

A STUDY OF URBAN DAIRY RETAILERS IN GUJARAT STATE

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Abstract

Amul products are available in every nook and corner of the country beginning from the corner mom-n-pop stores to the fashionable trendy malls. The present study was conducted to evaluate the status of Urban retailers (involved in selling milk and milk products) in Gujarat state. The study covered all districts of the state and information was collected by using questionnaire. After analyzing the collected data it could be concluded that the strengths of Retailer (rural) were Young and literate shop owners, Business hours greater than 15 hours and satisfactory dealer services. However, the major weakness were Majority do not have FSSAI License, Inability to obtain complete items indented with the suppliers and No major advantage gained from promotional schemes.

Keywords: Milk Retailer, Dairy Supply Chain, Dairy Distribution Channel, Dairy Business.

1. Introduction

Indian Dairy Sector

The Indian Dairy cooperatives structure has a huge contribution in raising the milk production in the country upto approximately 146 million tonnes in the year 2014-15 from a meagre milk production 17 million tonnes in the year 1951. The per capita availability of milk in the country has increased to 340 g /day (GCMMF Annual Report 2015-16). Further, milk is the largest agricultural crop in India with market value exceeding Rs 4 lakh crore per annum and the milk group contributes the highest to the total output of our agricultural sector, surpassing the output value of wheat, rice and oilseeds.

The GCMMF strongly believe that product innovation is essential in order to cater to the emerging needs of our society Last year as many as 26 new products from Amul's portfolio. A few examples include the Amul Whipping Cream and Amul Greek frozen yoghurt. Products like Amul long-life UHT Milk, Amul Cream in long-life UHT packaging, entire value-added milk beverages range, Amul fresh milk pouches, etc. have been growing at impressive double digit rate. Amul fresh milk pouches has also been recently launched in Punjab, which is another major milestone for our organization. Amul Cheese range rules the dominant share of Indian cheese market.

GCMMF has a unique and robust distribution model whereby it meets the specific distribution requirements of various categories of products though four distinct distribution highways - ambient, chilled, frozen and fresh. Apart from having 56 branches and it owns a strong rural distribution reach with 170 Super-stockists covering 3200 interior markets. In the year 2014-15, it has opened new branches at Jodhpur, Mangalore and Gwalior.

2. Methodology

The study was spread over the entire state and primary data was collected by way of a Questionnaire. The study covered all 26 Districts of Gujarat state, 227 talukas and further, three villages were selected from each taluka. The retailer (urban) were selected from Taluka headquarters.

Results and Findings

a) FSSAI Registration /License No. of retailers (Urban)

Sr. No	License	N	Percentage
1	Yes	2	4%
2	No	48	96%
	Total	50	100%

Around 96% of the urban retail shop did not have FSSAI Registration/License Number for their business. This is a matter of concern in the dairy sector.

b) Type of Ownership. of retailers (Urban)

Sr. No	License	N	Percentage
1	Sole Proprietor	41	82%
2	Partnership	4	8%
3	Private ltd.	5	10%
	Total	50	100%

Around 82% of the urban retail shops fell in the category of “Sole Proprietorship”

c) Years in Business of retailers (Urban)

Sr. No	Business Years	N	Percentage
1	< 5	15	30%
2	5 - 10	13	26%
3	11 - 15	12	24%
4	16 - 20	8	16%
5	> 20	2	4%
	Total	50	100%

As seen from the above table, majority (56%) of the urban retail shops were in existence for less than 10 years. This indicates a considerable number of urban retail shops have been established recently.

d) Educational Qualification wise Distribution. of retailers (Urban)

Sr. No	Educational Qualification	N	Percentage
1	Illiterate	0	0%
2	1 - 9	9	18%
3	10th	13	26%
4	11th	2	4%
5	12 th	13	26%
6	UG	10	20%
7	PG	3	6%
	Total	50	100%

Around 76% of the urban retail shop owners had educational qualification between SSC and graduation and 46% in between HSC and Graduation. However, there were no illiterate shop owners.

e) Business Time Per Day of retailers (Urban)

Sr. No	Business time (in hours)	N	Percentage
1	< 5	0	0%
2	5 - 10	5	10%
3	11 - 15	36	72%
4	> 15	9	18%
	Total	50	100%

The above table indicates that 90% of the urban retail shop (selling milk and milk products) are open for a time period of 11 to 15+ hours, indicating that the shops are open for the whole day.

f) Total Employee/Worker of retailers (Urban)

Sr. No.	Employee/Worker	N	Percentage
1	1	28	56%
2	2	15	30%
3	3	4	8%
4	4	3	6%
	Total	50	100%

Around 76% of the urban retail shops employed 2 or less number of employees in their shop.

g) Own fund or Borrowed Fund Investment. of retailers (Urban)

Sr. No	Investment	N	Percentage
1	Own fund	47	94%
2	Borrowed Fund	3	6%
	Total	50	100%

Majority (94%) of the urban retail shop had invested their own fund in the business. This may indicate less prevalence of credit schemes in the region.

h) Milk and fermented product Sales (Daily) of retailers (Urban)

Sr. No	Daily Sales(Rs.)	N	Percentage
1	< 1000	0	0%
2	1000 - 1500	15	30%
3	1501 - 3,000	7	14%
4	3001 -5000	3	6%
5	5001 -10000	11	22%
6	10,001 -20000	8	16%
7	Above 20,000	6	12%
	Total	50	100%

As seen from the above table around 50% of the respondents had their average daily sales of milk and fermented products above 5000.

i) Problems of Dealer for liquid Milk and Fermented Products. retailers (Urban)

i) Problem of Late delivery

Sr. No.	Late delivery	N	Percentage
1	Less	28	56%
2	Normal	18	36%
3	Frequent	4	8%
	Total	50	100%

As seen from the above table, around 86% of the respondents stated that problem of late delivery from milk dealers is Normal or less.

ii) Problem of Leakage of pouches

Sr. No	Leakage of pouches	N	Percentage
1	Less	33	66%
2	Normal	12	24%
3	Frequent	5	10%
	Total	50	100%

As seen from the above table, around 90 % of the respondents stated that problem of leakage of pouches from milk dealers is Normal or less.

iii) Other Problems related to Milk Dealers

Sr. No	Other	N	Percentage
1	Less	32	64%
2	Normal	14	28%
3	Frequent	4	8%
	Total	50	100%

As seen from the above table, around 92 % of the respondents stated that there were no major other problems related to milk dealers.

j) Problems of Dealers for Milk Products of retailers (Urban)

i) Problems of late delivery of milk products

Sr. No.	Late delivery	N	Percentage
1	Less	29	58%
2	Normal	16	32%
3	Frequent	5	10%
	Total	50	100%

Around 90 % of the urban retailers indicated that the problem related to late delivery of milk products was less or normal.

ii) Problems of damaged milk products

Sr. No.	Damaged products	N	Percentage
1	Less	30	60%
2	Normal	13	26%
3	Frequent	7	14%
	Total	50	100%

Around 86% of the urban retailers indicated that the problem related to damaged milk products was less or normal.

iii) Problems of Inability of dealer to supply all items indented in purchase order of milk products

Sr. No	Inability of dealer to supply all items indented in purchase order	N	Percentage
1	Less	26	52%
2	Normal	23	46%
3	Frequent	1	2%
	Total	50	100%

Around 98% of the Urban retailers indicated that the problem related to Inability of dealer to supply all items indented in purchase order of milk products was less or normal.

iv) Other Problems of milk products

Sr. No.	Other	N	Percentage
1	Less	38	76%
2	Normal	12	24%
3	Frequent	0	0%
	Total	50	100%

Almost all of the urban retailers indicated that there were no other major problems related to Milk dealers.

k) Perception related to other business related issues of retailers (Urban)

i) Norms for establishing an Shop/ APO / Centerman

Sr. No	Norms for establishing an Shop/ APO / Centerman	N	Percentage
1	Very Liberal	14	28%
2	Liberal	18	36%
3	Normal	15	30%
4	Strict	1	2%
5	Very Strict	2	4%
	Total	50	100%

Almost 96% of the urban retailers indicated that Norms for establishing an Shop were normal to very liberal.

ii) Problems faced while running the Shop/ APO / Centerman in a rented premises

Sr. No	Problems faced while running the Shop/ APO / Centerman in a rented premises	N	Percentage
1	Very less	19	38%
2	Few	15	30%
3	Normal	9	18%
4	Many	3	6%
5	Too Many	4	8%
	Total	50	100%

Almost 86 % of the urban retailers indicated that Problems faced while running the Shop in a rented premises were normal to very less.

iii) Timely information related promotional schemes

Sr. No	Timely information related promotional schemes	N	Percentage
1	Always Delayed	5	10%
2	Sometimes delayed	10	20%
3	Normal	15	30%
4	Sometimes on time	15	30%
5	Always on time	5	10%
	Total	50	100%

Around 30 % of the urban retailers indicated that information related to promotional schemes was delayed.

iv) Benefits/Incentives derived from Promotional schemes

Sr. No.	Benefits/Incentives derived from Promotional schemes	N	Percentage
1	Negligible benefits	17	34%
2	Low benefits	15	30%
3	Average	14	28%
4	High benefits	2	4%
5	Extremely beneficial	2	4%
	Total	50	100%

Almost 64 % of the Urban retailers indicated that Benefits/Incentives derived from Promotional schemes of Milk product dealers were in the range of Average or negligible.

l) Perception for profitability of business of retailers (Urban)

Sr. No.	Profitability of business of retailers (Urban)	N	Percentage
1	Highly loss making	0	0%
2	Loss making	1	2%
3	Average profits	23	46%
4	Somewhat profitable	21	42%
5	Highly profitable	5	10%
	Total	50	100%

Almost 98 % of the Urban retailers indicated that profitability of business of retailers (Urban) was in the range of Average or highly profitable.

3. Conclusion

From the above analysis it can be concluded that the strengths of Retailer (rural) were Young and literate shop owners, Business hours greater than 15 hours and satisfactory dealer services. However, the major weakness were Majority do not have FSSAI License, Inability to obtain complete items indented with the suppliers and No major advantage gained from promotional schemes.

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