

A Case Study on
Rejuvenating Rural Economy Via
Community Dairy enterprise in rural Tamil Nadu



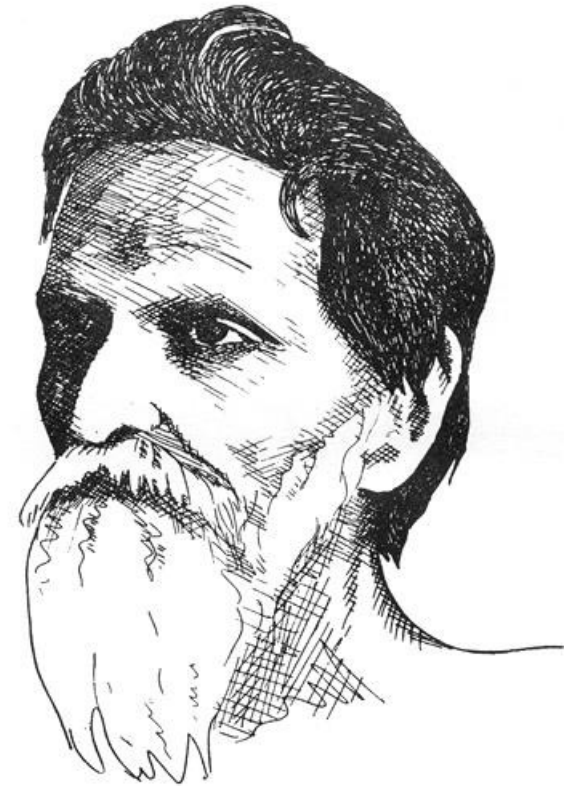
Experimentation of ASSEFA in India for the last five decades..

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ASEC Online SSE Academy

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Who Are We?

- Vinobha Bhave, the spiritual heir of Gandhi, started “**Land gift movement**” to bridge the gap between haves & have not.
- He did a mission of trekking 14 years across the country since 1951 which enabled him to collect 4.38 *million acres* of lands as gifts from the land holding farmers.
- ASSEFA, with the blessings of Vinoba Bhave, undertook the followup of the Movement since 1968 of rehabilitating the landless farmers.
- Gradually, ASSEFA broadened its mission to bring in vulnerable for their holistic development.



Vinoba Bhave

What is our Motto?

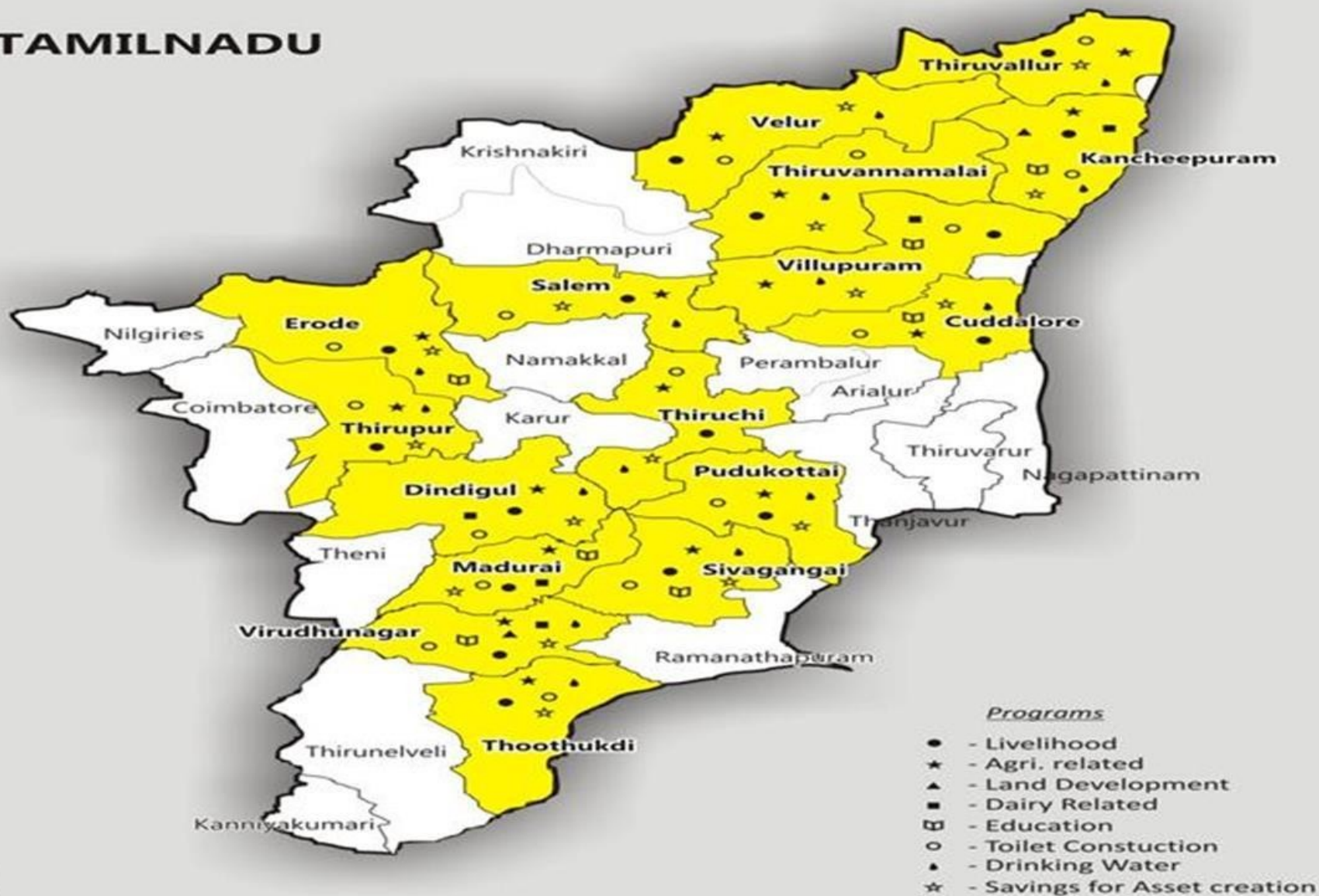
“Establish Village Republic i.e., *self-sufficient, self-reliant and self-managed communities* based on the principles of freedom, economical equality and social justice”.

Where are we ?

- ASSEFA works in **rural India** across eight states, intensively in Tamil Nadu.
- Over **1.07 million families** across 10,500 villages are part of this mission.
- Involved with multi facet socio-economic actions through **162 CBOs** (*Community Based organizations*), promoted exclusively under this mission.

ASSEFA PROGRAMS & COVERAGE

TAMILNADU



What is its Approach to Development ?

- Initial task is to **mobilise community** to participate in development process.
- Support need based **economical programs**.
- Simultaneously deliver services - *children education, health care, social security, etc.*, to **enhance quality of life**.
- For Program Sustainability
 - Establish program **specific mutual groups** at village level **and federate** at area & state levels, register under proper legal entity to manage the programs.
 - Build up **Capitals/Resources** to continue the programs and
 - **Linkages** with external institutions and govts
- ASSEFA withdraws, once the community graduates to manage on its own. This, generally takes between 12 to 15 yrs.

Trusteeship Based Community Organisations

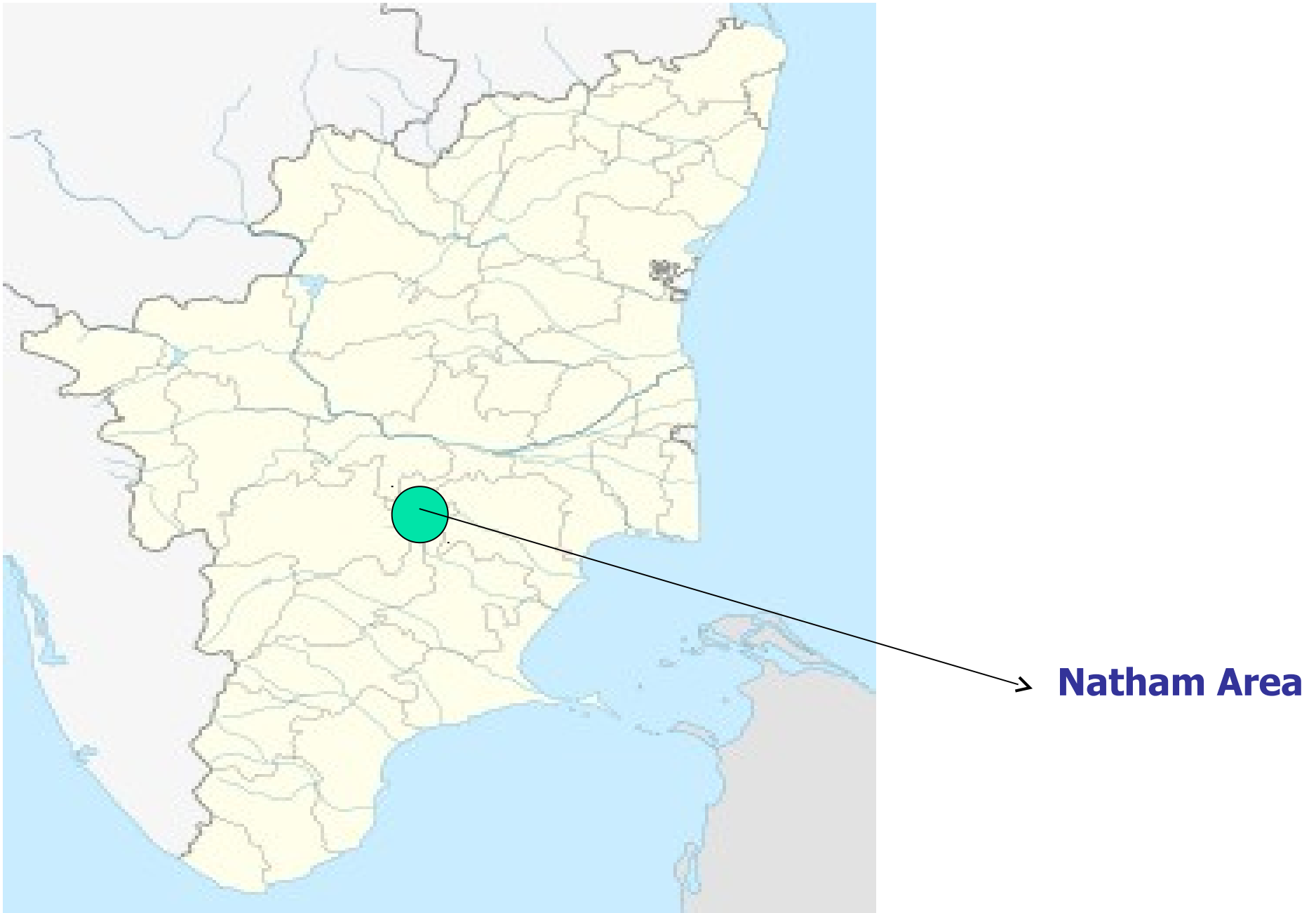
- All the federated and apex bodies of mutuality groups are formed under **Gandhian Trusteeship Model**.
- Promoted **162 such community Organisations** with suitable legal entity with the following features:
 - Decentralised approach
 - Participation of community in governance
 - No individual ownership. Communities are the owners /trustees
 - Democratic approach
 - Profit/surplus invested through provision of extension services/social services to benefit more people.

Community Dairy project in “Natham” Area

Feel of the area, people & occupation



Map showing the Project Area in Tamil Nadu



Geographical Features of Natham Area..

- Located in **Dindugul district**, about 38 kms north of Madurai.
- A **hilly terrain** with forest cover.
- Annual rainfall - 900mm
- Fertile red soil with tree crops: *Mango, Guava, Tamarind and coconut..*
- Abundant livestock: Sheep, goats, cows and desi bullocks..

The Inhabitants

- Over 50% people are “**Valayars**”, the **semi tribe** and the **traditional hunters**.
- The total population 1,58,411, of which 55% of workforces. These include
 - **Cultivators** : **40%**
 - *Small farmers* : 30%
 - *Marginal farmers* : 50%
 - *Others* : 20%
 - **Agri. Labours** : **50%**
 - **Others** : **10%**

ASSEFA's Intervention

- Being a backward in nature, ASSEFA selected this area for **IDPs** (*Integrated Development Programs*) in the late 1970's...
- Initial intervention was to develop barren and wastelands to **settle poor farmers**.
- Subsequently, self help groups were formed and introduced "**Thriffs and Savings**" to meet emergency needs of the women.
- Schools were opened in villages, where there are no schools to provide **quality education for the children**.

Dairy program for women

- Dairy, being a suitable and comfortable, enterprise, introduced for **rural women**.
- The main advantages include.
 - Regular **cash flow** by the sale of surplus milk.
 - **Supplementary nutrition** for women and children.
 - Enable **multiple source of income** and thereby reduce the risk on dependency on agriculture by farmers.
 - Cow urine and dung, a good source for manufacturing **organic manure** and **pest repellent**

Evolution of Dairy program in ASSEFA

- **Mutual dairy groups** formed in the villages with interested women.
- Provided **training** in “animal mgnt”, “feed mgnt”, “vet care” & “hygienic milk production”.
- Arranged **financial support** to buy cows..
- Women were **unable to sell** in the villages at one stage, when the production increased.
- Hence, linked with **State Dairy cooperative** for marketing.

Beginning of comprehensive intervention in Dairying

- Soon the milk producers started **facing problems** from the cooperative, as they were the only player in the sector.
- Hence, situation demanded a **comprehensive services** for sustainable livelihoods.
- **Milk processing unit** was established in 2000 AD at Natham.
- Like wise, **four such milk processing units** were established in deserving areas in Tamil nadu.

Comprehensive Services to

The Milk Producers

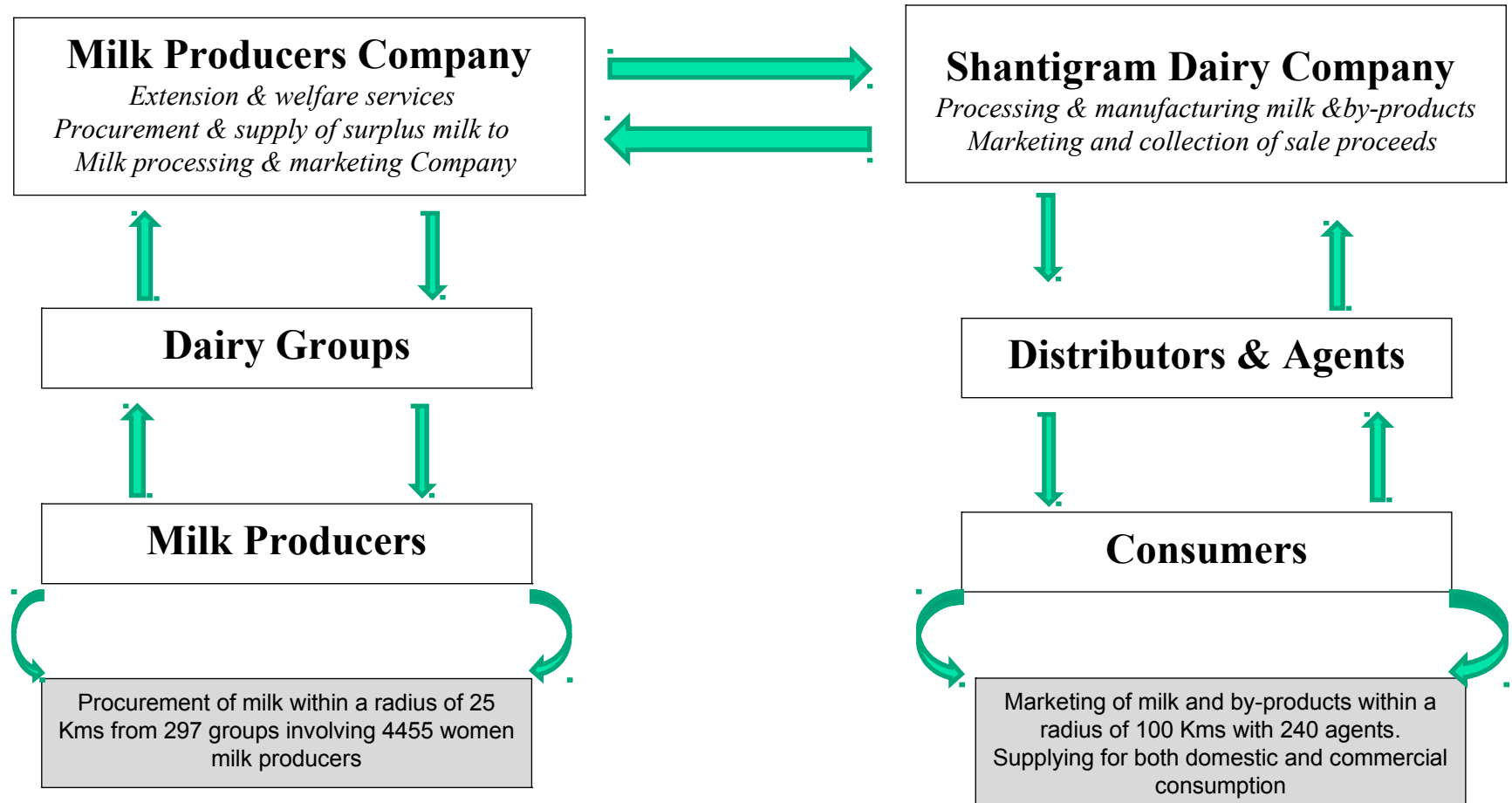
- **Skill training** in animal management
- **Credit** for purchase and maintenance of cows
- **Replacement of new animal** in case of death..
- Supply of **concentrated feeds**..
- **Veterinary care** services including vaccination A.I
- **Marketing** surplus milk production.
- **Community based social pension** for vulnerable producers – *widows, destitute and deserted* ladies.
- Serving **4,553 women** inhabited across **290 villages**..

Production of multiple products to cater

Different Consumers..

- Factory process raw milks to produce **milks and by-products** to cater the needs of various consumers.
 - Milk for children & aged people (*Double toned milk*)
 - Milk for women and normal people (*Toned milk*)
 - Milk for youths (*Standard milk*).
 - Milk for commercial purposes (*Full cream milk*)
- Milk by-products include
 - Butter, Ghee, Yogurt (curd), Butter milk and Milk Sweets
- Marketing on an average **30,000 litres per day..**

Organizational Structure of Community Dairy Organisations



Dairy Enterprise – At a glance..



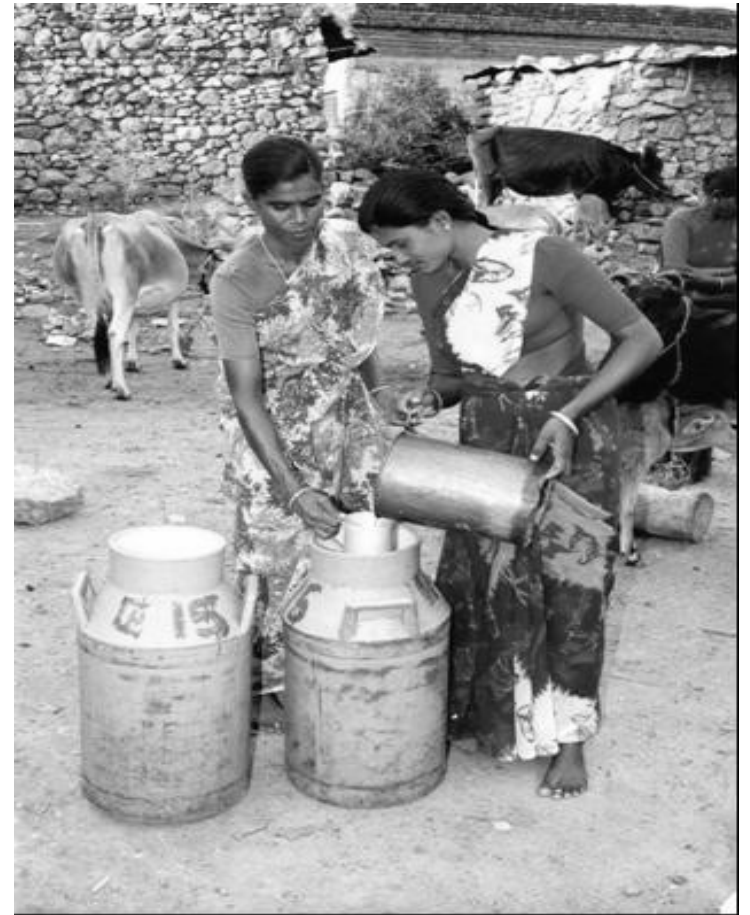


Veterinary Care..





Surplus milk collection in the villages



Transporting milk to the factory..



Checking the quality of milk in process..



Processing of milk..



Pocketing processed milk..



OUR BRAND SEVA / SARVODAYA..



Milk producers attended 20th year celebration of the company in January 2020



Milk producers attended 20th year celebration of the company in January 2020....



How this entreprise fit into five dimensions of SSE...

1. Socio-economic benefits of the Communities
2. Ecological conservation.
3. Economic Sustainability
4. Socially Responsible Governance
5. Edifying ethical values..

Socio-Economic Benefits of the communities

1. Employment/income generation opportunities created for **6,580 rural people**.
2. Inflow of nearly **Euros 5.0 mn** to the villages every year.
3. Nearly **60% milk producers** earn more than income fixed for BPL.
4. A certain percentage of the profit used for **social pension** to vulnerable producers.
5. **Community managed livestock insurance** help the producers to get immediate replacement of animal in case of death.

Ecological Conservation

1. Helps farmers to strengthen the **inter-relationship of livestock, soil and agriculture**
2. Urine and cow dungs are the best source for producing **organic manure** and **pest repellent**.
3. The Factory uses **energy saving** technology to reduce power consumption and planning to use **SOLAR**, the renewable energy.

Economic Sustainability

1. Running for more than **two decades** without any external financial aid.
2. Invested its profit in
 - Increasing the **outreach** from 600 to 4560 women
 - Expanded the **capacity of the plant** from 10,000 to 30,000 LPD
3. During **Covid 19**, the entreprise **continued its operation**.
4. However, it's volume of market was reduced by 60 %.
5. The surplus milks were converted into by-products such as milk powder.
6. Raised working capital from mainstream financial institutions to manage the situation.

Socially Responsible Governance

1. The enterprise adopted the **GANDHIAN TRUSTEESHIP** Model.
2. No individuals are owners. **ONLY** producers groups are the **trustees/custodians** of the enterprise.
3. The profit earned are **not shared** among shareholders, but **ploughed back** to benefit more women..
4. The shareholders and the Directors are **milk producers**. Directors are elected every three years.
5. The **roles** of the Board of Directors and General Body members, **as defined in the Companies Act**, are strictly followed.

Edifying Ethical Values

1. **Does this enterprise is placing welfare of the milk producers over the profit?**
2. Profit is a must to survive and sustain the programs.
3. Here, the enterprise uses the profit to
 - Expand to benefit more rural women.
 - Provide social pension to vulnerable women.
 - Improve the capacity of producers to take up dairying as main occupation..

Your judgement on this enterprise

What is the link to SDG..

SUSTAINABLE DEVELOPMENT GOALS



**Support Dairy...Rejuvenate
rural economy...**



Thanking You

For further information, contact

ASSEFA

279, Avvai Shanmugam Road

Royapettah,

Chennai – 600 014

India

**E-mail: assefaho@gmail.com /
logankumar@rediffmail.com**