



Save Amul from the politics of milk

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At Sandesar, just 10 km off Anand in Gujarat, it is a scene straight out of the old [Bollywood](#) flick *Manthan*. At sunset, a motley crowd of around 300-400 rural women, kids and youngsters, gathers outside a milk collection counter, suppressed giggles occasionally disturbing the otherwise hushed setting. They quickly empty their pots carrying fresh milk, around 1,000 litres daily collectively, and disappear into the chilly dusk outside, with their day's earnings.

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Cooperatives may be passé in the era of capitalism, both the blue blood and crony versions. As India continues its march towards the free, open market regime, such cooperatives, where farmers claim ownership, may look completely incongruous. But history tells us that the Operation Flood or the White Revolution, the world's biggest dairy development programme launched in 1970, has been an outstanding success by any yardstick, thanks to these steadfast cooperatives, and made India the largest milk producer in the world today.

GCMMF, jointly owned by some 3.5 million milk producers in Gujarat and neighbouring states, has seen its 68-year-old brand [Amul](#) grow at a [compounded annual growth rate](#) of 23-24% over last five years. No wonder, Amul brings smiles to thousands of faceless Indian farmers, the smile being contagious to consumers as well.

"During 2014-15, the annual turnover of the Federation will be close to Rs 22,000 crore, a 22-23% increase from the last year's Rs 18,143 crore, and way ahead of Rs 8,005 crore clocked in 2009-10," RS Sodhi, managing director of the Federation, told dna. This takes it ahead of all food companies, both Indian and multinationals currently operating in the country.

Amul is an ever-growing cash-cow, and literally, spreading the 'Taste of India' abroad.

It's the prophecy of Verghese Kurien, father of the White Revolution in India, whose biography is titled 'I too had a dream'. Five decades ago, from a sleepy town of Anand then, he built an institution of excellence for India. He developed a logistics chain to produce and deliver hygienic and nutritious milk and milk products to millions, and created the world's largest food marketing business, and the country's biggest food brand.

Ratan N Tata, in his foreword in Kurien's biography, said the cooperatives he created have also become powerful agents of social change in empowering women and in embedding democracy at the grassroots level.

Kurien's experiments are part of Gujarat's folklore. After the diary business, his acumen even enchanted cocoa farmers in his home state of Kerala, in seventies, when they were struggling with their produce not attracting reasonable price. "There was only one buyer then, and obviously, it was in its interest to suppress the price. With Amul's entry then, cocoa prices moved up three times in one year," recalls Sodhi.

He says Amul's chocolate plant in Gujarat, the only one so far, is running at more than 100% capacity. "Like how Amul ice-creams made other big players run for a cover, our [chocolates](#) are capable of competing with the best in the world. We are expanding the capacity of the plant now as demand far exceeds production," he says, adding that the priority, however, is milk.

So, if it can be done in milk and chocolates, why not others?

Why can't the backward and forward integration that Kurien implemented in the diary sector be emulated today in other sectors? The government is procuring several commodities such as wheat, barley, copra, jute, sugarcane, cotton and groundnut, among others, from the open market under the minimum support price (MSP) mechanism to counter the vagaries of the market and its direct impact on farmers.

Since there are no processing and forward integration models in place, the purchased goods find it difficult to get to the marketplace, rendering it stale and inedible soon. Of course, it is not government's [business](#) to run such businesses, but cooperatives can surely step in. For instance, if there a system in place to process the procured wheat, like how Amul treats the milk it procures, it could have sold good quality wheat powder or some other wheat-based product under a brand name. It could surely offer the consumer quality and price that may send private players into a tizzy.

But it needs a strong political will.

"What is Amul today is primarily thanks to the fusion of selfless and dedicated leadership of Tribhuvandas Patel and committed and honest professionals like Verghese Kurien. In India, you may find hundreds of professionals, but the dedicated leadership is lacking," says Sodhi.

Patel, an extremely popular social worker, is the one who laid the foundation for the first cooperative -- Kaira District Co-operative Milk Producers' Union in Anand, and invited Kurien to run and expand the business.

"So clear and unshakable were his (Patel's) priorities that if any politician even tried to put as much as a finger on the farmers' milk cooperatives, he would have cut off their entire hand," Kurien was quoted as saying by his biographer.

Amul, which is striving to make inroads into other states, is now facing a big roadblock from political establishments. The milk federation is by all means apolitical. Its historical link to the country's struggles and survival post-Independence, and a perceived propinquity to the grand old party is only incidental.

This also means that it has no political masters. Amul doesn't need any political patronage. Nor it wants to seek blessings from local politicians for doing its daily business – of creating new cooperatives and fixing milk prices. Farmers being a massive vote-bank, political parties increasingly find Amul a voluntary intruder.

Their shrieks and the cacophony of capitalism must not drown Amul's roar.