



Economically Marginalized Milk Producers

Kutch District of Gujarat

Introduction of Kutch

Potential of Livestock Service Centre (LSC) model to improve livelihoods of economically marginalized milk producers in Kutch District of Gujarat

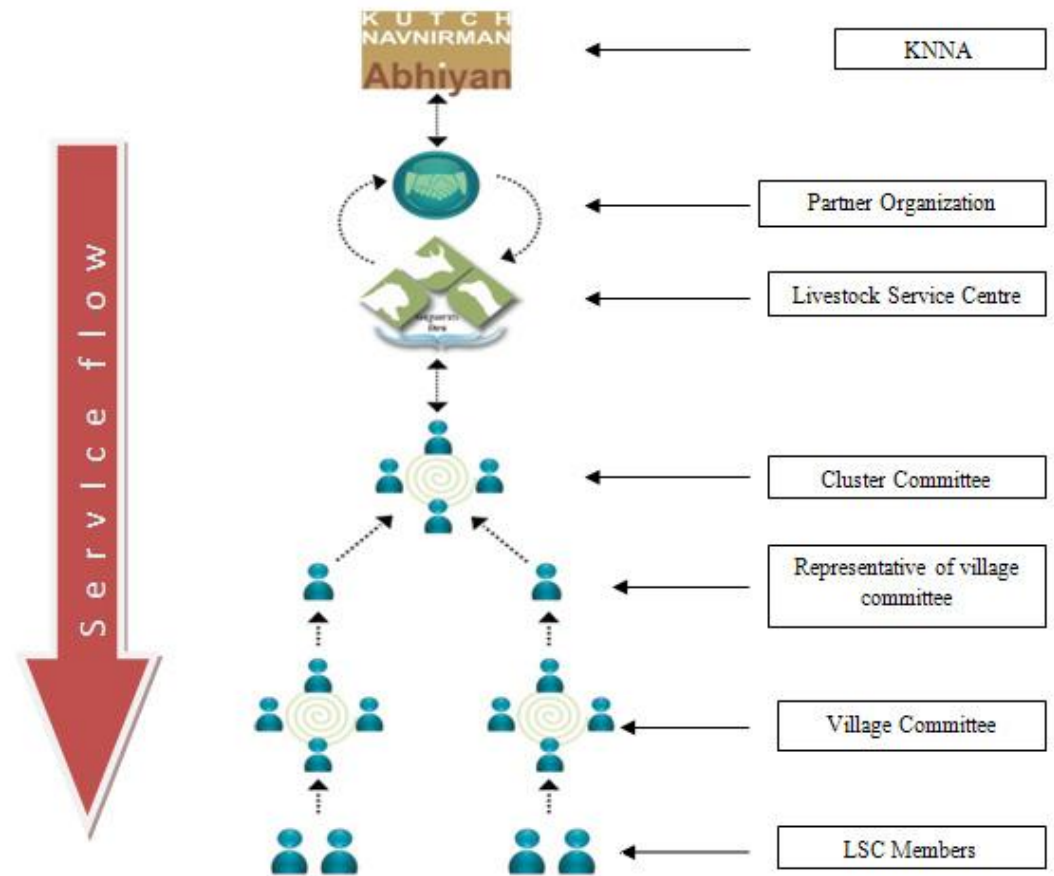
Kutch is the second largest district of India covering 4000 sq. kms. of area and is considered one of the ecologically fragile zones of the country. The farmers have opted for animal husbandry as a primary occupation and were initially focused on animal trading. These farmers used to migrate in summers in search of drinking water. Even the commercial dairy business was not established because of which dairy back-end services weren't prevalent.

Kutch has cattle and buffalo population of 380,000 and 250,000 respectively. The population of camel, sheep, goat, horse and donkey are also considerably good. Tons of animals were killed during disease out-breaks. Also, the reach of government appointed veterinary doctors in Kutch condition was meager.

But the era of animal trading almost ended when organized dairy business started in 2007-08. The dairy business was started by National Dairy Development Board. The cattle owners were getting good remuneration for the milk and migrations were restricted to a great extent. But the dairy back-end services were hardly reaching their producers. Looking at the scope in animal husbandry activities and breed improvement, Kutch Nav Nirman Abhiyan (KNNA) and its network NGOs have started Drought Proofing Program-II (DPP-II) with the Support of Ford Foundation (FF) in July 2008.

Innovative Livestock Service Center (LSC) Model:

DPP-II structure is as follow



The LSC model was developed by KNNA and is based on the cluster approach. KNNA has identified 13 clusters in different parts of Kutch where there is need for dairy back end services. A cluster means a group of 15-20 villages. Each cluster has one Livestock Service Center (LSC) and three to four sub-centers through which Cattle Feed, Mineral Mixture, Primary animal health, Vaccination, Deworming, Cattle loan and Cattle insurance, all these services are catered to by LSC members. To run LSC, three personnel are deputed i.e. cluster coordinator, community mobilizer and para-veterinary professional.

LSC has to develop linkages with government animal husbandry department for implementing schemes in clusters to make it available to the registered members of LSC. Up to March 2011, the reach of above services was to 201 villages covering 5433 members from 13 LSCs.

To purchase cattle feed and veterinary medicines, LSC initially raised fund/start-up capital from individual donors, members, soft loan from partner organizations, and other resources. . The membership fee for LSC is Rs. 50. Once the producer is registered, LSC issues membership card and passbook to every new member. Each LSC started with two to three lakhs rupees of startup capital and presently it has reached

four to five lakh rupees. The demand of services by the members is communicated either to sub-centre or to LSC. According to the demand from each sub-centre, the LSC places an order for cattle feed manufacturers and the required material is supplied to the respective sub-centers. The LSC charges a service charge of Rs 15 on sale of each bag of cattle feed. The amount gathered as service charge is used as revolving fund.

To cater to veterinary services in a cluster, a well trained and experienced para-veterinary or a livestock inspector is deputed. The para-veterinary examines the animal and gives necessary treatment. The service charge for primary treatment is Rs 25 per case. Also travelling expenses is reimbursed from the member @ Rs.2.5/km. The medicines charges will be taken on printed MRP.

LSC also focuses on developing linkage with the organizations which work in Natural Resource Management. The main focus is on the animal drinking water security in the cluster. LSC has developed linkages with Saurashtra Jal Dhara Trust to renovate the water ponds in villages. LSC has been successful in developing linkages with milk dairies and private companies to provide human resource cost.

The LSC has developed linkages with Sarhad Dairy to get human resource cost of the veterinary service.

They monitor the cluster performance, by developing the MIS reports and share with KNNA on monthly, quarterly and yearly basis. A steering committee at Abhiyan gives guidance to implementing team on regular basis.

Success criteria in the given context of background information:

In the past, cattle feed (Cotton Cake, Wheat Bran and Pellet feed) was provided only through agents and they were exploiting the producers in terms of Cost, Quality and Quantity. Also producers have to invest their productive time to purchase cattle feed from agents. Even the agents charge very high credit rate from the producers. Secondly, the extent of veterinary services by government department is lagging in many aspects: shortage of the veterinary doctors, doctors not having travel vehicles, lack of awareness about good health practices within producers, and dominance of local traditional healers.

But after the intervention of LSC, the milk producers are getting adequate quantity of good quality cattle feeds at their door step with at a reasonable price. The biggest successes of this program are that migration of cattle during drought conditions and exploitation from agents is curtailed to a great extent; timely availability of dairy backend services; producers availing government schemes; and regular vaccinations and deworming for their animals. The awareness campaigns about breed conservation and breed improvement are also done. In the year 2010 we have been able to achieve 90% of vaccinations in animals belonging to our producers. We also encourage women to participate in the program. Three out of 13 clusters are of women members only. In year 2010-11, DPP-II had 36.84% women members and 29.36% landless labor. Four LSCs of DPP-II clusters have initiated the process of registration under Producer Company.

Process Adopted

KNNA identified some NGOs working in animal husbandry sector. . The initial phase of the project was devoted for baseline survey and household information collected from the villages of each of these 13 clusters. The data was incorporated in the software and analysis done. Each NGO had to identify the three staff members to be deputed to the cluster. The leaders from each village were identified, and numerous meetings held with them to explain the concept of LSC (DPP-II). Initially producers who wanted to become the member of LSC were used as resource person to disseminate the concept and information to other producers in the villages. This way, we are able to help conceptualize DPP-II in the minds of the producers.

We took producers for the exposure visits to Community Based Organizations (CBO) in-order to make them understand the importance of people's participation in running the organization. We made village committee in each o village of the cluster and have a representative from each village committee in cluster committee. The capacities of village level and cluster level committees were built through trainings and workshops on decision making, leadership, conflict resolution, accounting and business planning.

Cattle feed manufacturers were sourced and feed samples were given for laboratory testing. The results were analyzed and cattle feed manufacturer was selected. The sale price of the cattle feed is decided by the cluster committee and service charge of every service is also decided by the cluster committee in their regular monthly meetings. The veterinary service is provided by Para-vet / Livestock Inspector in the villages.

Regularly trainings are arranged for Para-vet / Livestock Inspector to refresh their technical knowledge. The para-vet / Livestock Inspector service is just a phone call away and is available round the clock. Even the emergency service is handled by Veterinary Doctors located at KNNA.

All the services of the LSC are delivered according to the Standard Operating Procedures (SOPs). Cluster committee members meet every month and monthly transaction is shared among the members. Strategies are decided to minimize the losses and maximize the profit. Each of the 13 clusters has their business plan for next three years and they function accordingly. Their monthly and yearly targets are all set. All the 13 clusters have finalized the initial promoters and ready for the registration under Producer Company. Even four clusters have raised the share capital from members and also received the producer company name from ROC.

Institution Involved

To implement Drought Proofing Program-II nine partner organizations namely Kutch Nav Nirman Abhiyan (KNNNA), Cohesion Foundation, Ujjas Mahila Sanghatan, Shri Vivekanand Research and Training Institute, Saiye Re Jo Sanghatan, Shroffs Foundation Trust, VIKSAT, Sahjeevan and Kutch Fodder Fruit and Forest Development Trust (KFFFDT) were involved. Access Livelihoods Consulting India Private Limited (ALC India) is providing human resource for technical guidance, coordination and implementation support to DPP-II.

Location of Livestock Service Centers in Kutch District



 **Service Centre**

Problems faced and how they are overcome

| SL NO. | Problem Faced | Problem Overcome |
|--------|---|--|
| 1 | The concept of LSC was new to everybody in Kutch. To induce the concept and practices was the biggest challenge for us in the initial phase of the project. | Awareness meetings and campaigns were the two mechanisms used by us. We arranged numerous meetings and campaigns at the village level and then at cluster level. |
| 2 | We broke the chain of private cattle feed traders and faced lot of local political pressure. | We explained the importance of quality cattle feeds, market practices and how traders have cheated Producers. We also developed brochure and leaflets of DPP-II. |
| 3 | The market price of cotton cake fluctuates in a day number of times according to the demand - supply of cotton. So sometimes LSC has to bear losses and sometimes profit. | We have told to our members that LSCs is owned by you and your service charge will be utilized to increase and develop your business. |

| SL NO. | Problem Faced | Problem Overcome |
|--------|---|---|
| 4 | LSCs cannot raise funds from financial institutions because it is not a registered entity, as a result the funds required to cater to the demands of all the members are becoming difficult day by day. | LSC will get registered as a Producer Company. Individual Producer Company will submit financial proposal to Commercial Banks, NABARD, FWWB, and RABO Bank for availing soft loans. |
| 5 | The Para-vets are not allowed to do surgical operations. | Para-vets are replaced with Livestock Inspectors in some of the clusters. |
| 6 | Initially it was tough to introduce LSC concept to the private companies and the dairies. | Importance of the dairy back end services is shared with people concerned. |
| 7 | Working for animal drinking water security requires local people contribution and time. | Explained the benefits which villagers can get by focusing on the drinking water security. |
| 8 | The concept of Producer company is new for producers, Chartered Accountants and Field staff so we found a difficulty in registration process. | Experts from NDDDB and ALC India were called for workshops with producers and field staff. Experienced Chartered Accountant was also hired. |

Summary

LSC is a community based organization and will be registered under Producer Company at village level. LSC is a good intervention in the development of Dairy back end services and stabilizing the milk production in the rural area. Milk producers are getting dairy back end services at door step.

The health status of the animals is improving by regular vaccination, deworming, awareness camps and primary animal treatments.