



RESEARCH ARTICLE

COMBATING SUCCESSFUL RURAL SMALLHOLDING DAIRYING CHALLENGES IN
BANGLADESH THROUGH MILK VITA

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ABSTRACT

Dairying in Bangladesh is generally characterized by small scale, widely dispersed and unorganized milk animal holders, low productivity, lack of assured year-round remunerative producer price for raw milk, inadequate basic infrastructure for provision of production inputs, services and above all lack of professional management practices. Milk Vita – the largest pioneering dairy cooperative venture in Bangladesh deals with 300,000 lt./day liquid milk production, collection, processing and marketing with a diversified set of dairy products nation widely & relentlessly proving the myth of successful rural prosperity as a model of least developed countries. In Bangladesh year round (January – December) rate of milk production took place as 9.97%, 10.01%, 9.20%, 8.59%, 8.17%, 8.37%, 7.27%, 6.50%, 6.46%, 6.86%, 8.73% and 9.88% respectively (Azad, 2001). Nowadays, Tropical Asia stands as the largest milk producing region of the whole world & its efficiency as an integrated smallholder production system provides financial, health and social benefits to millions of rural dwellers (Falvey and Chantalakhana'2001). Dairying may therefore serve as a powerful instrument for the rural prosperity in the least developed countries. Devising a viable dairy development strategy for the rural smallholder calls for detailed analysis of strengths, weaknesses, opportunities and threats posed by the external environment (Hemme and Otte, 2010). In Bangladesh milk vita has successfully developed a cooperative milk production model like AMUL, India beyond existing traditional or informal systems as well as combating all sorts of identified challenges. Milk Vita covers annual growth rate about 17% in raw liquid milk production for the whole nutrition thrust folk in hectic mode augmenting smart synchronization of year round milk production (6.07 MMT), requirement (14.48 MMT) & deficit (7.51 MMT) (4 DLS: 2015) in Bangladesh. Estimation suggests that in Bangladesh milk production increases 5.98% per year where demand increase about 10% due to increase of purchasing capacity and food habit change of consumers. Therefore, the potential plenty requirements for dairy entrepreneurship development / business opportunities in Bangladesh awaits and it may be synchronized by the establishment of small scale dairy enterprises and processing plants through Milk Vita a lot providing appropriate national & international dairy policy and institutional support services forwarding rural prosperity. In this paper the picture of successful dairying in Bangladesh as a least developed country through Milk Vita has been displayed accordingly.

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INTRODUCTION

In the year 1973 The Government of the People's Republic of Bangladesh undertook a project titled Cooperative Dairy Project (1973 – 1978) based on the recommendation jointly made by Danish International Development Agency (DANIDA) and FAO/UNDP in the of famous AMUL Pattern/AMUL Model, India covering two basic objectives, viz: i) Ensuring the regular supply of safe, hygienic and nutritious milk and milk products to city dwellers at a fair price; ii) Raising subsidiary income of poor, landless and marginal farmers living in relatively remote rural areas of the

country by way of purchasing their produced raw milk at a reasonable price through a guaranteed market under the co-operative fold augmenting to fulfill the utmost desire of our father of the nation Bangobandhu Sk.Mujibur Rahman. Under the starting stage of the project, 5 Milk Plants were also set up as i) Tangail: June 1975; ii) Manikgonj: Sept. 1975; iii) Dhaka Dairy Plant: May 1976; iv) Baghabarighat: Nov.1977 & v) Takerhat: Dec. 1977.

Before inception of this Milk Plants the previous history was as follows:

- In 1930: Nobel Laurate Rabindranath Thagore permanently leased 5000 acres of land to the poor dairy farmers of greater Pabna district.

- In 1946: Factory based milk processing plant set –up initiation took place by National Nutrient Company in greater Pabna district.
- In 1947: Factory based milk processing plant set –up initiation suspended.
- In 1948: Late Moklesur Rahman took ownership of National Nutrient Company.
- In 1952: Late Moklasur Rahman renamed the dairy factory as Eastern Milk Products?
- In 1966: Primary Milk Producers' Cooperative Society Ltd. was formed.
- In 1968: Cooperative Marketing Society took the ownership of Primary Milk Producers' Cooperative Society.
- In 1970: Shut down of all activities due to heavy financial loose.

After independences in 1973 our father of The Nation re-started the said project and now it is still on-going!! Here it is mentionable that AMUL started journey at Koira, Gujarat, India collecting 250 lt./day in 1948, on the otherhand we started our event at Baghabarighat collecting 350 lt/day in 1977. The cost of the project was Tk.155.01 million (including foreign grants).

Milk Vita Model

In the context Bangladesh Milk Vita Model for cooperative dairying is already been cemented nation widely. Other milk and milk products producing organization like Aaurong, Pran, Amo, Aftab, Ultra also doing business in the private sector. But PRAN nowadays introduce innovative concepts as dairy hub in different potential places in Bangladesh with a hectic mode indeed. The overall synopsis of Milk Vita Model are concentrated into 05 steps:

- ◉ **Step # 01 : Primary cooperators at village level** ↓
 - (About 1,60,000 milk cooperators nation widely)
- ◉ **Step # 02 : Primary Milk Producing Cooperative Societies** ↓
 - (About 2000 No. PMPCS nation widely)
- ◉ **Step # 03 : Milk Vita Milk Chilling Centres** ↓
 - (About 53 No. MCC nation widely)
- ◉ **Step # 04 : Milk Vita Milk Processing Plants** ↓
 - (03 No. Milk Processing Plants situated at Baghabarighat , Dhaka and Takerhat)
- ◉ **Step # 05 : Marketing of Finished Dairy Products**
 - (Marketing nation widely augmenting money circulation from Milk Vita to Primary Milk Producing Cooperators)

Services provided to the cooperative society members

- Various Livestock Extension Services aiming to Dairy Entrepreneurship Development.
- Artificial Insemination Programme
- Year round cattle vaccination
- Balanced Cattle Feed supply services
- Low service charged cattle loan
- Cattle rearing loan
- Financial incentives for per lt. raw liquid milk supply
- Fodder cultivation programme
- Dairy technical know-how programme

- Co-operative Management
- Training program
- Guaranteed year round liquid milk selling facilities with reasonable prices
- Free Cattle medication/treatment facilities, etc.

Raw liquid milk collection and marketing trend

Milk Vita – the largest pioneering dairy cooperative venture in Bangladesh deals with 3,00,000 lt./day liquid milk production, collection, processing and marketing with a diversified set of dairy products nation widely & relentlessly proving the myth of successful rural prosperity as a model of least developed countries facing a lot of obstacles covering a 60 milk chilling centres. In Bangladesh year round (January –December) rate of milk production took place as 9.97%, 10.01%, 9.20%, 8.59%, 8,17%, 8.37%, 7,27%, 6.50%, 6.46%, 6,86%, 8.73% and 9.88% respectively (Azad, 2001). In the context of Bangladesh milk production is increasing in praiseworthy mode, but unfortunately the marketing of liquid milk is not developed in uniform shape. Milk Vita model for milk production and collection on dairy value chain of smallholder farmers may be replicated in different milk pocket areas/clusters. Simultaneously, Indian AMUL MODEL for milk marketing could be established throughout the country. Although Milk Vita, the cooperators owned organization is partially adopting AMUL concept, but entire implementation of AMUL concept especially marketing system would get highest priority. Because, we should have to recall that still to-date rural dairying is holding about 60% share of milk production in national milk grid. The lion share of these 60% rural smallholding milk producers' may be umbralized into Milk Vita activities minimizing macro and micro challenges. On the other hand PRAN may also take massive programme through the innovative DAIRY HUB concept indeed

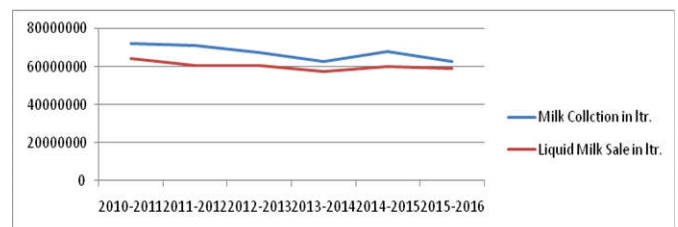


Fig. 1. Liquid milk collection & pasteurized milk marketing trend of Milk Vita

Present scenario of Dairying in Bangladesh

Dairying in Bangladesh is generally characterized by small scale, widely dispersed and unorganized milk animal holders, low productivity, lack of assured year-round remunerative producer price for raw milk, inadequate basic infrastructure for provision of production inputs, services and above all lack of professional management practices. In Bangladesh milk vita has successfully developed a cooperative milk production model like AMUL, India beyond existing traditional or informal systems as well as combating all sorts of identified challenges. Milk Vita covers annual growth rate about 17% in raw liquid milk production for the whole nutrition thrust folk in hectic mode augmenting smart synchronization of year round liquid milk production (6.09 MMT, i.e 43% of demand), requirement (14.02 MMT) & deficit (7.93 MMT, i.e 57% of demand) (DLS: 2014-2015) in Bangladesh.



Fig. 2. When we will be like this?

As per adoption of Raha (2009) and others revealed the pasteurized liquid milk marketing share for branded milk marketing organization in Bangladesh like Milk Vita 52.08%; BRAC Dairy 20.83%; PRAN Dairy 10.42%; Amomilk 2.60%; Bikrampur Dairy 2.59%, Shelaidaha Dairy 2.58%; Aftab Dairy 2.08%; Rangpur Dairy 2.08%; Akiz Dairy 1.04%; Tulip Dairy 0.78% and Grammen /CLDDP 0.03%. The average growth rate of dairying in Bangladesh stands at 6.76% beyond demand growth rate about 10% due to increase of purchasing capacity and food habit change of consumers. In fact dairying in our context may therefore serve as a powerful instrument for the rural prosperity devising a viable dairy development strategy for the rural smallholder calls for detailed analysis of strengths, weaknesses, opportunities and threats posed by the external environment.

Conclusion

Milk Vita after passing a long milestones has identified a few parameters for successful root based smallholding dairying for a lactating dairy cow requiring: a capacity of 7 -10 lt. milk per day; about 300 days lactation period; 12- 13 months calving interval and age at 1st calving about 28 -33 months. The nationwide dairying motivational programmes bound to the dairy cooperators, dairy farmers and above all potential dairy entrepreneurs are really in praiseworthy shape. The Dairy Experts of different Govt./NGO/Institutions are playing a nice role for the ideal bridging between Experts and Potential entrepreneurs accordingly. Therefore, a lot of giant entrepreneurs in Bangladesh are becoming in keen interest for invest in dairy sector considering existing dairy based micro facilities absorption as well as conventional macro dairy development know –how. Therefore, the potential plenty requirements for dairy entrepreneurship development / business opportunities in Bangladesh awaits and it may be synchronized by the establishment of small scale dairy enterprises and processing plants through Milk Vita and other

rapidly raising promising dairy giants a lot providing appropriate national & international dairy policy and institutional support services forwarding rural prosperity.

Proposed future projection for smallholding dairying in Bangladesh

- Introduce chill then fill concept beyond conventional fill then chill concept of milk preservation.
- Introduce solar RMC (Rapid Milk Cooling) in the remotest char areas where raw liquid milk availability is plenty with the coordination of IDCOL, Bangladesh.
- Facilitate the selective milk producers' of Milk Vita and others like PRAN, AAURONG, AKIJ, etc. branded companies for RMC/BMC (Bulk Milk Cooling) devices as credit beyond conventional cattle loan in single digit interest rate.
- Raw liquid milk price payment system should be based on individual fat % basis.
- Govt. policy for fixing up year round minimum raw liquid milk pricing like other crops in Bangladesh for ensuring marketing facilities.
- Patronize the existing branded small scale value added dairy products manufacturing/sweet meet entrepreneurs (ROSSER PFOTA; ROSS; PREMIUM)
- Think dairy and launching Mega Project in Bangladesh as WHITE REVOLUTION BANGLADESH for enormous job opportunities covering root based people like white Revolution/Operation Flood in India.
- Enrich liquid milk consumption motivational activities on modern electronic/print media in hectic mode through Govt. bodies
- Last but not least, establishment of Bangladesh Dairy Research Institute like IDRI, India.

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