requirement of Market Demand. It is mainly due to high percentage of 'non-descript' Milk cattle (more than 85%) with very low milk yield capacity. As such, 70% requirement is met by producing dairy commodities from different milk duration of the country paying high transport cost (Tripura Cooperative Milk Producer's Union Ltd, 2012).

At the time of handing over, there were 87 strong working people who include a good number of Government officers and staffs. All Government officers and staffs were taken back by the Government leaving behind 53 staffs of TCMPUL. Now the Tripura Cooperative Milk Producers' Union Ltd. has a staff strength of 64 which includes daily rated worker. During transitional face, i.e. 1992-93, the Milk Union was running at an annual loss of Rs.50-60 lacs a year. Moreover, the Milk Union was receiving liberal Government financial assistance in a tune of around Rs.50 lakhs per year till 1992. The organization started earning profit since last 8 years continuously (Tripura Cooperative Milk Producer's Union Ltd, 2012).

The business was diversified from only milk to other products. The various kinds of Gomati Products are :i) Gomati Toned Milk, ii) Gomati double Toned milk, iii) Gomati Ice-cream (Vanilla, Pineapple, Orange, Mango, Strawberry) 12 cups carton, iv) Gomati Ice-cream (Vanilla, Pineapple, Orange, Mango, Strawberry) 24 cups carton, v) Gomati Paneer( 500gm packs, 200gm packs),vi) Gomati Misti Doi -Sweetened curd-100gm cup(20 cups carton) and 500gm cup(12 cups carton),vii) Gomati Flavored Drinks (200ml x 30 bottle carton).

The Gomati Cooperative Milk Producers' Union Ltd. is now continuously providing the various services to the societies. These are:(a)Remunerative and timely payment to the milk producers, (b)Yearly special price incentive on supplied milk,(c) Supply of balanced cattle feed at supported price,(d) Balanced calf growth Ration comparatively at a lesser price to producers,(e) managerial assistance to societies,(f) special facilities to producers,(g)Veterinary medicines, first aid etc.,(h).Technical inputs and extension services,(i).Fodder seeds, fertilizer etc.(j).Conduct various training programme for the farmers, society secretaries, executive committee members of the society,(k).Revolving fund to societies to meet up the

immediate expenditure on milk business,(l).Management grant to societies to protect the interest of the producers,(m).Organize cattle show and milk yield competition etc,(n).Farmers induction programme,(n)Management of Dairy under Integrated Dairy Development Programme (Village Dairy Cooperatives,2015) Milk Union is successfully catering the demand of liquid processed milk in the city of Agartala and its suburb, Udaipur, Teliamura and Khowai through a network of whole day milk parlour, retail outlets and a network of 250 authorized retailers. 365 days requirement of milk of the different hospitals, sports schools, army, para-military is also being catered by the efficient management of this Milk Union. By this time near about 4 lakhs consumers have associated with us and consuming processed Gomati milk and milk products (Village Dairy Cooperatives, 2015)

There are some major issues found in Tripura Cooperative Milk Producers' Union Ltd in different times. The major issues are: a) inadequate financing b) Mismanagement of resources by the management committee, c) Unqualified/inexperienced management committee, d) uncommitted membership, e) lack of clear policy guideline on cooperatives, f) implication of cooperative law. g) Government attitudes towards cooperative development h) Lack of infrastructural facilities like regular and stable electricity, accessible roads, pipe-borne water, etc. It is also found that out of these issues, inadequate financing and infrastructural facilities are the most crucial issues.

Various issues are found from the customers and retailers point of view. There is difference between customer perception and retailer perception regarding to purchase of Gomati products. Most of the customers i.e.36.67% (22) came to know about Gomati products from the Retailers, subsequently followed by Newspaper at 30%(18), and rest of the customer came to know from other sources.Most of the customers i.e.68.33%(41)said that they know only the liquid milk ,but they do not know the other products.Also,18.33% (11) customers whine that they are not getting the milk products at the morning time.Every customer's complain about the frequent changes of prices of liquid milk. Similarly, 76.67% (46) of the retailers are also not happy regarding to the frequent changes of prices. Only 66.67% (40) of customers inform that qualities are good. Regarding to the packaging customer has very less complaint.

Currently, the promotion of Gomati products is also a major concern. Retailers and Newspapers was found to be the most influencing promotional tool for the purchase of Gomati's products and other promotional tools like as Hoardings/ posters, Local magazines, Cable TV, Door-to-door selling, Trade shows & exhibitions, Radio etc. are found ineffective

The selected factors that affect the purchase of Gomati products are Quality, Price, Taste, Availability, Variety, Packaging and company image. The ranking of the factors affecting the purchase of Gomati products (in numbers) are shown in the table-1:

**Table-1: Ranking of the factors affecting the purchase of Gomati products (in %)**

Particulars	Excellent	Very Good	Good	Ok	Bad
Quality	11.67	41.67	13.33	30.00	3.33
Price	10.00	16.67	45.00	20.00	8.33
Taste	6.67	6.67	43.33	33.33	10.00
Availability	8.33	21.67	36.67	25.00	8.33
Variety	21.67	21.67	28.33	16.67	11.67
Packaging	60.00	18.33	11.67	8.33	1.67
company image	8.33	30.00	25.00	25.00	11.67

Source: Field Survey

From the tabel-1,it is found that that while purchasing Gomati products, most of the customers (41.67%) considered it to be a very good quality product. Most of the customers (45.00%) considered the price of the products to be good. Most of the customers (43.33%) considered the taste of the products to be good. As far as the availability is concerned, 36.67% of customers consider the products of Gomati to be available in preety good. 28.33% of the customers considered that there is a good deal of variety in Gomati products and 60.00% of the customers considered the packaging of the Gomati products to be excellent. finally, 30.00% of the customers considered the company's image to be very good.

### CORRELATION ANALYSIS

A correlation has been derived between the perception of customer and retailer on the basis of ranking given by the customers and retailers related to the purchase of Gomati products based on the same factors like:-Quality, Price, Taste, Availability, Variety, Packaging of the product, Image of the company. The correlation for the different factors has shown in the table-2.

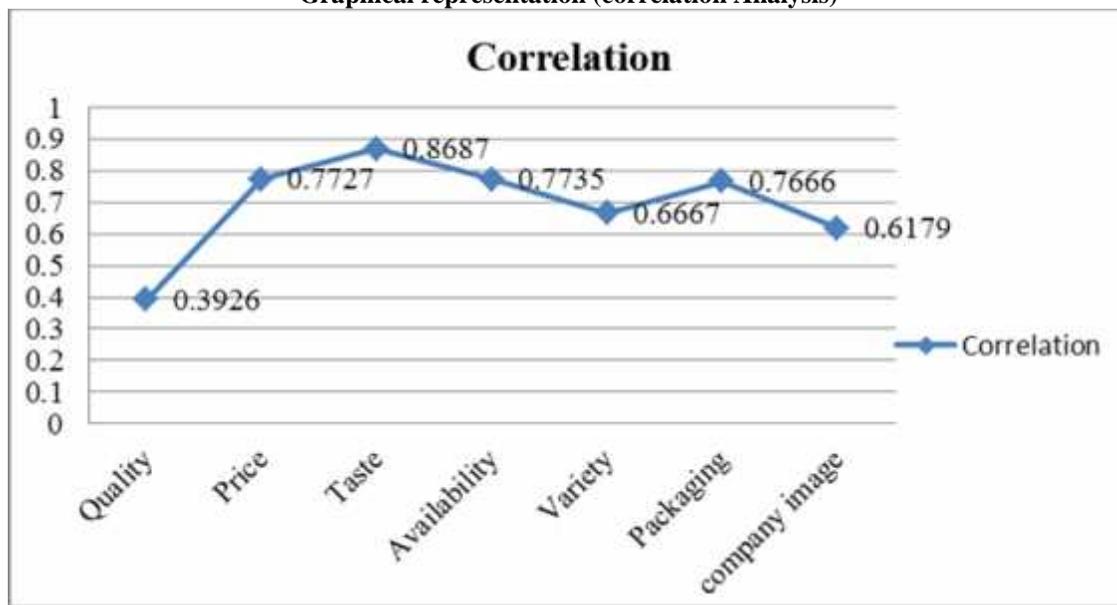
**Table-2: Correlation Analysis**

Factor	Particulars	Correlation
1	Quality	0.3926
2	Price	0.7727
3	Taste	0.8687
4	Availability	0.7735
5	Variety	0.6667
6	Packaging	0.7666
7	company image	0.6179

Sources: Data from field survey and calculated by author.

There exists a very strong correlation between the price considered for the purchase of Gomati products by customers and the perception of retailers regarding the same, the value of which correlation is 0.7727. This kind of correlation found for taste (0.8687), availability (0.7735) and packaging (0.7666). On the other hand, there exists a strong correlation between the variety considered for the purchase of Gomati products by customers and the perception of retailers regarding the same, the value of which correlation is 0.6667. This kind of correlation found for image of the company (0.6179). But, there exists a mild correlation between the quality considered for the purchase of Gomati products by customers and the perception of retailers regarding the same, the value of which correlation is 0.3926.

**Graphical representation (correlation Analysis)**



Sources: Data from field survey and calculation of correlation & graph drawn by author

The highest value of correlation is found for taste (0.8687) and followed by availability (0.7735) and price (0.7727). The high value of correlation found for the variety (0.6667) and image of the company (0.6179) and a mild value of correlation found for quality factor (0.3926). Hence customers and retailers both are more concerned about the taste (0.8687), availability (0.7735) and price (0.7727). But customers and retailers both are not apprehensive about the quality.

## CONCLUSION

The Gomati Cooperative Milk Producers' Union Ltd. is now continuously providing the various kinds of services to the society. Inadequate financing, Mismanagement of resources, implication of cooperative law, Lack of infrastructural facilities etc are the major issues are found in this organization in different times. From the customer feedback, it is found that most of the customers (68.33%) said that they know only the liquid milk, but they do not aware about other products of Gomati except milk. Retailers and Newspaper was found to be the most influencing promotional tool for the purchase of Gomati's products. Other promotional tools like as Hoardings/ posters, Local magazines, Cable TV, Door-to-door selling, Trade shows & exhibitions, Radio etc. are found very ineffective. Hence company should take various initiatives for awareness about various products and other activities of the organisation. Every customer whines that they are unhappy about the frequent changes of prices of liquid milk. From retailers' point of view also, 76.67% of the retailers are not happy regarding to the frequent changes of prices. Regarding to the packaging, customer has very fewer complaint. Customers and retailers both are more concerned about the taste (0.8687), availability (0.7735) and price (0.7727), but customers and retailers both are not apprehensive about the quality. From overall analysis, it can be accomplished that company should become extremely careful about price and promotional activities.

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## APPENDIX

### DATA FOR CORRELATION

#### Factor 1:- Quality

	Excellent	Very good	Good	OK	Bad
No. of customers (X)	7	25	8	18	2
No. of retailers (Y)	1	3	7	7	0

Source: Field survey

#### Factor 2:- Price

	Excellent	Very good	Good	OK	Bad
No. of customers (X)	6	10	27	12	5
No. of retailers (Y)	0	0	9	9	0

Source: Field survey

#### Factor 3:- Taste

	Excellent	Very good	Good	OK	Bad
No. of customers (X)	4	4	26	20	6
No. of retailers (Y)	0	4	8	6	0

Source: Field survey

#### Factor 4:- Availability

	Excellent	Very good	Good	OK	Bad
No. of customers (X)	5	13	22	15	5
No. of retailers (Y)	0	7	5	6	0

Source: Field survey

#### Factor 5:- Variety

	Excellent	Very good	Good	OK	Bad
No. of customers (X)	13	13	17	10	7
No. of retailers (Y)	0	5	8	5	0

Source: Field survey

#### Factor 6:- Packaging

	Excellent	Very good	Good	OK	Bad
No. of customers (X)	36	11	7	5	1
No. of retailers (Y)	8	8	1	1	0

Source: Field survey

#### Factor 7:- Company Image

	Excellent	Very good	Good	OK	Bad
No. of customers (X)	5	18	15	15	7
No. of retailers (Y)	0	3	4	11	0

Source: Field survey.