

A Young Dairy Farmers' FPO - Paving Way for Others



An Initiative by

Ambala Farmers Producer Company Ltd

Background

As of today, there are two ways through which milk is reaching consumers from dairy farmers. First form of milk delivery is packed Milk under different variants (Full Cream, Toned, Double Toned etc) which is pasturized at milk plants and delivered through shops/ Kiosks and dealers network. Second mode is loose milk which is collected by Doodwalas/Dodhis from villages and delivered to consumers at their door step, in the loose form.

While Pasturized milk has main problems with its taste; because milk quality is not maintained during milk collection specially in summers, same way quality of milk delivered by Doodwalas remains always in question.

Issue with the Dairy Farmers

Traditionally, dairy farmers dont participate in the supply and marketing of milk. They depend on Milk Plant and middlemen largely who buy milk from them in villages and retail it to consumers in urban areas. Issue of price is of milk always there. Price paid to dairy farmers in villages is times lower than what a consumer pays for the same milk in urban areas. As a rule of thumb, price of Buffalo Milk (Milk Fat 7-8) in a village, is almost equal to price of Cow milk (Milk Fat 3.5- 4.0). During winters when milk supply is sufficient, generally there are no takers of milk.

Genesis of Project Lavea & Incorporation of Ambala FPO

Dairy farmers in Ambala Districts were involved in Commercial Dairying since late 90s. Based at villages like Naneola, Jansua, Mohalgarh, Bahanpur etc they were tend to supply milk to Milk Plants at wholesale prices. They buy individually most of their input requirements such as animal feed, seed for silage corn, fertilizers, medicine, pesticides etc from retail market.

Lavera Project

In Gurmukhi, 'L-Ve-ra' stands for Household Milking animals. Project Lavera is the brainchild of Puneet Singh Thind, National Director at Vegetable Grower Association of India (VGAI). The organization is a Resource Institute Partner with SFAC & POPI (Producer Organization Promotion Institute) with NABARD. VGAI has promoted 16 FPOs in Maharashtra and recently VGAI has taken work from Haryana Horticulture Department to promote 3 FPOs in Haryana.

Ambala is viewed as a district with lesser options for crop diversification because of its clay heavy soil and over dependence on Wheat-Rice Crop System. However, Dairy Sector came as a ray of hope for farmers during last decade, especially during the service of Dairy Director (DD) Dr. Prem Singh who worked exquisitely with young farmers and motivated them to embrace dairy sector. Hundred of farmers adopted commercial dairing and over the years they mastered themselves in Production, Feed-Management, Clean Milk Production, Animal Health, Breeding etc. Production of Milk was not a problem of farmers.

Unfortunately, Indian dairy industry is also a victim of 'Problem of Plenty' during winters. Having no assured market for milk in winters farmers involved in dairy industry are always fearsome on their future. In the wake of WTO implications and import of cheap Milk Powder has raised their concerns further.

Keeping all these factors in mind, VGAI has taken initiative to create a vibrant model for dairy farmers by mobilizing themselves into a FPO. A concept note was designed by Puneet Singh with the help of Ms. Poonam Rawat at SFAC MSG Team and it was submitted to SFAC & Nabard. Farmers were consulted and educated on the possible benefits of coming together into a FPO to make use of 'Power of Accumulation'. In February 15, Nabard has given its official consent to assist this FPO project as a part of their PO Promotion Program. Accordingly, VGAI started working with dairy farmers and they organized themselves into a Farmer Producer Company. Business models were designed to undertake following activities :-

- Availability of Agri Inputs to farmers at their doorsteps.
- Adoption of latest technology, machines, implements at the early stage.

- Creating common-facilities for farmer members.
- Value-Addition, Processing & Marketing.
- Credit Arrangements for members.

Now, around 70 Dairy Farmers are directly associated with Ambala FPO and they are processing their own produced milk (Farm Fresh Milk) in Ambala City. The milk is chilled immediately after milking at 4 degree to preserve its natural taste. Clean Milk Production (CMP) practices are strictly followed and milking is done with machines. All the milk sold to consumers is produced in-house and its not collected from unreliable sources from outside.

Interesting part is delivery of Milk which is handled by Farmers themselves. Farmers are delivering milk to every consumer themselves at their door step, educating them on quality of milk and how its pure and safe for their health. Farmers personally invite their consumers to visit their farmers so as to have a first hand experience. Farmers are using available technology such as Whatsup Group, Social Media etc to remain regular in touch with their consumers and share with them farm updates.

Ambala FPO is planning to expand milk processing facilities to 10,000 ltr per day with introduction of Traditional milk products and sweets to its product line.





Puneet Singh Thind

09017151764, thindpuneet@gmail.com