



ROLE OF MILK COOPERATIVE SOCIETIES IN COMMUNITY DEVELOPMENT: A CASE STUDY OF NANKHARI BLOCK OF DISTRICT SHIMLA, HIMACHAL PRADESH (INDIA).

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Abstract: Cooperative societies are based on moral believes and significance. The main objective of cooperative society is to provide the basic services to its members. The present study seeks the role of milk cooperative societies in community development in Nankhari development Block of District Shimla, Himachal Pradesh. For the purpose a primary survey was carried out through the interview schedule to find out the benefits due to becoming the member of the cooperative societies. The study shows that the members were benefitted in different way after becoming the active member of the milk cooperative societies.

Index Terms—Cooperative Societies, Rural Development, Profits, Socio-economic conditions, High yield breeds, Encouragement, etc.

INTRODUCTION

People work in a Cooperatives society is an organization that is formed by the group of people. Cooperative societies are based on ethic, value and principles. The main objective of cooperative society is to provide the basic services to its members. Earning profit is a secondary motive of the cooperative societies.¹ In a cooperative society, people can enter it as their wish and also they are free to leave a cooperative society, but they cannot transfer their share. It will function under the mutual cooperative of all the members, all members will be equal and free for their rights. Therefore “one man one vote” system will prevail in the society.² The present study intends to find the role of milk cooperative societies in community development in the Nankhari block of district Shimla. For the purpose the data was collected and compared related to the beneficiaries before and after joining the societies.

ORIGIN OF COOPERATIVE SOCIETIES AND COOPERATIVE MOVEMENTS

The world’s first cooperative society “*The Shore Porters Society*” established in Aberdeen, Scotland, in 1498. This society was made up of by the efforts of the workers group of porters working in Aberdeen Harbor. It was a removal, haulage and storage company. In 1844 the first modern cooperative business were established by a group of 28 artisans working in the cotton mills in the town of Rochdale, in the north of England, Every customer of the shop became a member and so had a true stake in the business.³

In India cooperation has its origin in the last quarter of 19th Century in attempts to provide relief to the farmers from the clutches of money lenders. The attainment of independence by India gave impetus to the development of the cooperative movement as the rural development received priority in the development of the nation building agenda of the Government of India. India’s first Prime Minister Pt. Jawaharlal Nehru had strong faith in the cooperative movement. In 1958, the National Development Council (NDC) had recommended a national policy on cooperatives and also for training of personnel and setting up of Cooperative

¹ Kumar Prasanna W. G., Anasuya, V. and Rekha, K.N.,(2019) *Collective Action, Credit and Cooperatives for Rural Management*, Mahatma Gandhi National Council of Rural Education (MGNCRE), Hyderabad.

²<https://www.iedunote.com/cooperative-society> retrieved on dated (29th august 2022).

³<https://thenaturalfarmer.org/article/a-history-of-the-cooperative-movement/> retrieved on dated (31st august 2022)

Marketing Societies. The Government of India announced a National Policy on Cooperatives in 2002. After independence committees set up for cooperatives the rural credit survey committee in 1954 recommended state participation in cooperatives at all levels and the S.T. Raja Committee was appointed by the Government of India to suggest amendments to the Cooperative Law.⁴

CURRENT SCENARIO

The movement now has 5.03 Lakhs Cooperatives, a membership of 210 Million, a 100% rural network, 67% coverage of Rural Households, 46.31% of Agricultural Credit, 23.5% of Fertilizer Production, 51% of Oil Marketed, 55% of Handlooms and 62.5% of storage facility at village level. There are 21 National Level Cooperative Federations, 361 State Level Cooperative Federations and 2572 District Level Cooperative Federations in the Country now. There is no sphere of economic activity which is left untouched by Cooperation.⁵

Presently, Laws regulating Cooperative Societies in India are:

- i. State Cooperative Societies Acts of individual states
- ii. Multi-State Cooperative Societies Act, 2002 for the multi-state

TYPES OF COOPERATIVE SOCIETIES IN HIMACHAL PRADESH

CREDIT COOPERATIVE SOCIETY

- Primary agriculture cooperative society
- Central cooperative bank
- Agriculture and rural development bank
- Urban cooperative bank

NON- CREDIT COOPERATIVE SOCIETY

- Weaver cooperative society
- Other industrial cooperative society
- Milk and animal husbandry cooperative society
- Agriculture marketing and cooperative society
- Fishery cooperative society
- Labour and construction cooperative society
- Transportation cooperative society
- Housing cooperative society⁶

COOPERATIVE SOCIETY IN RURAL DEVELOPMENT

The Role of co-operative society in the rural development is multi-faceted, and it encompasses every aspect of rural life. It works towards uplifting its members and areas economically and socially. Cooperative played a massive role in channelizing the money lending in a formal manner by setting up the Co-operative banks and credit societies. These societies have worked on the ground level for women development by breaking cultural and social stigmas. The co-operative societies have assisted various poverty-stricken sections of rural areas by providing access to advanced technologies, good training in natural resource management and also by boosting the agricultural productivity by increasing the supply of the goods. It provides new and global opportunities to the small scale industries, and artisans help them with adequate credit and skill assistance. This opens up employment opportunities, thus improve their standard of living.⁷

OBJECTIVES OF THE PRESENT STUDY

- To study the Role of Milk Cooperative Societies in Community Development in Nankhari Block of District Shimla;

⁴ <https://www.drishtiiias.com/pdf/1629176840-cooperative-movement-in-india.pdf> (retrieved on dated 31st August 2022).

⁵ Cooperation department, Government of Andhra Pradesh available at https://apcooperation.nic.in/cooperation_movement.php (assessed on 31st august 2022).

⁶ Cooperation department, Annul Administrative Report, govt. of Himachal Pradesh 2021-2022, pp. 1-10.

⁷ <https://enterslice.com/learning/role-of-co-operative-society-in-rural-development/> (retrieved on dated 1st September 2022).

REVIEW OF LITERATURE

DevyaniIngale (2016)⁸ Co-operative banks are deeply rooted inside local areas and communities. They are involved in local development and contribute to the sustainable development of their communities, as their members and management board usually belong to the communities in which they exercise their activities. Working capital management is significant in financial management due to the fact that it plays a pivotal role in keeping the wheels of a business enterprise running.

Neupane (2018)⁹ Suggested that co-operative development strategy and future direction should be based on the strengths of co-operatives for sustainable economic development. The successful future of a co-operative society is based on its regulatory actions that lie in the following points: member promotion; business with members including non-members of the area; capital structure; good and honest co-operative leadership and member participation.

Sahoo, Meher, Panda, Sahu, Begum & Barik (2020)¹⁰ In the article entitled 'Critical review on cooperative societies in agriculture development in India' observed that cooperative Societies are grass root organization of group of people united with collective responsibilities to meet their common economic, social and cultural needs which run with philosophy of self-reliance and mutual help. It helps in agricultural development supporting critical inputs supply (seeds, fertilizer, pesticides, credit), storage facilities like Go downs, agro processing facilities and marketing the agro produce.

Tumenta, Amungwa & Nformi (2021)¹¹ the research was conducting to identify the role played by agricultural cooperatives in rural development in the era of liberalization in the North West and South West regions of Cameroon. Primary sources were used for data collection. Questionnaires were administered to 329 respondents from 52 agricultural cooperatives in 40 villages. The study area comprised two regions in Cameroon that is the North West and South West regions. This study concluded that, agricultural cooperatives play a role in rural development in the community in the era of liberalization in two major areas: improved agricultural production and capacity building (training of members).

METHODOLOGY

The present chapter details the research methodology is detailed explanation of research method that is approach being opted for carrying out the study. For achieving the objectives of the study, both primary and secondary data were gathered from different sources. Research methodology has many dimensions and is an integral component of research. In the following pages, an effort has been made to discuss the methodology opted for the purpose of study.

LOCALE OF THE STUDY

The study was carried out in Nankhari Block of Shimla District Himachal Pradesh.

UNIVERSE AND SAMPLE OF STUDY

The study was carried two different milk cooperative societies in Nankhari Block of Shimla District of Himachal Pradesh. The sample for the study was selected with the help of random sampling. There are five milk cooperative societies i.e.

- I. The Jai Maa Laxmi Mahila Dugdh Utpadak Sehkari Sabha Samiti Barkeli.
- II. Jai Devta Kashveer Dugdh Utpadak Sehkari Sabha Chunja.
- III. Majholi – Tipper Dugdh Utpadak Sehkari Sabha Samiti.
- IV. The Devta Palthan Milk Producer Cooperative Society Chari- Dharan
- V. The Kotkali Mata Milk Producer Cooperative Limited

The above five milk cooperative societies only two milk cooperative societies were selected with the help of random sampling. The Jai MaaLaxmi Mahila Dugdh Utpadak Sehkari Sabha Samiti Barkeli and Devta Palthan Milk Producer Cooperative Society Chari- Dharan. The total members both cooperative societies i.e. 71 were considered as the universe of the study. More than 50% of the members were selected from the universe i.e 39 with the help of random sampling. The researcher herself visited the study area and filled the all the interview schedules.

⁸ DevyaniIngale (2016) –A Study Financial Position of co-Operative Bank with Reference to Yavatmal District co-Operative Bank Ltd.|| SAARJ Journal on Banking and Insurance Research; Vol.5 No.6, Nov, 2016, PP-84-91

⁹Neupane, S. R. S. (2018). Co-operative movement: a people based development approach, its role in the economy of Nepal.

¹⁰Sahoo, A., Meher, S., Panda, T., Sahu, S., Begum, R., & Barik, N., (2020). *Critical Review on Cooperative Societies in Agricultural Development in India. Journal of applied science and technology.* pp. 114-121

¹¹Tumenta, B.F., Amungwa, F.A., & Nformi, M.I., (2021). *Role of agricultural cooperatives in rural development in the era of liberalization in the North West and South West regions of Cameroon. Journal of Agricultural Extension and Rural Development.* Vol.13(1), pp. 69-81

RESEARCH DESIGN

The present study is descriptive in nature and aims to offer clues regarding towards cooperative society helping in increasing income and standard of living. The study has collected and utilized both quantitative and qualitative data.

PRIMARY DATA

Primary data have been collected from the sample respondents and to collection of relevant first- hand data in the present study multistage random- cum- purposive sampling method was used. The information is collected from the respondents' i.e. 39 members of the above said societies and also from the two secretaries of these societies. The researcher herself collected primary data and filled the interview schedules. Thus, the primary data was collected with the help of interview schedule and observation method. In all, total 39 numbers and two secretaries of the societies were interviewed during the study.

The secondary data was collected from relevant published and unpublished literatures by visiting different libraries, government departments, academic, research institutions and annual reports of Department of cooperation Himachal Pradesh.

The study area-Nankhari Block of Shimla (Himachal Pradesh)

Nankhari is a Tehsil and a block in district Shimla in the Indian state of Himachal Pradesh. It is about 92.5 km from district headquarter and 33 km from Narkanda and NH 5. It consists of 18 Gram Panchayats and 102 villages.

PROFILE OF THE MILK SOCIETIES

The Devta Palthan Milk Producer Cooperative Society Ltd. Chari Dharan

The Devta Palthan milk producer cooperative society ltd. Chari Dharan society situated in Krangla Panchayat Tehsil and block Nankhari district Shimla, Himachal Pradesh. This society is registered under the society act 2006 in the year 2010. In this society total 31 shareholders out of this 20 male and 11 female. The society collects milk almost 15 nearby villages. The society collects the milk from the member as well as non- member of the society and sell them to Himachal Pradesh state cooperative milk plant Duttanagar, Rampur district Shimla, Himachal Pradesh. This society collects approximate 450 litres milk per day. This society recorded daily transactions related to the milk and conduct a general once in month. These milk cooperative societies provide many services to the members for the improvement of the milk like they provide the feed, fodder seed, calcium etc. And also provide veterinary services. Society also conducts the training, seminars and education programs for the members of the society to gain the knowledge. The quality of the milk checked through the electrometer. This society also provides the credit services to their members. The society helps in the women empowerment because the membership of the women is increasing every year and they also participated in the management activity and election in the society. The society helps in the regular payment of the milk to the member.

The Jai Maa Laxmi Mahila Dugdh Utpadak Sehkari Samiti Barkeli

The jai Maa Laxmi Mahila Dugdh Utpadak Sehkari Samiti Barkeli situated in the Barach Panchayat Tehsil Nankhari district Shimla Himachal Pradesh. This society is registered under the society Act 2006 in the year 2019. In this society total 40 shareholders and all the shareholders are female. This society collects milk from only 3 villages' people and only members of the society. This society collects around 270-300 litre milk per day and sells them to milk plant Kepu. The transactions related to the milk are recorded on daily basis and also the quality of the milk is checked daily through electrometer so that the rate of the milk is decided. The price of the milk depends on the quality of the milk. The general meeting is conducted after 3 months. This milk cooperative society provides many services to the members for the improvement of the milk like they provide the feed, fodder seed, calcium etc. at affordable price and also provide veterinary services. Society also conducts the training, seminars and education programs for the members of the society to gain the knowledge. The society helps in the women empowerment because the membership of the women is increasing every year and they also participated in the management activity and election in the society. The society helps in the regular payment of the milk to the member.

RESULTS AND DISCUSSIONS

The members of the cooperative society were interviewed to find out the role of the cooperative society in rural development. The study was carried out in two different milk cooperative societies i.e. The Devta Palthan Milk Producer Cooperative Society Ltd. Chari- Dharan and another one is The Jai Maa Laxmi Mahila Dugdh Utpadak Sehkari Samiti Barkeli. Researcher asked the question from the respondents face to face and filled the interview schedule. Out of 39 respondents 22 (56.41%) were female respondents and 17 (43.59) were male respondents. Out of 39 respondents 28 (71.80%) main occupation is agriculture, only 2 (5.12%) doing business, 8 (20.51%) doing service in government as well as private sector and 1(2.57%) working as a wage labourer. The members/respondents revealed the income before and after joining the cooperative society:

Table: 1-Monthly income from milk selling

Monthly income from Milk					
Before (in rupees)	No.	%age	After (in rupees)	No.	%age
1000-2000	6	15.39	2000-4000	4	10.25
2100-3000	20	51.28	4100-6000	20	51.29
3100-4000	8	20.51	6100-8000	5	12.82
4100-5000	5	12.82	8100-10000	6	15.39
Not available	-	-	10100-12000	4	10.25
Total	39	100	Total	39	100

Source: primary data

The above table1 shows the monthly income from the milk of respondent in the study area. In the above table monthly income from the milk of the respondent divided into two parts that is income before joining the cooperative society and income after joining the cooperative society. Before joining the cooperative society monthly income out of 39 respondents 6 (15.39%) were between 1000-2000 rupees, 20 (51.28%) were between 2100-3000, 8 (20.51%) were between 3100-4000 and 5 (12.82%) were between 4100-5000. After joining the cooperative society monthly income out of 39 respondents 4 (10.25%) were between 2000-4000 rupees, 20 (51.29%) were between 4100-6000 rupees, 5 (12.82%) were 6100-8000 rupees, 6 (15.39%) were between 8100-10000 rupees and 4 (10.25%) were Rs.10100-12000.

Table: 2-Monthly saving from milk selling

Monthly saving from Milk					
Before (in rupees)	No.	%age	After (in rupees)	No.	%age
100-500	12	30.76	0-2000	16	41.02
600-1000	18	46.15	2100-4000	15	38.46
1100-1500	6	15.39	4100-6000	5	12.82
1600-2000	3	7.70	6000-8000	3	7.70
Total	39	100	Total	39	100

Source: primary data

The above table 2 shows the monthly saving from the milk wise distribution of the respondent in the study area. In the above table monthly saving from the milk of the respondent divided into two parts that is saving before joining the cooperative society and saving after joining the cooperative society. Before joining the cooperative society monthly saving out of 39 respondents 12 (30.76%) were between 100-500 rupees, 18 (46.15%) were between 600-1000 rupees, 6 (15.39%) were between 1100-1500 rupees and only 3 (7.70%) were between 1600-2000 rupees. After joining the cooperative society monthly saving of out of 39 respondents 16 (41.02%) were between 0-2000 rupees, 15 (38.46%) were between 2100-4000 rupees, 5 (12.82%) were between 4100-6000 rupees and 3 (7.70%) were between 6000-8000 rupees.

Table: 3- Livestock distribution

Variables	No.	%age
1	35	89.74
2	3	7.70
3 and more	1	2.56
Total	39	100

Source: primary data

The table 3 shows the livestock distribution of the respondents in the study area. As per the above table maximum respondent 35 (89.74%) were have one cow, 3 (7.70) were have two cows and only 1 (2.56%) respondent were have three cows.

Table: 3-Milk production per day wise distribution

Milk production in litre	No.	%age
1-5	9	23.08
6-10	23	58.98
11-15	7	17.94
Total	39	100

Source: primary data

The table 3 reveals the milk production per day wise distribution of the respondents in the study area. Out of 39 respondents 9(23.08%) were produce between 1-5 litres milk in a day, 23 (85.98%) were produce between 6-10 litres, and 7 (17.94%) were produce between 11-15 litres.

Table: 4- Purpose of becoming the member of the society

Variables	No.	%age
For saving purpose	28	71.80
To gain profit	0	0
To develop skill	0	0
A & C	11	28.20
Total	39	100

Source: primary data

The table 4 reveals the purpose of respondent to becoming the member of the cooperative society in the study area. The above table 4 shows that out of 39 respondent 28 (71.80) respondents becoming the member of the society for saving purpose and 11 (28.20) respondent becoming the member of the society for saving as well as to develop their skills.

Table: 5- Regarding the loan taken by the respondents

Loan taken	No.	%age
Yes	3	7.70
No	36	92.30
Total	39	100

Source: primary data

The table 5 shows the distribution of the loan taken by the members of the cooperative society in the study area. The above table reveals that out of 39 respondents 3 (7.70%) respondents were take loan and 36 (92.30%) respondents were not take the from the cooperative society.

Table: 6 -Change in social status after becoming the member of the society

Variables	No.	%age
Respect by family	22	56.41
All of the above	5	12.82
No change	12	30.77
Total	39	100

Source: primary data

The table 6 reveals the social status of the respondent after becoming the member of the society in the study area. Out of 39 respondents 22 (56.41%) respondents were respected by the family, 5 (12.82%) were all of the above (respected by the family, respected by the friends and neighbours, taking positive response by others) and 12 (30.77) respondents say no change same as before join the cooperative society.

Table: 7- Member's decision making power increased after becoming the member of the society

Variables	No	%age
Yes	21	53.84
No	18	46.16
Total	39	100

Source: primary data

The table 7 shows the distribution of the respondents regarding the member's decision making power increased after becoming the member of the society in the study area. The above table 7 reveals that out of 39 respondents 21(53.84%) respondents decision making power increased and 18 (46.16%) respondents decision making power is not increased.

Table: 8- Regarding the awareness of animal health

Variables	No	%age
Yes	37	94.88
No	2	5.12
Total	39	100

Source: primary data

The table 8 shows the distribution of the respondents regarding aware about the animal health in the study area. Almost all the respondents 37 (94.88%) aware about the animal health only two (5.12%) were not aware about the animal health.

Table: 9- Regarding the changes on socio-economic condition of Respondents

Variables	No.	%age	Remarks
Build house	7	17.94	
Toilet facility	4	10.26	
Investment in Child education	10	25.64	
Other changes	1	2.57	Bought a fridge
No any changes	17	43.59	
Total	39	100	

Source: primary data

The table 5.19 shows the changes on the socio- economic condition of the respondent in the study area. Out of 39 respondent 7 (17.94%) were build their house, 4 (10.26%) were build toilets, 10 (25.64%) were invest in the child education, 1(2.57%) were other changes (buy fridge) and 17 (43.59) respondents were no changes on their socio- economic condition. During the survey it was observed that all the member of both the society get milk payment easily after becoming the member of the society.

Table:10- Regarding getting the cattle feed, fodder-seeds etc. at affordable price from the cooperative society

Variables	No.	%age
Yes	26	66.67
No	13	33.33
Total	39	100

Source: primary data

The table 10 shows the cattle feed, fodder seed etc get affordable price from the cooperative society. Out of 39 respondents 26 (66.67%) respondent were cattle feed, fodder seed etc get affordable price from the cooperative society and 13 (33.33%) respondents were not.

Table: 11- Regarding the participation in decision making process in cooperative society

Variables	No.	%age
Yes	23	58.98
No	16	41.02
Total	39	100

Source: primary data

The table 11 shows the members participation in decision making process in cooperative society in study area. The above table 21 reveals that out of 39 respondents 23 (58.98%) were participated in the decision making process and 16 (41.02%) were not participated in the decision making process in the cooperative society.

Table: 12- Regarding the improvements in various things after becoming the member of the society;

Variables	No.	%age
(A) Increase income	20	51.28
(B) Behaviour improvement	0	0
(C) Skill development	0	0
A&C	06	15.39
All of the above	13	33.33
Total	39	100

Source: primary data

The table 12 shows the improvements after becoming the member of the society of respondents in the study area. Out of 39 respondents 20 (51.28%) were increase their income, 6 (15.39%) were develop their skill as well as increase in income and 13 (33.33%) were those respondents which improve their income, behaviour and skill.

The present study shows the role of milk cooperative societies in community development in Nankhari development Block of District Shimla, Himachal Pradesh. The primary survey shows the benefits due to becoming the member of the cooperative societies. The study shows that the members were benefitted in different way after becoming the active member of the milk cooperative societies. The members of the societies purchased more amenities due to the income from the cooperative societies.

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