

# Dairy farmers in AP want to do an Amul

**K.V. Kurmanath**

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Small dairy farmers in Andhra Pradesh have decided not to depend on the corporate milk firms to sell their produce.

After the recent milk glut that resulted in huge losses, farmers have resolved to form a cooperative to procure milk, process it and market the same by creating its own brand.

To begin with, a group of 25 farmers will form the cooperative in the State capital.

"The milk firms pay us just Rs 17 a litre but sell it at Rs 36 to the consumer. We are perennially facing losses. We will start the cooperative in the next few weeks," K. Bal Reddy, a dairy farmer from Bhongir in Nalgonda district



with about 500 animals, told *Business Line*.

Andhra Pradesh has about 40 lakh dairy farmers, small and big, who are by and large unorganised. With a cattle population (cows and buffaloes) of 2.45 crore, the State produces 12.1 million tonnes

of milk comprising 10 per cent of country's annual production of 122 million tonnes.

Only 30 per cent of the 12.1 million tonnes of milk is procured by organised players such as Vijaya-Visakha, Heritage, Tirumala and Jersey dairies.

## **PANIC SELLING**

About two months ago, the private dairies had either stopped or significantly reduced milk procurement owing to a glut. This had led to panic selling by farmers. In several towns, some even dumped the produce on roads as a mark of protest.

"Neither the consumers nor the producers are getting any benefit. The companies are making money. We can't run the show like this for

long. So, we floated the idea. The response has been good from members. We know that change cannot happen overnight," Bal Reddy, who is also Secretary of Progressive Dairy Farmers' Association (PDFA), said.

On the milk firms' argument that the cost of production forced them to fix a cap on purchase price, Bal Reddy said Mulkanur Cooperative Society (a successful cooperative in Telangana) was giving Rs 22 a litre.

"We should work for 2-3 years to see some results in our model. We are holding meetings at district levels to gain support for our model," M. Jitender Reddy, President of PDFA, said.

*kurmanath.kanchi@thehindu.co.in*