

# Dairy shows the way, shields farmers from cash woes

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**Pune, Dec 20:** At a time when almost the entire farming and dairy sector has been hit by the government's demonetisation move, life for farmers who supply milk to Hatsun Agro Products, owner of popular brands such as Arun Icecreams, Arokya Milk and Hatsun Curd and possibly the country's largest private sector brand in terms of milk handling, has been pretty smooth. The dairy had gone cashless over one-and-a-half years ago.

The Hatsun network encompasses more than three lakh farmers (from whom it procures its supplies), close to 2,800 sales outlets and 3,000 vehicle operators, besides its own employees across four states including Tamil Nadu, Karnataka, Andhra Pradesh

and Telangana. The dairy company, which handles 28 lakh litres of milk on a daily basis, is also expanding its outlets in Maharashtra when most firms are finding it difficult to keep operations running.

According to Prasanna Venkatesh J, AVP, Marketing & Sales, Hatsun Agro Product, the company has escaped any kind of negative impact of the currency ban because the farmers were told to open bank accounts. "It was difficult convincing them but the move has paid off well for the company. Procurement has not suffered and farmers are at least assured that the money is in their accounts," he said.

According to the company system, when the farmer goes to the milk collection centre, the bill is generated on the ba-



sis of milk fats, solid non fats and the money is credited in the farmers account once in 10 days. Most farmers supply milk twice a day and therefore would possibly have some 20 bills. When the money is credited into the

farmers accounts, the farmer gets an sms from the bank. Milk sales contribute about ₹75 crore a month for Hatsun. Other product sales work out to ₹350 crore a month, as per market reports.

The firm is also procuring

milk from some 10,000-12,000 farmers from south Maharashtra regions such as Solapur, Kolhapur and the Ichalkaranji belt which is sent for processing in the Belgaum and Hyderabad facilities. In Maharashtra as

well, the same banking model is used to make payments to farmers, he said. The company has some 15 processing facilities. It opened its 1,000th Hatsun Daily outlet in Chennai and there are plans to treble the number during the next 12 months to meet the rising demand of its products. In Maharashtra, the company currently has some 16 such outlets and the plan is to touch 100 outlets in a year, he said.

Interestingly, according to industry reports, farmers in Gujarat are also opening bank accounts. Amul — owned by India's largest milk cooperative chain, Gujarat Cooperative Milk Marketing Federation (GCMMF) has helped farmers open 5.4 lakh new savings accounts, taking the total number of banked milk farmers to over 17 lakh.

GCMMF — jointly owned by over 36 lakh milk producers across 18,600 villages in Gujarat has asked dairies to make payments to all big farmers through bank transfers. Small farmers will still get it in cash, thanks to ₹50,000 per week withdrawal relaxation granted to societies operating current accounts in district cooperative banks.

Farmers attached to dairies in the cooperative sector in Maharashtra were affected the most since a majority of them have accounts in District Credit Cooperative Banks (DCCBs). Almost 50% of the 50,000 farmers who provide milk to Katraj Dairy based out of Pune are without a bank account. Yet another dairy Gokul in Kolhapur procures milk from some 5.55 lakh farmers who do not have a bank account.