

## Dairy Industries Impact on Economy of Rajasthan

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### Abstract

Dairy enterprise is considered a “treasure” of the Indian economy, particularly for rural systems. It provides nutrition, draft animal power, organic manure, supplementary employment, cash income and a 'cushion' for 'drought proofing' in India. The sector involves millions of resource-poor farmers, for whom animal ownership ensures critical livelihood, sustainable farming and economic stability. Dairying in the recent decades has been considered a vital component in the diversification of Indian agriculture, where crop farming is beset with stagnating growth and low absorption of unskilled agricultural laborers.

In Rajasthan, dairying has emerged as an important instrument for providing employment and additional income to households. Dairy development plays a vital role in the subsistence economy of Rajasthan particularly in rural and semi urban areas. Milching animals are the assets in the form of liquid which can be converted into cash whenever needed. The significance of dairy development is increased with the income elasticity.

**Key words:** *Animal Husbandry, Livestock, Allied Activities, Dairying, Inclusive Growth, Income.*

### 1. Introduction

The Dairy Industry in Rajasthan rural life is supplementary activity of crop farming. It is the most dependable source for millions of farmers living in the rural areas to sustain their livelihood. The livestock rearing not only satisfied the need of milk and milk products essential for survival and physical development of mankind, dairy development plays a vital role in the subsistence economy of the society and also generates employment. The direct contribution of dairying to the rural sector through additional income and employment to the producer is well recognized. In the north-western parts of the state livestock rearing and trading is the main occupation and principal source of livelihood which provide stability in income rural areas particularly in drought prone state, where the best species of well defined indigenous, breeds of cattle high milk yielding are dominating and most suitable in arid and desert severe climate conditions.

### 2. Objective

The objective of the proposed study is to examine the challenges in some elements of inclusive growth in Rajasthan.

- To accelerate the pace of increasing rural employment and income through dairy development

- To know present status of dairy industry in Rajasthan and what measures should be taken for expansion for dairy products on the basis of inclusive growth.
- To study the factors for low inclusive growth in Rajasthan, and what can be done to improve its awareness.
- To ensure higher income, better standards of living and healthier nutritional status to dairy farmers and laborers.

### 3. Hypothesis

Hypothesis is that the dairy developments in facilitating inclusive growth in the state can be improved to a marked extent if the controllable variables are properly managed and regulated through a proper strategy. Proper regulation of controllable variables will keep a check on or eliminate the uncontrollable variables. This will require necessary changes in the present policies and practices of dairy industry of Rajasthan. The dairy development in facilitating inclusive growth in Rajasthan will be termed perfect when dairy industry will be capable of increasing profit of the dairy enterprises and giving more revenue to the state government in an economic order.

### 4. Methodology

Data for this study were classified in a primary and secondary. Primary data will be collected by observation or by personal interview of dairy farmers. Secondary data will be collect by using a standard questionnaire. Published and unpublished annual reports and relevant literature will be used in the analysis of data of the concerned organization.

### 5. Concept

The concept of the term 'Inclusive Growth' refers both to the pace and pattern of growth, which is considered, interlinked, and therefore in need to be addressed together. Inclusive Growth is not defined in terms of specific targets such as employment generation or income distribution. These are potential outcomes, not specific goals. Inclusive Growth is typically fueled by market-driven sources of growth with the government playing a facilitating role. Dairying has assumed greater importance in Rajasthan due to its contribution to the rural poor by providing an opportunity to uplift them by generating additional income through it. Animal Husbandry and Dairy development plays a prominent role in the rural economy in supplementing the income of rural households, particularly, the landless and small and marginal farmers. It also provides subsidiary occupation in semi-urban areas and more so for people living in hilly, tribal and drought prone areas where crop output may not sustain the family.`

### 6. Contribution of Dairy Industry in Inclusive Growth of Rajasthan

Dairy Industry is considered a "treasure" of the Indian economy, particularly for the Rajasthan. It provides nutrition, draft animal power, organic manure, supplementary employment, cash income and a 'cushion' for 'drought proofing' in Rajasthan. The sector involves millions of

resource poor farmers, for whom animal ownership ensures critical livelihood, sustainable farming, and economic stability. Dairying in the recent decades has been considered a vital component in the diversification of Rajasthan's agriculture, where crop farming is beset with stagnating growth and low absorption of unskilled agricultural laborers. In order to alleviate the problem of unemployment /under- employment and to maintain domestic tranquility, diversification of crop production into non crop enterprises like dairy farming is of vital importance.

In Rajasthan, dairying at the micro level provides employment and income so many farm families. Dairying is found to provide about 20% of farm employment and about 30% of family income. Hence, Dairying in Rajasthan has a multifunctional role.

## **7. Elements of Inclusive Growth**

Growth may be higher in the last two decades but inclusive growth or equitable development has been missing. It is like running a train with engine only without connecting bogies. Under this paper, important elements of inclusive growth are: Agricultural growth, Employment generation and Poverty reduction, Social sector (Health and Education) and reduction in regional and other disparities. In this paper, important elements of inclusive growth are:-

### **1 Agriculture**

“India needs to sustain an agricultural growth rate of 4.0 to 4.5 percent in order to reduce food insecurity and poverty. At this growth rate, agriculture development could more rapidly diversify into horticulture, fishery, dairying, animal husbandry and other areas”. The vision 2020 document of the National planning Commission. In Rajasthan, Animal husbandry is not merely a subsidiary to Agriculture but it is a major economic activity especially in arid and semi-arid areas, thus providing the much needed insurance against prominently occurring scarcity conditions.

### **2 Livelihood**

In Rajasthan, the profile of livelihoods shows that agriculture and animal husbandry were still the main sources of livelihood, though there was a significant shift to sectors such as mining an quarrying, construction and manufacturing during periods of drought. A positive trend was the increase in the number of women farmers, but on the downside, women were the most affected by under-employment. The livelihood profile of the Rajasthan indicates that despite a high decadal growth rate, unemployment and poverty count ratio were lower than the national averages. The source of livelihood included agriculture, water resources, animal husbandry and forestry.

### **3 Education**

Rajasthan has made a small but a sound network of dairy education. Dairy education aims at giving proper recognition and importance to human resources and for the growth of dairy industry by developing suitable trained personnel. Dairy education aims at developing new

technologies for the betterment of the society and dairy industry. The study shows that Rajasthan had witnessed several successful experiments in dairy education but much still remained to be done. Serious deficiencies like low level of learning, poor motivation, high student - teacher ratio were observed. Several innovative programs such as biotechnology, genetic engineering, food engineering etc. had been introduced to improve the formal daily education.

#### **4 Health**

Milk occupies a unique position among foods, being complete food for infants, and essential protective food for sick and invalids. Milk is one of the richest natural sources of riboflavin (Vt.B2). It is the richest natural sources of calcium having beneficial effect on diseases like hypertension, colon cancer etc. Milk Production is an important rural activity providing Supplementary income, employment and nutrition to millions of rural households. The profile on Health status indicates that despite the creation of an extensive health care infrastructure, the health scenario in Rajasthan was characterized by uneven health care coverage, gender disparities in health attainments and poor health indicators.

#### **5 Poverty**

Dairying has become an important secondary source of income for millions of rural families and has assumed a most important role in providing employment and income generating opportunity. In dairying and allied activities about four hours working per day per animal woman member is devoted, which estimated more than 4 lakh hours manpower force employment and Rs.1500 average monthly income per woman generates. This indicates great possibilities of job orientation and strengthening the women in rural areas to marginal, landless and small landholders.

#### **Inclusive Growth and Economic Growth**

“To those who are hungry, God is bread” – Mahatma Gandhi, 1946

“Everything else can wait, but not agriculture” - Jawaharlal Nehru, 1947

In Rajasthan, Dairy sector has played a significant role in the economic development of the rural community. This sector also contributes significantly in supplementing family incomes and in generating gainful employment in the rural sector. This sector raising incomes compared with health, nutrition and education projects designed to remove or reduce poverty indirectly, or compared with more complex area development projects.

In Rajasthan, economic growth improved significantly in the last two and half decades particularly in the post-reform period. However, the exclusion problems have not been seriously addressed by the government programmes and strategies. The experience of the economic reforms in the last 15 years indicate while there have been improvements in economic growth, foreign exchange, IT revolution, export growth etc, the income distribution has been unequal and only some sections of the population benefited more from higher growth and prosperity.

Exclusion continued in terms of low agriculture growth with increasing visibility in farmers' suicides, low quality employment growth, inadequate development of women and children, concentration of poverty and low human development both geographically and in terms of social categories, increase in rural urban divides and regional disparities (Dev, 2008).

Rajasthan, the Animal Husbandry sector is harboring a fabulous livestock wealth having very significant role in providing subsidiary to major sources of income to the large numbers of cultivators, small farmers, marginal farmers, BPL families and agricultural laborers. Milk enterprise generates income on regular basis as against the crop enterprise, which is mostly seasonal and is more prone to droughts. In Rajasthan, Animal Husbandry is major economic activity contributes 13% of the State's net domestic product.

### **Conclusion**

The dairy enterprise has changed the social and economic condition of the rural masses. Due to the increasing of income the lifestyle of the milk producers have changed, extension of education, self help attitudes, group working, self decision, changing in psychological attitude and development of entrepreneurship observed in milk producers. The big and medium farmers are dominating on DCS with respect to number, sale of milk and representation in managing committees. The landless farmers and weaker sections are sharing the highest ratio in marketed surplus in production but, the share is very negligible part in the total marketed surplus milk in co-operatives.

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