STUDY ON SUPPLY OF MILK IN MILK COLLECTION CENTERS IN TRINCOMALEE DISTRICT

By

BRAR

29 SEP 2011

asperally,

Sri Len







DEPARTMENT OF AGRICULTURAL ECONOMICS FACULTY OF AGRICUTURE

EASTERN UNIVERSITY SRI LANKA

2011

PROCESSED Main Library, EUSL

ABSTRACT

Milk is a major component of the food basket of the Sri Lankan population. The dairy industry has a potential in contributing to the development of the economy of the Sri Lanka. Milk production has been traditional industry, playing a key role in infant feeding and alleviating nutritional poverty in all age groups. Milk is marketed mainly through the formal milk market and also partially through informal milk market. The dairy sector is important due to the extensive employment opportunities in it offers.

The objective of the study was to examine the collection and supply of milk to the Milk Collection Centers by dairy producers, retail collectors and Farmer Management Society (FMS), to identify the marketing chain in milk supply and distribution forms of milk supplied, to analyze the Milk Collection Centers in Trincomalee district, and to identify the constraints faced by the milk suppliers and Farmers Management Societies and milk collection centers in collection and disposal of milk.

The study used both primary and secondary data. A field survey was conducted using a pre tested questionnaire. Fourty dairy farmers, fourty milk collectors and twenty five secretaries of Farmer Management Societies were selected for the study by using random sampling method.

Analysis of primary data showed that the daily collection and disposal of milk in Trincomalee district was mainly through the Milk Collection Centers found in the selected DS divisions. The average volume of milk collected and disposed to the processing firms by Milk Collection Centers was 1,820 liters per day. There was no significant difference among the volume of cow milk collected daily by milk collectors in Muthur and Town and Gravets DS divisions. There were no significant differences in the volume of buffalo milk collected daily by milk collectors in Muthur and Kanthale DS divisional areas.

The constraints faced by milk suppliers were low volume of milk collected in lean season, transport problems to reach the MCC, financial problems, price fluctuations and impacts of adverse climatic conditions (flooding, heavy rainfall and drought) in the study area. The average price per liter of milk paid by MCC was Rs. 42.52. The monthly average total expenditure of MCCs was Rs.113, 500, and the average cost of collection for liter of milk was Rs. 3.12.

The average number of producers, retail collectors and FMS supplied milk to the MCCs were 25, 20 and 15 respectively. The constraints faced by Milk Collection Center were inadequate space, inadequate buildings for milk collection, insufficient number of employees working at MCC, low volume of milk supplied and adverse climatic conditions for milk collection.

ii

TABLE OF CONTENTS

CONTENTS	PAGE NO
ABSRACT	i
ACKNOWLEDGEMENT	iii
TABLE OF CONTENTS	iv
LIST OF TABLES	vii
LIST OF FIGURES	ix
ABBREVIATIONS	x

	CHA	PTER 01				
1.	INTE	ODUCTION				
	1.1.	BACK GROUND				
	1.2.	STATEMENT OF PROBLEM				
	1.3.	OBJECTIVES				
	1.4.	RATIONALE				
	1.5.	LIMITATIONS				
	СНА	PTER 02				
2.	THE ATLE					
	2.1.	MILK CONSUMPTION.				
	2.2. 2.3.	DAIRY PRODUCTION LIVESTOCK SECTOR IN SRI LANKA				
		 2.3.1 Dairy sector 2.3.2. Cattle and buffalo production systems in agro climatic and land use zone 				
	2.4	DAIRY MARKETING				
		2.3.2. Milk Collection Centers				

	2.4.	MIL	K SUPPL	Υ	19
	2.5.	Cost	r of mil	K PRODUCTION	20
	2.6.	MIL	K PRICES	5	21
	2.7.	DAI	RY VILL	AGES	23
	2.8.	Inst	ITUTION	IAL INFRA STRUCTURE AND LIVESTOCK SERVICES	24
	2.9.	Poli	CY ISSU	ES RELATED TO DAIRY SECTOR	24
	GILLI				26
				THODOLOGY	
3.				DESCRIPTION	
					20
	3	.1.1.	Descri	ption of Livestock activities	
					30
				STUDY AREA	1.00
				SIS	
				HODOLOGY	
	-	.6.1.		F COLLECTION	
		.6.2.		F TRANSPORTATION	34
		.6.3.			G
	3	.6.4.	REGRE	SSION ANALYSIS	54
					26
					36
4.				DISCUSSIONS	
	4.1.	DAIR	Y PRODU	ICERS AND COLLECTORS	. 36
	4			economic characteristics of milk producers and milk	36
				<i>S</i>	
		4.1	.1.1.	Gender and marital status	
		4.1	.1.2.	Age and Household size	
		4.1	.1.3.	Ethnicity	
	4	4.1.2.		ng records on milk production	
	4	4.1.3.		upply	
	4	4.1.4.		ances from the Organizations/ Institutions	
	4	4.1.5.		ership in Dairy organizations	
		4.1.6.	Const	raints in milk supply	. 42

4.1.7. Dairy animals owned	. 43
4.1.8. Volume of milk produced	44
4.1.9. Volume of milk collected	44
4.1.10. Purchasing price of milk	45
4.1.11. Sales price of milk	. 46
4.1.12. Villages of dairy farming	47
4.1.13. Factors affecting the milk production	50
4.2. Farmer Management Society	. 51
4.2.1. Characteristics of FMS	
4.2.2. Volume of milk collected by FMS daily	54
4.3. MILK COLLECTION CENTERS	55
4.3.1. Marketing channels of milk	
4.3.2. Constraints in MCCs	57
4.3.3. Determination of milk quality	59
4.3.4. Volume of milk collected daily by MCCs	
4.3.5. Milk prices paid by MCC	60
4.3.6. Milk disposal by MCC	61
4.3.7. Monthly expenditure of MCC for milk purchasing	. 62
4.3.7.1. Cost of Collection	63
4.3.7.2. Cost of Chilling	63
CHAPTER 5	65
5. SUMMARY AND CONCLUSIONS	65
5.1. SUMMARY	65
5.2. Conclusion	68
	00

6. REFERENCES

7. ANNEXURES

- 1. QUESTIONNAIRES
- 2. TABLES