

A Short Report on Milk Processing Plant: At Bagabari, Pabna (Published in 1979)

a) Researchers' Identity

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b) Objectives

The project owes its origin to a feasibility study conducted by FAO/UNDP team in 1973. On the basis of that study a project proposal was prepared and incorporated in the first Five-Year Plan with the following objectives:

- i. To create urban demand (i.e. market) for rural product (i.e. milk) and thereby ensure supply of unadulterated milk to the urban consumers and a steady cash flow to the poor peasants and landless labourers in rural areas. In other words ensuring urban contribution to rural development through dairy industry;
- ii. To develop a comprehensive dairy development system through veterinary service and fodder development programmes.

c) Executive summary

A study on Bagabari milk processing plant was conducted by the Rural Development Academy, Bogra in August, 1979. The plant had capacity to process 50,000 litres per day. In three years of operation (1977, 1978, 1979) supplies had varied from 28,000 litres in flush season (Jan.-May) to as low as 1000 litres per day in lean season (June-Dec.). Consequently the plant was heavily underutilized and the project incurred a huge loss. The main reasons for fluctuation of milk supply to the plant were as follows:

- Milk producer's societies were not well organized.
- Presence of ghoshes (milk dealers) in the milk supply area.
- 80% milk was supplied to the plant by the contractors not by the society members.

- Fat test was conducted at the plant level which discouraged the society members who generally got lower than market price.
- There was insufficient amount of loan advanced to the society members for purchasing cattle feed and new cows.
- There was no daily payment system at the society level.
- There was lack of regular audit of the societies which encouraged financial irregularities.

Some of the remedial measures suggested in the report were:

- i. Fat test should be conducted at the society level.
- ii. Cash Payments should be made to the farmers daily.
- iii. Regular audit of societies should be made by the cooperative department.
- iv. There should be an arrangement for supply of sufficient credit to the farmers to cover the expenses of feed for animals, food for farmers and cost for new cattle.
- v. The society should get lease of grazing ground (bathan) on permanent basis.
- vi. There should be an arrangement to supply concentrated cattle feed in lean period on credit basis.
- vii. Advance to the ghoshes and other contractors by the societies should be declared unlawful.
- viii. Management of the societies should be strengthened through motivation & training.

d) Conclusion

In the above discussion we have tried to indicate the problems and prospects of dairy industry in general and milk vita in particular in the context of milk supply situation and institutional arrangements that exist now in Bangladesh. Our observations are based on the study of village societies in the Baghabari Milk Shed Area. We have not been able to visit societies in Faridpur, Manikganj and Tangail which should be done in future studies.

We feel tempted to conclude that unless technical services for LiveStock Development are intensified with a view to increasing the total supply of milk in the area, there is very little chance of milk vita plant becoming economically viable.

More intensified and coordinated efforts between the extension and cooperative departmental personnel are needed for institutional infrastructure development. Some of the fundamental principles of Comilla-Cooperatives such as savings, membership training through weekly meetings can be helpful in revolving some of the existing weaknesses of village societies in the area.