**Role of Dairy Co-operative in Rural Development**

**(A Case Study of NDPCL, Kathar VDC, Chitwan District)**

**A Thesis Submitted to**

**The Department of Economics and Rural Development**

**Saptagandaki Multiple Campus, Bharatpur Chitwan**

**in partial fulfillment of the requirements for the**

**Degree ofMaster of Arts (M.A.)**

**in**

**Rural Development**

**By**

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# Recommendation Letter

This thesis entitled **Role of Dairy Co-operative in Rural Development: A Case Study of Nandini Dairy Producers Co-operative Ltd., KatharVDC, Chitwan District** has been prepared by **Mr. BishnuBahadurThapa** under my guidance and supervision. I hereby forward this thesis to the evaluation committee for final evaluation and approval.

………………………..

(Krishna Prasad Gyawali)

Thesis Supervisor

Date: 26-06-2014

(12-03-2071)

# APPROVAL LETTER

The thesis entitled **Role of Dairy Co-operative in Rural Development: A Case Study of Nandini Dairy Producers Co-operative Ltd., KatharVDC, Chitwan District**submitted by **Mr. BishnuBahadurThapa**in partial fulfillment of the requirements for the Master's Degree (M.A.) in Rural Development has been approved by the evaluation committee.

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(Krishna Prasad Gyawali)

Thesis Supervisor

Date: 06-07-2014

(22-03-2071)

# 

# DECLARATION

I hereby declare that the thesis entitled **Role of Dairy Co-operative in Rural Development: A Case Study of Nandini Dairy Producers Co-operative Ltd., KatharVDC, Chitwan District**. Submitted to the Department of Economics and Rural Development Saptagandaki Multiple Campus, Bharatpur Chitwan, in partial fulfillment of the requirements for the degree of arts in rural development is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of preparing this thesis. The results of this thesis have not been presented anywhere else for the award of any degree or for any other purposes. I assure that no part of the content of this thesis has been published in any form before.

……………….

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**ABSTRACT**

This thesis entitled **Role of Dairy Co-operative in Rural Development: A Case Study of Nandini Dairy Producers Co-operative Ltd., Kathar VDC, Chitwan District** has been prepared for the fulfillment of Master of Arts in Rural Development. There are six dairy co-operatives running in KatharVDC. Among them, the Nandini Dairy Producers Co-operative (NDPCL) is a leading co-operatives in this VDC. NDPCL collects milk from its members, non-member farmers and other co-operatives of Kathar and its' neighboring VDCs. The main objective of the study is to find out the role of dairy co-operative in rural development of KatharVDC, Chitwan district. However, specific objectives are to analyze the socio-economic condition of the dairy farmers of the study area, to analyze dairy product and income earning from it at household level, to examine the functions and performance of NDPCL and to examine the problems and prospects of NDPCL.

The study followed the rule and regulation of social research methodology with the data both qualitative and quantitative. It based on descriptive and analytical research design. Both primary and secondary sources were used for collecting data. Among the total of 211 shareholders of the co-operative, 56 HHs were selected using simple random sampling from the farmers and 2 were selected purposively from the executive committee of the co-operative. For analyzing collected data computer system and different statistical tools were applied.

Study result shows that 48.60 percent found male and 51.40 percent female out of 358 total populations. Regarding the total population 60.71 percent of them had engaged since 17 years till now. 95.74 percent members are from Brahmin Chhetri ethnicity, Janajati and Natives are only 4.26 percent. Likewise 65.02 percent population was active population, below 5years were 24.43 percent and the age group of 60 and above were only 10.55 percent. Among the study population 17.88 percent population were illiterate, 27.37 percent population were primary level,26.26 percent weresecondary level, 11.73 percent population were higher secondary level and 16.76 percent were bachelor and above.

Out of total animals (220)of 56 HHs’ 7.17percent HHs hold only buffalo, 53.56 percent have only cow and 39.27 percent HHs have both cow and buffalo and 14.29 percent farmer holds 32.73 percent cattle,25 percent HHs have 12.73 percent cattle,28.57 percent farmer have 21.81 percent cattle and lastly 32.14 percent commercial farmers hold 32.73 percent of total cattle.Total HHs of study (56) produced 596 ltr. Milk daily and earn Rs.20,860 daily.In the study area of 56 HHs earned monthly Rs 16,36,000. including dairy and other sectors.

Land holding pattern among farmers shows more than 39 percent have 43 percent land of total land while 3.53 percent HHs covered 12.9 percent of total land.

Income from by product (dung, ghee, mohi, calves etc) is not remarkable because of self consumption. The production cost of dairying animals per day is Rs. 40.75 without adding the cost of straw and grass because farmers get it from their field themselves and they do not pay for it.

Dairy co-operative plays an important role in rural development. Although, some problems are attached on it, and should be removed. Some suggestions have been made for the co-operative and its' members. Co-operative should encourage farmers to keep high bread animals, commercialization of dairy production, most of the farmers keep fewer than three animals it is not remarkable on commercial dairy farming, supply of inputs should be accessible to all kinds of farmers in appropriate price, co-operative should run according to the norms of co-operative instead of trading corporate as buyer and seller of other goods, government supervision and monitoring should be made regularly, livestock insurance should be imposed through co-operatives.

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# LIST OF ACRONYMS/ABBREVIATIONS

APP = Agricultural Perspective Plan

CBS = Central Burro of Spastics

CDCAN = Central Dairy Co-operative Association Ltd.

DDC = Dairy Development Corporation

DDC = District Development Committee

Dev. = Development

DLSO = District Livestock Office

DLSO = District Livestock Service Office

DMCPU = District Milk Producers Co-operative Union

DMPA = District Milk Producers Association

ED = Executive Director

GDP = Gross Domestic Product

GoN = Government of Nepal

HHs = Households

HMG = His Majesty's Government

ICA = International Co-operative Alliance

INGO = International Non-governmental Organization

Ltd. = Limited

Ltr. = Litre

MoA = Ministry of Agriculture

MoF = Ministry of Finance

MPA = Milk Producer Association

MPCSs = Milk producers Co-operatives societies

NCDB = National Co-operative Development Board

NDDB = National Dairy Development Board

NDPCL = Nandini Dairy Producer Co-operative Limited

NGO = Non-governmental Organization

Nos. = Numbers

PACT = Project for Agriculture Commercialization and Trade

USA = United States of America

VDC = Village Development Committee

WTO = World Trade Organization