

ADVANTAGE OF DAIRY FARMING THROUGH SELF HELP GROUPS AND JOINT LIABILITY GROUPS

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ABSTRACT

A study was carried out in the districts of Barpeta and Kamrup in the state of Assam where the Self Help Group and Joint Liability Group on dairying were more concentrated. A total of 100 respondents were interviewed to study the advantages of SHG and JLG in regards to quality of milk production, marketing, veterinary services etc. The data analysis revealed that 99% of the SHG members falling in medium to high group of advantages and in case of JLG it was 100%. Quality production of milk, fodder cultivation and record keeping excelled the dairying atmosphere in case of SHG whereas JLGs were more advantageous with additional attributes like marketing, quality production of milk with subsequent order of preference in veterinary service, line benefit and quality life. About 64% of the members of SHG and 96% of the members of JLG had the privilege of having credit linkage from different financial institutions including the microfinance institutions.

Keywords : Dairy farming, Joint liability Group (JLG), Self Help Group (SHG).

Dairy farming is not only a source of employment but is also the most suitable production system that has enormous potential to improve the socio-economic status of rural Assam. As a result of implementation of OPERATION FLOOD, India experienced a WHITE REVOLUTION, a revolution of dairy farmers – the men and women, mostly women who breed, feed and care for the cattle and buffalo. Rural incomes, there by living standards have improved. The situation in Assam presents a different picture where the Operation Flood implementation was not to the desired extent resulting in wide variation between the state of Assam and other parts of the country,

particularly as far as improvement in the living standard through dairying is concerned. But with the evolution of private enterprise and new concept like Self Help Group (SHG), Joint Liability Group (JLG) positive impact has been seen in dairy farming over a period of time. Efforts have been made to organize the dispersed dairy farmers in to integrated network of viable commercial unit. Thus, the traditional dairy activities have been transformed to small and medium scale commercial dairy activities over a period of time. Looking into such impressive changes, the National Bank of Agriculture and Rural Development (NABARD) and other commercial banks have come forward to extend financial support to those youths and farmers through Self Help Group (SHG) and Joint Liability Group (JLG). An attempt is therefore made to understand the advantage of dairying through SHG and JLG in

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regards to quality of milk production, fodder cultivation, record keeping, marketing, veterinary services, line benefit and quality life. The assessment of advantage of dairying through Self Help Group (SHG) and Joint Liability Group (JLG) may help planners, policy makers, bankers and MFI to extend financial support to rural youths and farmers through Self Help Group (SHG) and Joint Liability Group (JLG) in other areas.

MATERIALS AND METHODS

The study was conducted in the Barpeta and Kamrup Districts of Assam. Dairy farming is a traditional activity in the districts of Barpeta and Kamrup. Especially few places of Barpeta and Kamrup Districts are famous for various traditional dairy products which indicate relative affluence in milk production on one hand and a dairy atmosphere on the other hand. Because of that, the mindset of people has changed in such a way that entrepreneurial attributes have ventured into the milk business in these two districts. Considering the single man investigation and time bound nature of the study, a minimum sample size was drawn by simple random sampling technique. Respondents who are member of SHG and JLG rearing improved breed of cattle were considered as dairy farmers for the purpose of present study. However attempt was made to cover respondents from areas where dairy development activity was more concentrated.

The questionnaire was pretested in the study area and the necessary changes incorporated before being administered. Information collected included; milk sale, transportation of milk, place of milk sale and facilities required for better marketing of milk.

Data was coded and entered in a spreadsheet and analysis was carried out using the Statistical Procedure For Social Sciences (SPSS) version 16.

RESULTS AND DISCUSSION

Perceived advantage of dairying through the JLGs and SHGs approach is presented in table 1, 2 & 3.

Except one all other respondents falling in medium to high group of advantages in case of SHG members and 100% in case of JLG members was an indication of the fact that their vision was clear about the advantages obtainable by forming group in dairy. But the mean values of 16.3 ± 3.95 and 15.28 ± 2.86 were a matter of concern as the maximum obtainable score was 51 in 17 areas. So the group members both in case of SHG and JLG were reaping the benefits but not to a great extent. Further JLG members obtaining lowered mean value was definitely a matter of greater concern. This area definitely needed a proper address by the concern and competent authorities. The variation in the mean values demanding a test of mean difference and it was found that there existed a significant mean difference between the SHG and JLG members. This might be an outcome of the higher aspiration of JLG members who coming into a group itself was aimed at obtaining more benefits or advantages which they might not have experienced.

The findings in case of credit linkage of SHG and JLG 64% and 96% respectively had the privilege of having it while 36% and 4% respectively were not found to have that advantage at the time of data collection. However, majority of their cases were under processing in different financial institutions/agencies and were likely to obtain the same at an early date. Further, few of them were very skeptical and showed their fearness to obtain the same apprehending the credit linkage to be debt trap if their income generating endeavour could not match up with the liability.

The Table 1 also showed that while 12.5% each of the SHG group took loan from bank and local NGOs, 75% took their opportunity from the Micro Finance Institute (MFI) in case of SHG while in case of JLG 100% were found to have affiliation with MFI.

The findings indicated that among the SHG and JLG dairy farmers MFIs were the most popular credit linkage agencies. It was due to the fact that there were flexibilities in regulation, required

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number of documents were less and they were locally available in easy accessibilities although the interest rates were little in higher side. The findings further indicated that both SHG and JLG members were ready to take calculated risk with MFIs. Looking into the scenario if MFIs could be geared up to set their interest rates at par with the centralized banks or little above than such bank; the respondents might be able to bring a total change in the rural development scenario through dairying in the area under investigation. Credit linkage pattern of such nature with MFI was also reported¹.

Almost all people had opined that their quality life is improved after joining SHGs and JLGs. It was shown in Table 3 that SHGs and JLGs are playing a significant role in improving economic and social status of the respondents. All of them (100%) had opined that their marketing,

Veterinary Service, Record Keeping, Fodder Cultivation had improved after joining SHGs and JLGs. About 52% of SHGs and 80% of JLGs members had opined that they were able to get line benefits through SHGs and JLGs. In an atmosphere of random dairying activities the area like record keeping, quality production of milk, fodder cultivation, marketing, bank finance, veterinary aids and quality life of respondents getting much improved scoring was definitely a matter of healthy sign and assurance of dairying providing tranquility and satisfaction in the area under investigation. JLG members obtaining much line benefits was one of the far reaching factors which might lead dairying in general and the JLG members in particular to higher pedestal of social status. Group members getting incremental benefits through group approach was also reported by Chandrashekar and Lokesh(2009).

Table1. Perceived advantages of dairying through SHG/JLG:

S No	Particular	SHG	JLG	Pooled
1. Advantages of dairying through SHG/JLG	Low	1(1.33)	0	1(1.00)
	Medium	57(76.00)	21(84.00)	78(78.00)
	High	17(22.67)	4(16.00)	21(21.00)
2. Credit linkage	Bank	6 (12.50)	0	6(8.33)
	MFI	36 (75.00)	24 (100)	60(83.33)
	Others	6 (12.50)	0	6 (8.33)

Table 2. Perceived advantages of dairying by SHG and JLG members

Membership	Low	Medium	High	Mean	Std. Deviation	Range	t-value
SHG	1 (1.33)	57 (76.00)	17 (22.67)	16.30	3.95	10-31	1.96*
JLG	0	21 (84.00)	4 (16.00)	15.28	2.86	14-25	
Total	1	78	21	16.05	3.72	10-31	

Figure in parenthesis indicate percentage

*-Significant at 0.05 level of probability

Table 3. Area of change after joining SHG/JLG

SI No	Areas	Opinion	SHG	Percentage	JLG	Percentage
1	Marketing	Improved	75	100	25	100
		Not improved	0	0	0	0
2	Better price of milk	Improved	73	97.33	24	96
		Not improved	2	2.66	1	4
3	Veterinary Service	Improved	75	100	25	100
		Not improved	0	0	0	0
4	Better Position	Improved	72	96	25	100
		Not improved	3	4	0	0
5	Record Keeping	Improved	75	100	25	100
		Not improved	0	0	0	0
6	Fodder Cultivation	Improved	75	100	25	100
		Not improved	0	0	0	0
7	Quality Product	Improved	75	100	24	96
		Not improved	0	0	1	4
8	Line benefits	Improved	39	52	20	80
		Not improved	36	48	5	20
9	Quality Life improvement	Improved	71	94.67	25	100
		Not improved	4	5.33	0	0

CONCLUSION

The study concluded that the SHGs and JLGs had the power to create a socio-economic revolution in the study areas over the individual effort on dairying. Joining SHG or JLG, almost all people had opined that, their quality life was improved by bringing more confidence, courage, skill and empowerment. Quality production of milk, fodder cultivation and record keeping excelled the dairying atmosphere in case of SHG whereas record keeping, fodder cultivation and quality

production with subsequent order of preference in veterinary service, marketing, line benefit and quality life were the maximum advantageous attributes in case of JLG. The findings further indicated that both SHG and JLG members were ready to take calculated risk with Micro-finance Institutions (MFI) for raising their capital for taking up dairy farming activities and it could bring a total change in the rural development scenario if the MFIs could provide capital at lesser interest rates.

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