

JOB ROLE – DAIRY FARMER

Sector – Agriculture

(Qualification Pack Code: AGR/Q4101)

Class XII



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UNIT 4: ENTREPRENEURSHIP

Session 2: Marketing of Inputs and Outputs in Dairy Business

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Session Objectives

- The student will be able to:
- Describe market information about inputs required in a dairy farm.
- Discuss marketing of milk and milk products categories of dairy entrepreneurs.
- Explain strategies for developing confidence among market players

Introduction

For efficient and economic milk production, timely purchase of inputs at reasonable rates is essential. As milk and milk products are perishable in nature, they cannot be kept in a farm unsold for a long period. Therefore, their immediate disposal is important.

Market information About Inputs Required In a Dairy Farm

The inputs required and their characteristics to run a dairy farm are mentioned in Table below:

Inputs	Characteristics
Feed and feed supplements	These are the major inputs required in a dairy farm. But they incur the maximum cost. The purchase of feed and feed supplements depends on the number of animals, stage of their life cycle (lactation and pregnancy stage), work performed by them (if it is a milch or draft animal), gender, etc.
Medicines and other chemicals	Medicines are needed to cure animals of various diseases and infections. Some chemicals like cleaning agents, etc., are also needed.
Equipment and tools	A number of tools are required — from milking utensils to transportation vehicles — to run a dairy farm.
Workforce	Services like veterinary, equipment repair and maintenance, etc., are needed in the farm for which efficient workforce is required.

Market Updates With Special Focus On E-marketing

Before an entrepreneur decides to process and market a dairy product, it is important to know the potential market for each product, to ensure when, where and how much of each product is to be manufactured and marketed. Therefore, it requires securing and utilising marketing information that must address the factors as given in Fig.



Fig. 5.5: Marketing information

(cont...)

Market Updates With Special Focus On E-marketing

1. E-marketing provides an opportunity of buying and selling products online, and getting information and services on the Internet and other online platforms.
2. It includes use of a company website in conjunction with online promotional techniques, such as search engines, banner advertising, direct e-mail and links or services from other websites.
3. In online business, one can buy or sell products 24×7 round the year without employing anyone.
4. E-marketing websites provide one with flexibility, efficiency and security of e-paying taxes, fee, renewal of licences, etc.

Marketing of Milk and Milk Products

1. Price based on fat and SNF

The percentage of fat and Solid Not Fat (SNF) is a basis for setting the price of milk and milk products.

2. Open market based price

Another important way to fix the price of milk and milk products is to set the price at par with the price prevailing in the market.

3. Input based pricing or mark-up price

Price mechanism, the total cost of inputs is calculated and a reasonable profit is added. We already know that the main buyers of milk and milk products can be the neighbourhood, open market or local collector or shops, local dairy or cooperative society, local processors like sweet shops, caterers, hotels, etc. The selection of a buyer depends on the demand and supply condition.

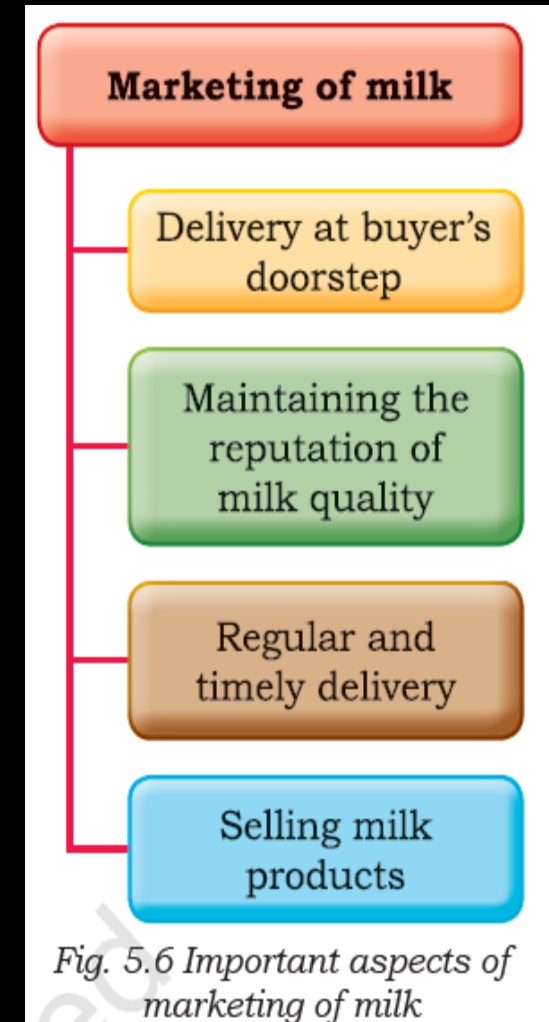


Fig. 5.6 Important aspects of marketing of milk

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Developing Confidence Among Market Players

1. Financier

Finance is the backbone of any business. Timely and adequate finance is the key to successful business and can be achieved by timely repayment of loan, record and document maintenance.

2. Input suppliers

Cordial relations with suppliers can get the owner a profitable deal. Discounts, quality inputs, timely supply, after-sale services, etc., are the benefits one can derive out of cordial relationship with the suppliers.

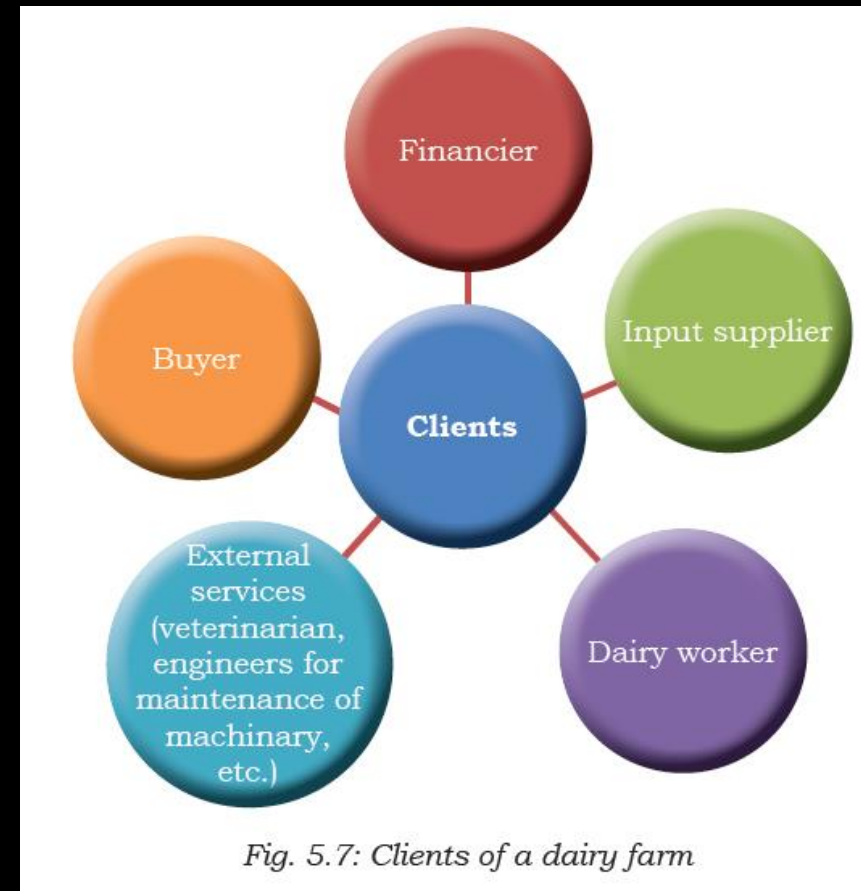


Fig. 5.7: Clients of a dairy farm

Developing Confidence Among Market Players

3. Dairy workers

Cordial relations with labourers help in retaining them and result in less absenteeism. Besides, the workers also develop empathetic behaviour towards the animals. Time-to-time incentives and rewards motivate them to work hard.

4. External services

On many occasions, expert advice of a veterinarian is required for regular animal welfare and in case of an emergency. Details of the facility and service management need to be maintained and be accessible to those working in the farm at all times.

Developing Confidence Among Market Players

There can be a variety of buyers. Various category of buyers are shown in Table below:

Buyers of milk and milk products	Buyers of organic manure	Buyers of surplus and culled animals
<ul style="list-style-type: none">• People in the neighbourhood• Open market• Local dairy or cooperative society• Local shops, caterers and hotels	<ul style="list-style-type: none">• Local famers for crop production• Wholesellers	<ul style="list-style-type: none">• Local dairy farmers• Local traders• Traders from other place

Summary

In this session, you have learnt about market information about inputs required in a dairy farm, marketing of milk and milk products and developing confidence among market players.

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