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Swot Analysis and Constraints Faced by Farmers: With Reference to Omfed in Sambalpur District of Odisha

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Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

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ABSTRACT

Dairy farming has emerged as most important alternative for diversification of agriculture in Odisha. The problems perceived by the livestock owners should be taken into consideration while formulation of strategies for enhancing milk production in the state. Keeping this in view, the present study was conducted in villages Sambalpur district of Odisha. Based on the data analysis the strengths, weaknesses, opportunity and Threats of the dairy sector development in Sambalpur were identified. The finding of the Study would be very helpful for all the concerned stakeholders who are working for the Dairy development in the state. The problems perceived by the livestock owners should be taken into consideration while formulation of strategies for enhancing milk production in the state. Weekly milk payment system and regular payment of bonus provided by the co-operatives, educated board members with diversified experience and knowledge in the dairy sector, dairy farming is a livelihood occupation of the majority of the rural population , regular and guaranteed supply of raw milk from the milk co-operative societies , suitability with respect to ecological conditions for dairy development are the weaknesses. Milk shed area is scattered with less membership and members producing miniscule quantities, low price for milk as compared to other private companies , low productivity of animals and high cost of milk production, lack of support services , milk collection centres are not well equipped, limited market coverage due to less

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procurement as compared to private players, lack of structured and clear benefit packages, low level of milk procurement and insufficient raw milk supply for milk processing plants. More producers willing to join the co-operatives societies, developing infrastructure like processing equipment, etc growing milk demand scope for convergence with allied departments and substantial scope for modernization were the opportunities. Decline of grazing lands due to urbanization , increasing cost of inputs, the high cost of credit for dairy farmers, farmers losing interest in dairy farming , lack of financial assistance for dairy enterprise, existence of competition from other private units, lack of appropriate government policy favouring the dairy sector were the threats. The major production constraints were high incidence of diseases, lesser availability of nutritious feed, high interest rate on loans, high cost of input, inadequate credit, delay in sanction of crop loan, uncertain weather and high labour charge. The marketing constraints were price fluctuation, illegal deduction, market is far from production point, high cost of transportation and malpractices in weighing.

Keywords: Constrains; marketing; swot; Garett; OMFED; market structure.

1. INTRODUCTION

Odisha currently represents the fourteenth largest dairy market in India. The milk production in Orissa mainly consists of cow and buffalo milk. The cow milk dominates the total milk .The Odisha dairy market can be categorized into products like Liquid milk, Ghee, Curd, Paneer, Ice-cream, Table butter, Skimmed milk powder, Frozen/flavoured yoghurt, Fresh cream, Lassi, Butter milk, Cheese, Flavored milk, Sweet condensed milk, Infant food etc.

Consequently, cooperative milk supply societies and unions have been organized to solve the problem of the producers. In this circumstance the present study is an endeavor to come across about the trend and growth of Diary Industry in Odisha by means of particular reference into the OMFED. The Orissa State Cooperative Milk Producers' Federation Limited (OMFED®) has successfully established itself as a trusted brand all over Odisha, be it rural or urban. Being most popular among the competitors , it spends only 0.3% of all available funds for advertisements. Having providing various types of dairy products, it opens a range for the consumers to stick around. This study also tries to explicate the performance evaluation of OMFED with its SWOT analysis [1-5].

MILK UNION: Sambalpur OMFED plant receives milk from SAMUL (Samaleswarimilk union, BBAMUL (Balasore Bhadrak Milk Union) were mill union limited and BKN(Bhabanipatna Milk Union) hopefully partner milk union [6-11].

2. RESEARCH METHODOLOGY

Stratified multistage sampling procedure was adopted for selection of sample for the present study.Keeping in view the limitation of resources and time 1 District of Odisha will be selected purposively out of the 30 districts.Out of the total blocks of the selected district , one block having OMFED factory was selected purposively.5% villages were selected randomly from the selected block. 5% respondents were selected randomly from the selected villages. The data was collected for the agricultural year 2021-22.The primary data was collected by survey method through personal interview on well-structured and pre tested schedule, while secondary data was collected from report and records of the firm plant and block headquarters. The study was conducted in Sambalpur District of Odisha.

3. RESULTS AND DISCUSSION

3.1 SWOT Analysis of the Organization

From Table 1 it was seen that majority of the milk suppliers reported weekly milk payment system and regular payment of bonus provided by the co-operatives (77.50%) secured first rank among the strength, followed by educated board members with diversified experience and knowledge in the dairy sector (66.67%), dairy farming is a livelihood occupation of the majority of the rural population (59.17%), regular and guaranteed supply of raw milk from the milk co-operative societies (58.33%), suitability with respect to ecological conditions for dairy development (45.83%) and only 26.67 per cent of the respondents reported that there is good commitment from the government to ensure orderly growth of the dairy industry and co-operatives respectively.

From Fig. 2, it was observed that most of the respondents reported milk shed area is scattered

Table 1. Strength of the OMFED

S. No.	Particulars	Frequency	Percentage
1.	Weekly milk payment system and regular payment of bonus provided by the co-operatives	93	77.50
2	Dairy farming is a livelihood occupation of the majority of the rural population.	71	59.17
3.	There is good commitment from the government to ensure orderly growth of the dairy industry and Cooperatives.	32	26.67
4.	Educated board members with diversified experience and knowledge in the dairy sector	80	66.67
5.	Regular and guaranteed supply of raw milk from the milk co-operative societies	70	58.33
6.	Suitability with respect to ecological conditions for dairy development	55	45.83

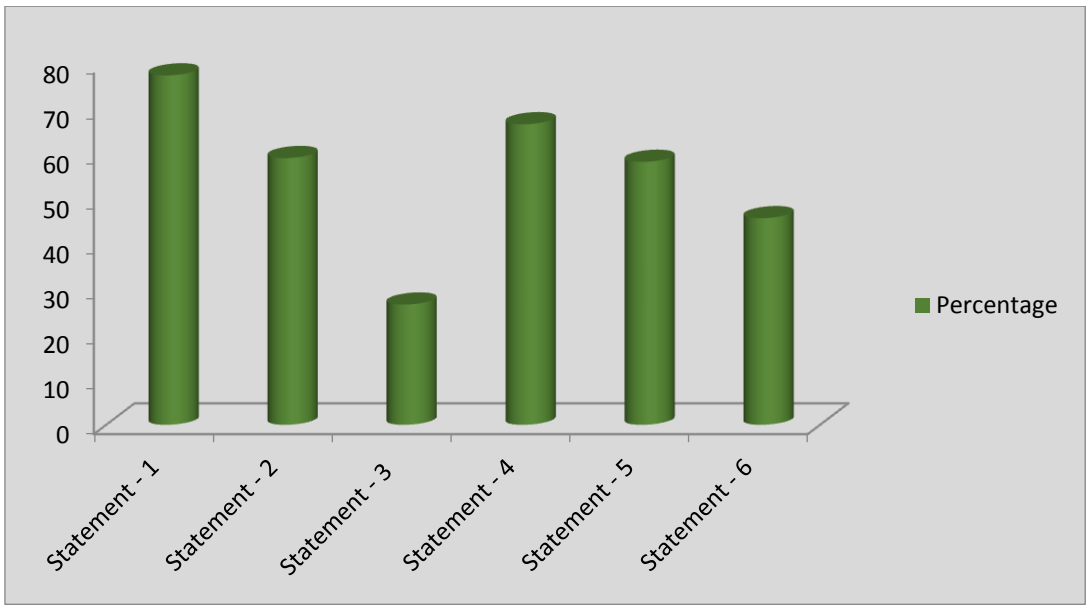

Fig. 1. Strength of the OMFED

Fig. 2. Weakness of OMFED

Table 2. Weakness of the OMFED

S. No.	Particulars	Frequency	Percentage
1.	Low productivity of animals and high cost of milk production	87	72.50
2	Lack of structured and clear benefit packages available to keep up the motivation of member farmers	33	27.50
3.	Low price for milk as compared to other private competitors.	89	74.17
4.	Lack of support services viz., A.I. service and animal health services and farm inputs like cattle feed or veterinary medicine.	71	59.17
5.	Milk shed area is scattered with less membership and members producing miniscule quantities.	97	80.83
6.	Milk collection centres are not well equipped	70	58.33
7.	Insufficient raw milk supply for milk processing plants	29	24.17
8.	Low level of milk procurement	32	26.67
9.	Limited market coverage due to less procurement as compared to private players	55	45.83

with less membership and members produci9ng miniscule quantities (80.83%) as their 1st weakness, followed by low price for milk as compared to other private companies (74.17%), low productivity of animals and high cost of milk production (72.50%), lack of support services (59.17%), milk collection centres are not well equipped (58.33%), limited market coverage due to less procurement as compared to private players (45.83%), lack of structured and clear benefit packages (27.50%), low level of milk procurement (26.67%) and insufficient raw milk supply for milk processing plants (24.17%) respectively.

Table 3. Opportunities of the OMFED

S. No.	Particulars	Frequency	Percentage
1.	More producers willing to join the cooperative societies	86	71.67
2	Scope for convergence with allied departments and other agencies for funds	29	24.17
3.	Substantial scope for modernization of the unit and new product development	18	15.00
4.	Growing milk demand and expandable market share	34	28.33
5.	Developing infrastructure like processing equipment, bulk milk coolers, chilling centres and feed manufacturing units	81	67.50

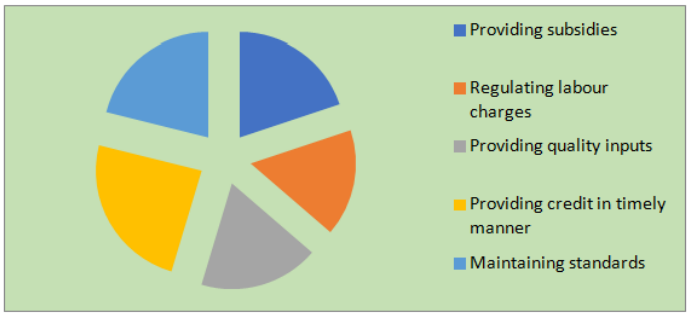

Fig. 3. Opportunities of the OMFED

Table 4. Threats of the OMFED

S. No.	Particulars	Frequency	Percentage
1.	Farmers losing interest in dairy farming	59	49.17
2	Existence of competition from other private units	45	37.50
3.	The high cost of credit for dairy farmers	64	53.33
4.	Lack of financial schemes for dairy enterprise	49	40.83
5.	Lack of appropriate government policy favouring the dairy sector	38	31.67
6.	Decline of grazing lands due to urbanization	78	65.00
7.	Increasing cost of inputs	68	56.67

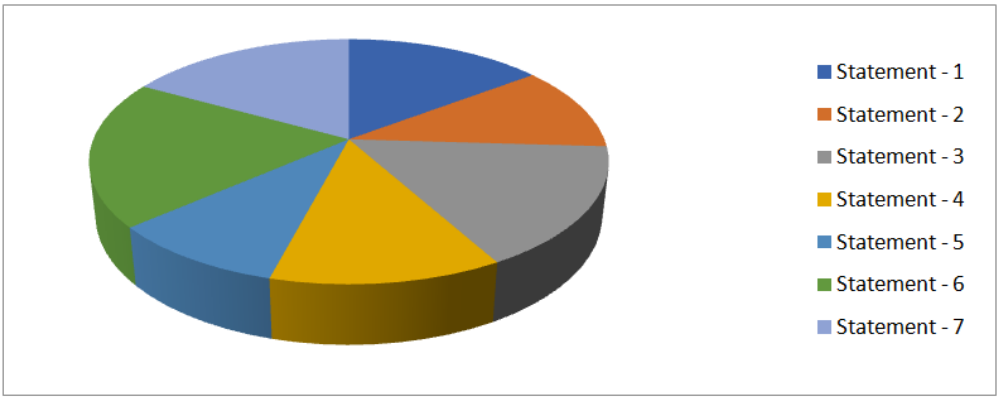

Fig. 4. Threats of the OMFED

Table 5. Constraints in production

S. No.	Particulars	Garret mean score	Ranking
1.	High incidence of diseases	1725	I
2	High cost of input	1424	IV
3.	High interest rate on loans	1455	III
4.	Inadequate credit	1381	V
5.	Delay in sanction of crop loan	1310	VI
6.	Lesser availability of nutritious feed	1622	II
7.	Uncertain weather	1210	VII
8.	Labour charge high	1111	VIII

From Table 3, it was reported that most of the milk suppliers reported more producers willing to join the co-operatives societies as their first and foremost opportunity (71.67%), followed by developing infrastructure like processing equipment, etc (67.50%), growing milk demand (28.33%), scope for convergence with allied departments (24.17%) and substantial scope for modernization (15%) were the opportunities respectively.

From Table 4, it was revealed that most of the milk suppliers reported decline of grazing lands due to urbanization (65%) as their first and foremost threat, followed by increasing cost of inputs (56.67%), the high cost of credit for dairy farmers (53.33%), farmers losing interest in dairy farming (49.17%), lack of financial assistance for dairy enterprise (40.83%), existence of competition from other private units (37.50%), lack of appropriate government policy favouring the dairy sector (31.67%) respectively.

3.2 Problems Faced by the Milk Suppliers and to Suggest Effective Measures

3.2.1 Constraints in production

From Table 5 it was observed that high incidence of diseases was the major production constraint

and secured 1st rank, followed by lesser availability of nutritious feed, high interest rate on loans, high cost of input, inadequate credit, delay in sanction of crop loan, uncertain weather and high labour charge were the 2nd, 3rd, 4th, 5th, 6th, 7th and 8th rank among the production constraints respectively.

3.2.2 Constraints in marketing

From Table 6, it was revealed that price fluctuation were the first marketing constraints, followed by illegal deduction, market is far from production point, high cost of transportation and malpractices in weighing were the 2nd, 3rd, 4th and 5th marketing constraints respectively.

3.2.3 Suggestive measures

From Table 7, it was reported that most of the respondents suggested providing credit in timely manner (65%) was the most suggested measure, followed by maintaining standards (56.67%), providing subsidies (53.33%), providing quality inputs (49.17%) and regulating labour charges (44.17%) were the suggestions given to overcome the constraints respective.

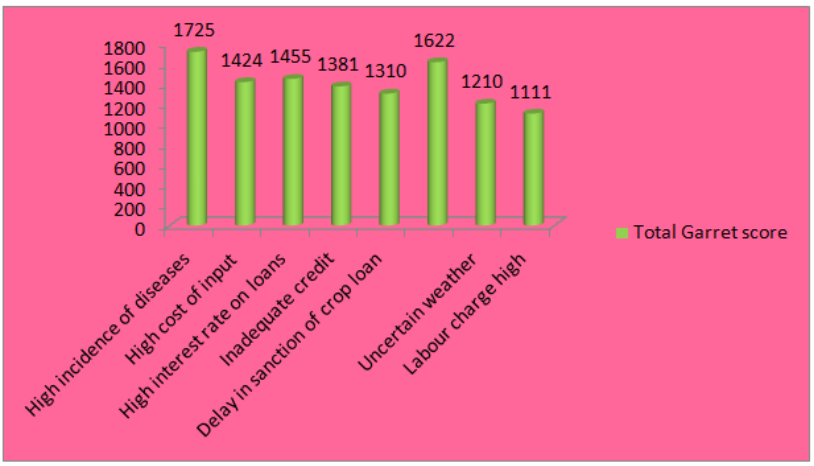

Fig. 5. Constraints in production

Table 6. Constraints in marketing

S. No.	Particulars	Garret mean score	Ranking
1.	Market is far from production point	1455	III
2	High cost of transportation	1424	IV
3.	Malpractices in weighing	1381	V
4.	Price fluctuation	1725	I
5.	Illegal deductions	1622	II

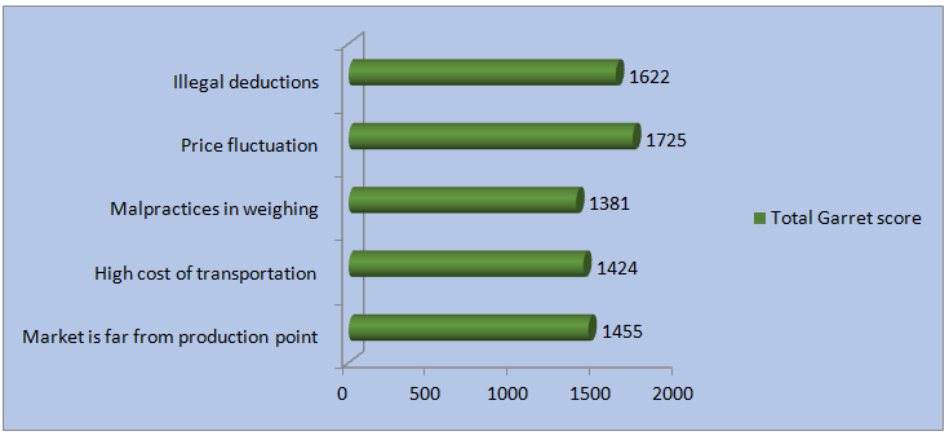

Fig. 6. Constraints in marketing

Table 7. Suggestive measures to overcome constraints

S. No.	Particulars	Frequency	Percentage
1.	Providing subsidies	64	53.33
2	Regulating labour charges	53	44.17
3.	Providing quality inputs	59	49.17
4.	Providing credit in timely manner	78	65.00
5.	Maintaining standards	68	56.67

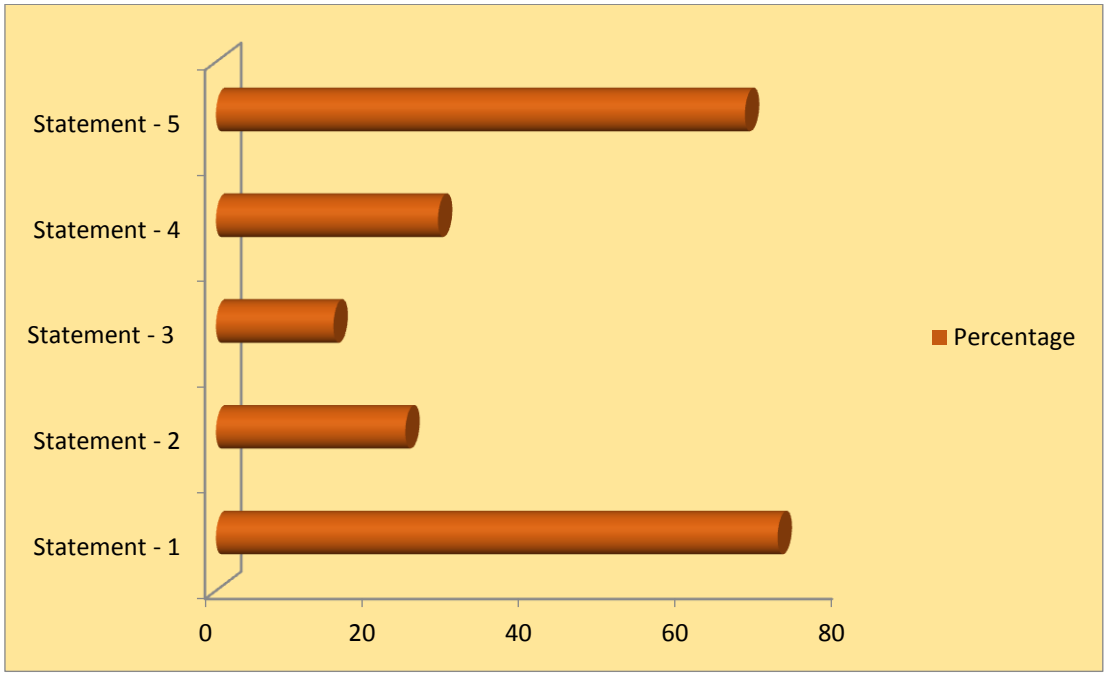

Fig. 7. Suggestive measures to overcome constraints

4. CONCLUSION

Weekly milk payment system and regular payment of bonus provided by the co-operatives, educated board members with diversified experience and knowledge in the dairy sector, dairy farming is a livelihood occupation of the majority of the rural population, regular and guaranteed supply of raw milk from the milk co-operative societies, suitability with respect to ecological conditions for dairy development are the weaknesses. Milk shed area is scattered with less membership and members producing miniscule quantities, low price for milk as compared to other private companies, low productivity of animals and high cost of milk production, lack of support services, milk collection centers are not well equipped, limited market coverage due to less procurement as compared to private players, lack of structured and clear benefit packages, low level of milk procurement and insufficient raw milk supply for milk processing plants. More producers willing to join the co-operatives societies, developing infrastructure like processing equipment, etc growing milk demand scope for convergence with allied departments and substantial scope for modernization were the opportunities. Decline of grazing lands due to urbanization, increasing cost of inputs, the high cost of credit for dairy farmers, farmers losing interest in dairy farming, lack of financial assistance for dairy enterprise, existence of competition from other private units, lack of appropriate government policy favouring the dairy sector were the threats.

Major constrains in production of milk is high incidence of diseases, lesser availability of nutritious feed, high interest rate on loans, high cost of input, inadequate credit, delay in sanction of crop loan, uncertain weather and high labour charge.etc where as in marketing it is price fluctuation, illegal deduction, market is far from production point, high cost of transportation and malpractices in weighing etc.

5. RECOMMENDATIONS

1. OMFED processed various products, but people do not aware about all the features of products processed by OMFED, it can be improved through various promotional activities. By strengthening the Market structure, of milk and their product can be improved.
2. OMFED should have an annual survey of the product so that the consumer demands and there taste can be check out. There should be provision to provide more margins to the milk parlor incharge/manager for milk and their products processed by OMFED that will be helpful to increase the sale of products. Make product in different flavors according to local preference.
3. Make monthly or yearly coupon or scheme for dealer and retailers for product promotion.
4. Payment should be given by easy transaction methods. Coupons of different amount may be issued by OMFED in advance.
5. OMFED should produce such products, which are in more demand, such as Ice Cream, milk chocolates.
6. Expand the transportation facilities for the interior rural areas.
7. The OMFED should increase the market for the fitness curd, as it is more profitable than the other products.
8. If OMFED changes the price of the product then it should make changes with a strong reason so that consumer does not go away.
9. Promotional activity like advertisement in radio & local TV channel should be used.
10. OMFED should give incentives to the dealers and the consumer.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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