

COMPANY ANALYSIS ON AMUL DAIRY

Company Analysis Report in partial fulfilment of the
requirements for the award of the degree of

BACHELOR OF COMMERCE

OF

DAVANGERE UNIVERSITY



BY NAME

RIYA BAFNA

REG.NO

U13SJ21C0059

UNDER THE GUIDANCE OF

MR.MOHANKUMAR M

DEPARTMENT OF COMMERCE

S J M Arts, Science and Commerce

COLLEGE, CHITRADUGRA

DAVANGERE UNIVERSITY

2020-2023

DECLARATION

I hereby declare that the company analysis report of **AMUL DAIRY** Submitted to the Department of Commerce, S J M College, Chitradurga, Davangere university, is an original record of an original work done by me under the guidance of **MR.MOHANKUMAR M** Department OF commerce and managementin Davangere University, and this company analysis report is submitted in partial fulfilment of requirements for the award bachelor degree of Commerce by Davangere university.

I also declare that this report is the outcome of my own efforts and that is has not been submitted to any other university or institute for the award of Any other degree or diploma or certificates.

PLACE: CHITRADURGA

NAME : RIYA BAFNA

DATE:

REGISTER NUMBER: U13SJ21C0059

CERTIFICATE OF ORIGINALITY

This is to certify that the company analysis report titled "**AMUL DAIRY**" is an original work of **RIYA BAFNA** bearing university registration number **U13SJ21C0059** and being submitted in partial fulfilment for the award of the Bachelor Degree in Commerce by Davangere university. The report has not been submitted earlier either to this university/institution for the fulfilment of the requirement of a course of study.

SIGNATURE OF THE GUIDE

SIGNATURE OF THE HOD

DATE:

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Chapter - 1

Introduction

The Amul logo features the word "Amul" in a white, stylized, gothic-style font. The letters are bold and have a slightly irregular, hand-drawn appearance. The logo is set against a solid red rectangular background.The slogan "The Taste of India" is written in a white, serif font. It is centered within a horizontal green bar. Below the green bar is a smaller, solid red rectangular bar.

FMCG:- Industry Overview

Indian FMCG sector size poised to reach US\$ 47 bn by 2013 and US\$ 74 bn by 2018, growing annually at 10-12%.

□ By 2025, total consumption is likely to quadruple making India the 5th largest consumer market. □ Organized retail is expected to grow by 14-18% by 2015 thereby boosting FMCG growth

. □ Indian rural market currently worth US\$ 9 bn is expected to become a US\$ 100 bn opportunity by 2025

□ Indian FMCG industry worth US\$ 29 bn roughly constitutes 2.2% of India's GDP. Within the FMCG sector, Food products are the largest consumption category

. □ Strategic focus on rural marketing, innovations, niche consumer segments, exports

Dairy Industry

India is the world leader in milk production with total volume of 115 million tons. Driven by steady population growth and rising income, milk consumption continues to rise in India. Dairy market is currently growing at an annual growth rate of around 7 per cent in volume terms. The market size of Indian dairy industry stands at around US\$ 45 billion. Since India's population is predominantly vegetarian; milk serves as an important part of daily diet. Indians use milk in various preparations such as in brewing tea and coffee, in making yogurt or curd and in preparing many Indian dishes. For most households, milk is also a popular beverage due to its nutritional value. In India, rural households consume almost 50 percent of total milk production. Of the share of milk sold in the domestic market, almost 50 percent is consumed in fluid form, 35 percent is consumed as traditional products (cheese, yoghurt and milk based sweets), and 15 percent is consumed for the production of butter, ghee, milk powder and other processed dairy products (including baby foods, ice cream, whey powder, casein, and milk albumin). Most dairy products are consumed in the fresh form and only a small quantity is processed for value addition. In recent years, however, the market for branded processed food products has expanded. Although only around 2 per cent food is processed in India, still the highest processing happens in the dairy sector, where 35 per cent of the total produce is processed, of which only 13 per cent is processed by the organised sector



BRIEF HISTORY OF AMUL

AMUL (Anand Milk Union Limited), formed in 1946, is a dairy cooperative movement in India. It is a brand name managed by an apex cooperative organization, Gujarat Co-operative Milk Marketing Federation Lt. (GCMMF), which today is jointly owned by some 2.6 million milk producers in Gujarat, India.

AMUL is based in Anand, Gujarat and has been a sterling example of a co-operative organization's success in the long term. It is one of the best examples of co-operative achievement in the developing world.

"Anyone who has seen ... the dairy cooperatives in the state of Gujarat, especially the highly successful one known as AMUL, will naturally wonder what combination of influences and incentives is needed to multiply such a model a thousand times over in developing regions everywhere.

|| The Amul Pattern has established itself as a uniquely appropriate model for rural development. Amul has spurred the White Revolution of India, which has made India the largest producer of milk and milk products in the world. It is also the world's biggest vegetarian cheese brand.

Amul is the largest food brand in India and world's Largest Pouched Milk Brand with an annual turnover of US \$1050 million (2006-07). Currently Amul has 2.6 million producer members with milk collection average of 10.16 million litres per day. Besides India, Amul has entered overseas markets such as Mauritius, UAE, USA, Bangladesh, Australia, China, Singapore, Hong Kong and a few South African countries. Its bid to enter Japanese market in 1994 had not succeeded, but now it has fresh plans of flooding the Japanese markets. Other potential markets being considered include Sri Lanka.

Dr Verghese Kurien, former chairman of the GCMMF, is recognized as the man behind the success of Amul. On 10 Aug 2006 Parthi Bhatol, chairman of the Banaskantha Union, was elected chairman of GCMMF.

AMUL : THE ORIGIN

The mighty Ganges at its origin is but a tiny stream in the Gangotri ranges of the Himalayas. Similar is the story of Amul which inspired Operation Flood and heralded the 'White Revolution' in India. It began with two village cooperatives and 250 liters of milk per day, nothing but a trickle compared to the flood it has become today. Today Amul collects processes and distributes over a million liters of milk and milk products per day, during the peak, on behalf of more than a thousand village cooperatives owned by half a million farmer members.

COMPANY PROFILE OF AMUL

AMUL means "priceless" in Sanskrit. The brand name "Amul," from the Sanskrit "Amoolya," was suggested by a quality control expert in Anand. Variants, all meaning "priceless", are found in several Indian languages. Amul products have been in use in millions of homes since 1946. Amul Butter, Amul Milk Powder, Amul Ghee, Amulspray, Amul Cheese, Amul Chocolates, Amul Shrikhand, Amul Ice cream, Nutramul, Amul Milk and Amulya have made Amul a leading food brand in India. (Turnover: Rs. 52.55 billion in 2007-08). Today Amul is a symbol of many things. Of high-quality products sold at reasonable prices

. 50 years after it was first launched, Amul's sale figures have jumped from 1000 tonnes a year in 1966 to over 25,000 tonnes a year in 1997. No other brand comes even close to it. All because a thumb-sized girl climbed on to the hoardings and put a magical spell on the masse

AMUL stands for

A = Anand

M = Milk

U = Union

L = Limited

Amul (Anand milk union ltd.) is abased on four hands, which are coordinated with each other. The actual meaning of this symbol is co-ordination of four hands of different people by whom this union is at the top position in Asia.

First hand is of farmers, without whom the organization would not have existed. Second hand is of processors, who process the row material (milk)into finished goods Third hand is of marketer, without whom the product would have not reached the customers

Fourth hand is of customers, without whom the products would have not carried on.

BASIC INFORMATION

Company Name: Amul India (Gujarat Co-operative milk marketing federation ltd)

Business Type: Manufacturer

Product/Services: Infant Milk Food,Skimmed Milk Powder,Butter,Cheese

(Cheddar,Mozzarella,Emmental,Gouda)

cheese spreads,Ghee,Condensed Milk,Chocolates,malted milk food

Breadspreads,freshmilk,UHTmilk,Ice-cream.

Address: Amul Dairy Road

Number of Employees: 501 - 1000 People

URL: <http://www.Amul.com>

OWNERSHIP & CAPITAL

Year Established: 1973

Representative/Business Owner: B M Vyas

Trade & Marke

	North	America
	South	America
	Western	Europe
Main Market :	Eastern	Europe
	Eastern	Asia
	Southeast	Asia
Mid	East	
	Africa	
	Oceania	

Total Annual Sales Volume: Above US\$100 Million

Factory Information

No. of R&D Staff: Above 100 People

MISSION

After achieving the new milestone of Rs.6,700 crores, now Amul has set new mission. Federation chairman Parthi Bhatol has mentioned about —Mission 2020|. It envisages that the dairy co-operative of Gujarat will have a total turnover of Rs.27000 crores by the year 2020. They also plan to double the processing capacity of dairy plant to 20.7 million kg.per day

PRODUCT LIFE CYCLE STAGES

A product passes through distinct stages during its life in market, each posing different challenges, opportunities and problems .Profits rise and fall at different stages of the product life cycle. There are four different stages of product life cycle, namely

1. INTRODUCTION STAGE
2. GROWTH STAGE
3. MATURITY STAGE

4. DECLINE STAGE

Different products of AMUL are in different stages in the product life cycle. Products like milk, butter, chocolate and cheese are in the maturity stage, while ice-creams , chocolates and shrikhand are still in the growth stage. On the other hand, products like milk powders, infant food, frozen food items and mix are in introduction stage.

The company adopts aggressive selling techniques for those products which are in the introductory stage, while very less promotional programmes are carried out for those products which are in the growth or maturity stage.

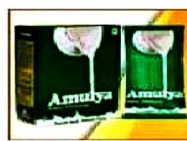
PRODUCTS



Amul Butter



Amul Kool
Chocolate Milk



Amulya Dairy Whitener



Fresh Milk



Cheese



Amul Chocolates



Amul Shrikhand



Amul Mithaee Gulab
Jamuns

PRODUCT RANGE

A vast varieties of products are offered by AMUL which are as follows:

BREADSPREADS

Amul Butter

Amul Lite Low Fat Breadsread

Amul Cooking Butter

COMPETITOR ANALYSIS

Amul has many competitors in the market of Delhi. The major competitors are Mother dairy, Paras, DMS, Param, Gopaljee, Reliance, Britannia, Nestle, Dairy India etc.

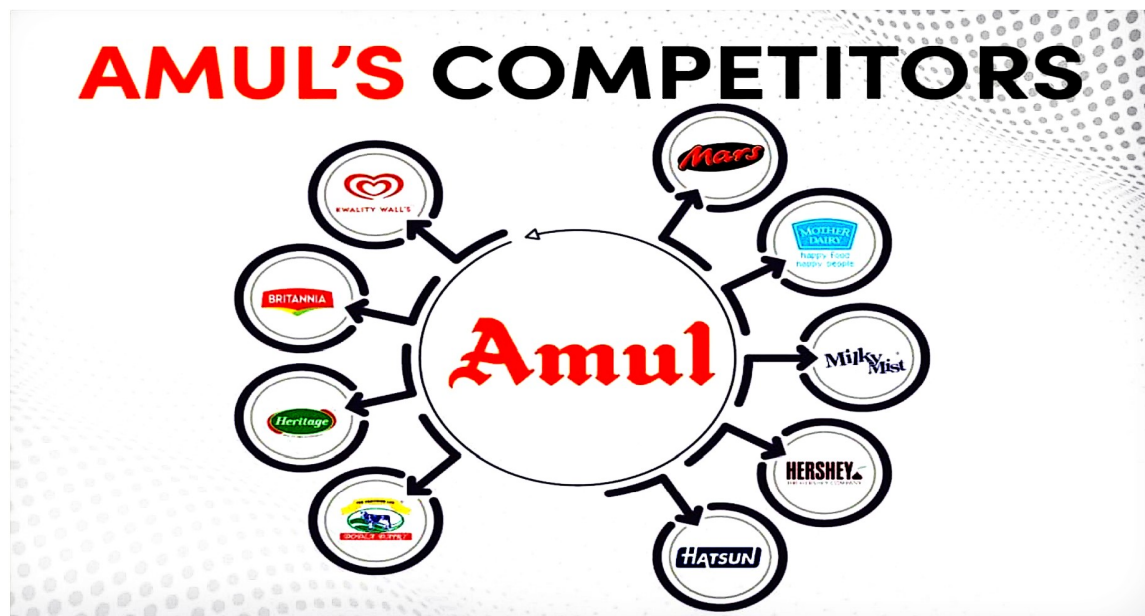
But the Mother dairy is giving tough competition to Amul in all the range of milk products. Strength of AMUL= Quality products, Brand name, Corporate image, Good work Force.

Strength of Mother Dairy = Very good distribution channel(through

MD booth, Distributors and retailers.

Mother dairy providing extra facilities like refrigeration facility on behalf of small amount of security to retailers whereas AMUL provide this facility on permanent basis by taking complete charge of fridge. Some promotional schemes are also being given by the Mother dairy.

In the term of product quality Amul is far better than Mother dairy and customer's first preference is AMUL. Market analysis says Amul is No. 1 in the milk market of Delhi



PROFITABLE MARKETING

– The preferred dairy animal is the buffalo. Some 65 % of the world buffalo milk is produced in India. Value for its high fat content is 7% w.r.t. 3.5% that of cow. It is also high in calcium, phosphorous, lactose & proteins. Thus Buffaloes milk is the delight of the milk processing for its more profitable handling

. Amul was formed on Dec. 14, 1946 by an apex co-operative organization, Gujarat Cooperative Milk Organization (GCMMF).Amul based in Anand, Gujarat has been a sterling example of a co-operative organization's success in the long run. It was suggested by quality control experts. Amul has spurred the Operation Flood of India, which has made India the largest producer of milk & milk products in the world.

Dr. Verghese Kurien former chairman of the GCMMF is recognized as the man behind the success of AMUL. On 10 August 2006 Parth Bhatol was elected chairman of GCMMF.

Amul is an embodiment of faith in the ability of our farmers to break the shackles of poverty & to create a socio-economic revolution in rural India. Through the 'Anand Pattern', our farmers demonstrated to the world, the key to successful 'Management Of Development'. Anand Pattern is an innovative three tier structure combines the hard working farmers with professional management & modern technology.

Slowly & gradually Amul has also expanded its distribution network across the country. Currently, there are 3,500 distributors for value added milk products & 1800 distributors for fresh milk to ensure that Amul products are available to all segments of consumers in India through more than 20 lakhs outlets. GCMMF has expanded its network to more than 4,000 parlors across various towns & cities of the India.

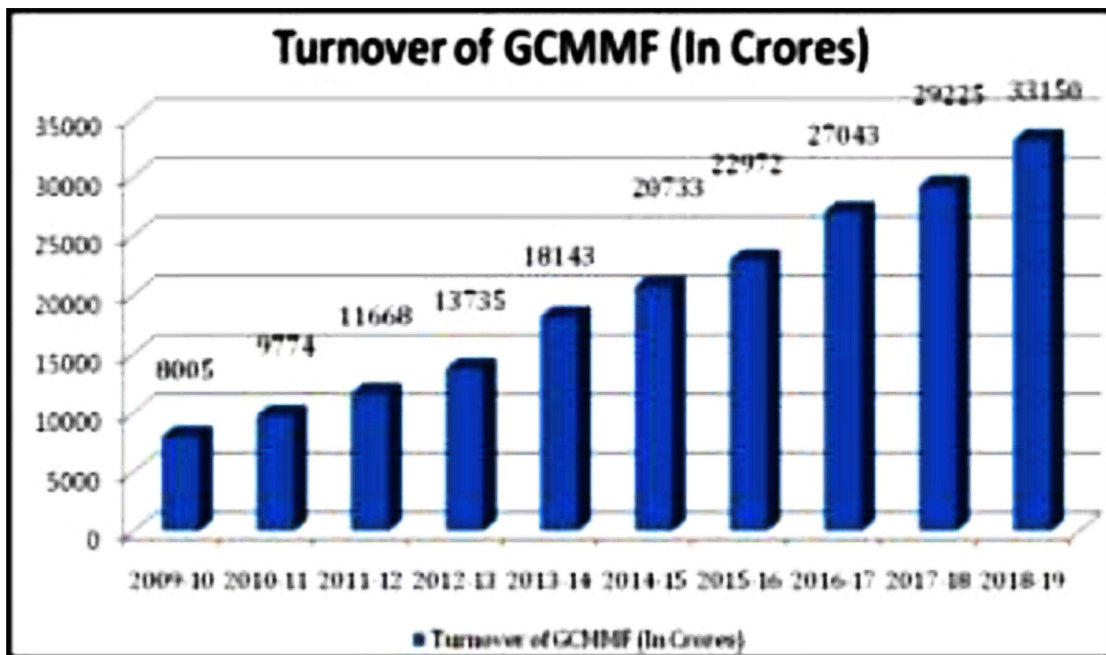
Gujarat Cooperative Milk Marketing Federation

GCMMF: An Overview

Gujarat Cooperative Milk Marketing Federation (GCMMF) is India's largest food products marketing organization. It is a state level apex body of milk cooperatives in Gujarat which aims to provide remunerative returns to the farmers and also serve the interest of consumers by providing quality products which are good value for money.

CRISIL, India's leading Ratings, Research, Risk and Policy Advisory company, has assigned its highest ratings of "AAA/Stable/P1+" to the various bank facilities of GCMMF.

Member's Union	13 district cooperative milk producers'
No. of Producer Members:	2.9 million
No. of Village Societies:	15,322
Total Milk handling capacity:	13.07 million litres per day
Milk collection (Total - 2009-10):	3.32 billion litres
Milk collection (Daily Average 2009-10):	9.10 million litres
Milk Drying Capacity:	647 Mts. per day
Cattlefeed manufacturing Capacity:	3740 Mts. per day



ACHIEVEMENTS:

Amul: Asia's largest dairy co-operative was created way back in 1946 to make the milk producer self-reliant and conduct milk- business with pride. Amul has always been the trend setter in bringing and adapting the most modern technology to door steps to rural farmers.

Amul created history in following areas:

a) First self motivated and autonomous farmers" organization comprising of more than 5000000 marginal milk producers of Kaira District.

b) Created Dairy co-operatives at village level functioning with milk collection centres owned by them.

c) Computerized milk collection system with electronic scale and computerized accounting system.

d) The first and only organization in world to get ISO 9000 standard for its farmer's co-operatives.

e) First to produce milk from powder from surplus milk.

Amul is the live example of how co-operation amongst the poor marginal farmers can provide means for the socio-economic development of the under privileged marginal farmers

AWARDS:

Amul a co-operative society and its co-operation has led many different awards in its favor..

Magsaysay award for community leadership presented in manila, Philippines to Shri Tribhuvandas Patel, Shri DN Khurody and Shri V. Kurien

1964: "Padmabhusan" award given to Shri T.K. Patel

1965: "Padmshri awarded was given to V. Kurien, general manager, by the president of India

1987: "Best Productivity" awarded by national productivity council for the year 1985-86 awarded to Amul dairy.

1988: "Best Productivity" awarded for the second successive year 1986- 87 by the president of India, Mr. R. Venkatrao to kaira union.

1993: "ICA" Memenoto towards genuine and self sustaining co- operative worldwide ICA regional office for Asia and pacific, New Delhi, 1996.

1999: G.B.Birla award.

Moreover the Amul union has achieved the prestigious ISO 9001-2000 and HACCP Certificate and effects are got to obtain ISO 14000.

Vision

“AMULS vision is to provide more and more satisfaction to the farmers ,employees and distributors”

GCMMF shall also create markets for its products in neighboring countries

Mission

GCMMF endeavour to satisfy the taste and nutritional requiriements of the customers of the world through excellence in the marketing by the committed team.

Values

Give customers a good ,fair deal .Great customers relationships take care. Do not try to maximize short term profits at the expense of the building those enduring relationships.

Goals And Objectives

Following are the major objectives

1. To study the chocolate market scenario in various area Patan, Palanpur, Deesa and Mahesana. The first and foremost objective of the project was perfect. Under this, the consumption pattern, market share of various brands and the factors influencing the buying decisions of the consumers were studied.
2. To study the position of amul chocolate in established market. The nearest competitor and the various possibilities has been explored to minimize their threats.
3. To estimate the market potential for amul chocolate in unexplored market was one of the major objectives. Here the conditions were also studied under which the consumer as well as the retailer would be willing to buy amul chocolate.
4. To identify the problem areas for all the places separately. Here the shortcomings of amul were studied which could be removed after careful understanding & detailed analysis.
5. To develop strategies and come out with suggestions for increasing the sales.

Chapter -2

Financial and Market Analysis

Ratio Analysis of Amul

MEANING OF RATIO:

Ratio analysis is a widely used tool of financial analysis. It is defined as the systematic use of ratio to interpret the financial statement, so that the strengths & weakness of the firm as well as its historical performance & current financial condition can be determined. The term ratio refers to the numerical or quantitative relationship between two items or variables

DEFINITION OF RATIO :

The term "Ratio" refers to the numerical and quantitative relationship between two items or variables. This relationship can be expressed as • Percentages • Fractions • Proportion of numbers

Current Ratio

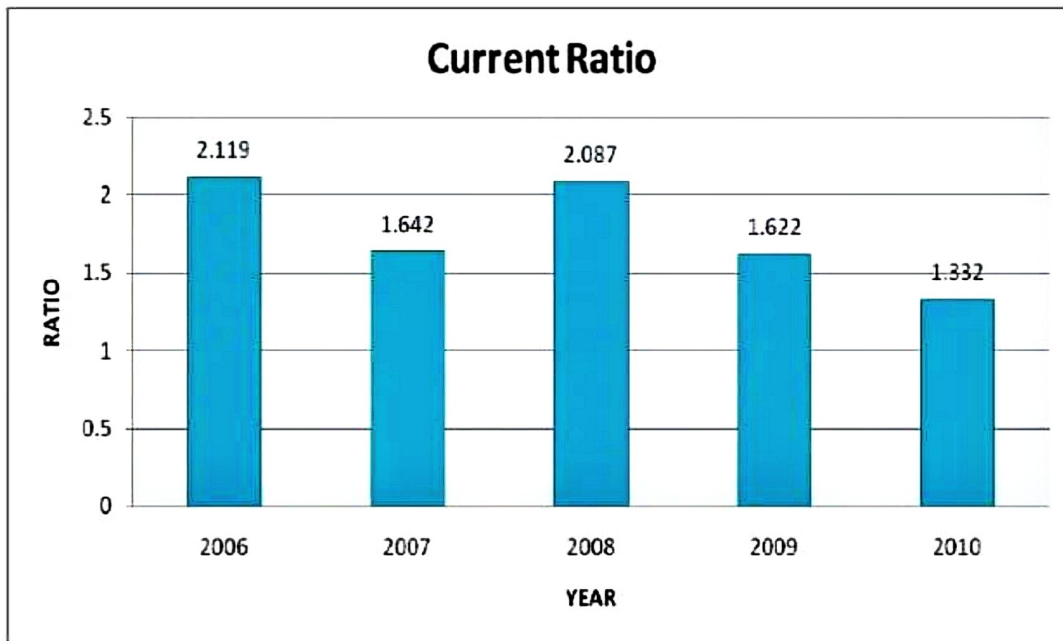
► Current ratio may be defined as the relationship between current assets and current liabilities. This ratio also known as Working capital ratio is a measure of general liquidity and is most widely used to make the analysis of a short-term financial position (or) liquidity of a firm.

► The standard Current Ratio is 2:1.

$$\text{CURRENT RATIO} = \frac{\text{CURRENT ASSETS}}{\text{CURRENT LIABILITY}}$$

YEAR	RATIO
2005-06	2.119
2006-07	1.64
2007-08	2.087
2008-09	1.622
2009-10	1.332

Graph 1



Liquid Ratio

* Although receivable, debtors and bills receivable are generally more liquid than inventories, yet there may be doubts regarding their realization into cash immediately or in time. Hence, absolute liquid ratio should also be calculated together with current ratio and quick ratio so as to exclude even receivables from the current assets and find out the absolute liquid assets.

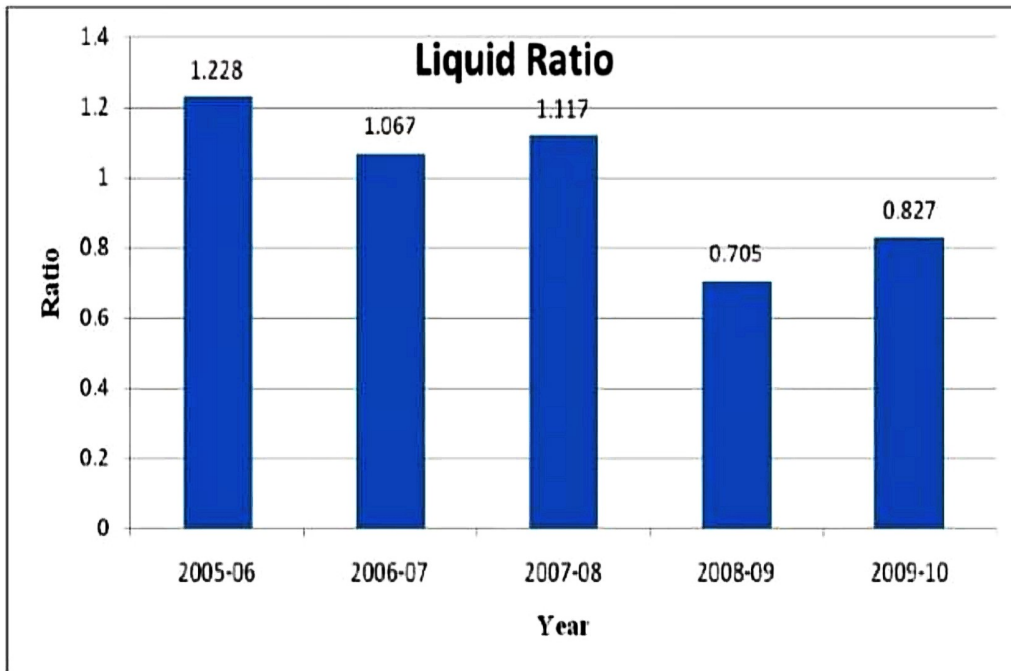
* The standard Liquid Ratio is 1.5:1.

LIQUID RATIO=LIQUID ASSETS

LIQUID LIABILITY

YEAR	RATIO
2005-06	1.228
2006-07	1.067
2007-08	1,117
2008-09	0,705
2009-10	0.827

Graph 2



Gross Profit Ratio

► This ratio measures the gross earning of the company as compare to its net sales .If the ratio is less it shows the in efficiency of companies management.

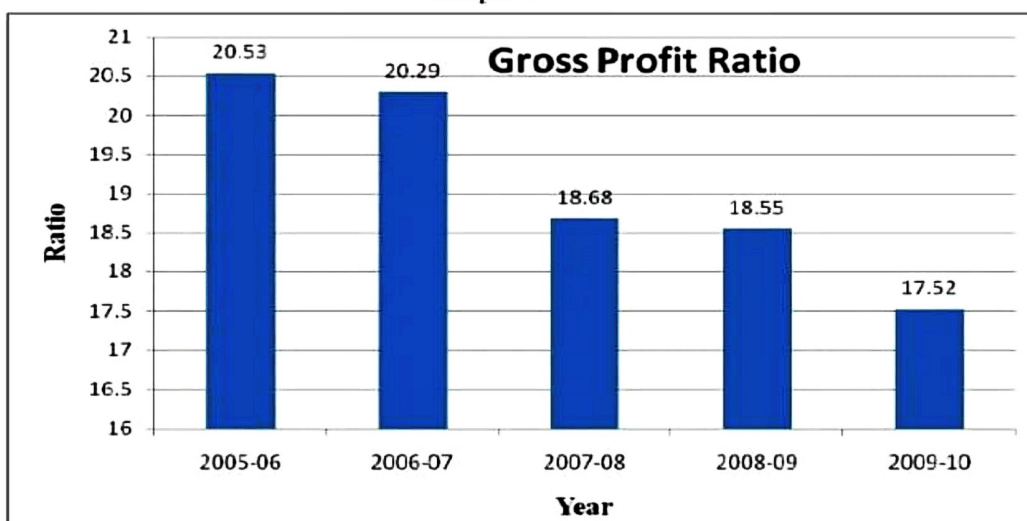
► The standard Gross Profit Ratio is 25%

► $\text{GROSS PROFIT RATIO} = \frac{\text{GROSS PROFIT}}{\text{NET SALE}} \times 100$

NET SALE

YEAR	RATIO
2005-06	20.53
2006-07	20.29
2007-08	18.68
2008-09	18.55
2009-10	17.52

Graph 4



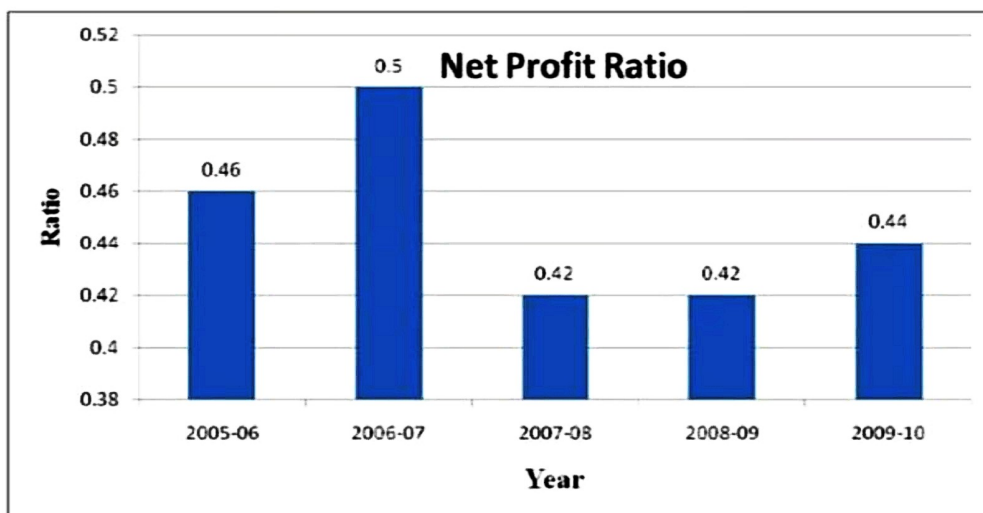
Net Profit Ratio

► Net Profit Ratio measures the net earnings of the company as compared to net sales of the company. The ratio is valuable for the purpose of ascertain the overall profitability of business and shows the efficiency or otherwise of operating the business. "The higher the ratio the better will be the profitability.

► The standard Net Profit Ratio is 10 to 12

► Net Profit Ratio = $\frac{\text{Net Profit}}{\text{Net Sales}} \times 100$

YEAR	RATIO
2005-06	0.46
2006-07	0.5
2007-08	0.42
2008-09	0.42
2009-10	0.44



BALANCE SHEET OF AMUL LTD.AS AT 31ST MARCH,2022 IS GIVEN BELOW:

NOTE NO.	PARTICULARS	31 st March 2022	31 st March 2021
1	EQUITY AND LIABILITES 1.SHARE CAPITAL 2.RESERVES AND SURPLUS	4,00,000 3,13,000	3,00,000 2,36,000
	CURRENT LIABILITIES 1.OTHER CURRENT LIABILITES 2.SHORT –TERM PROVISIONS	1,50,000 80,000	1,40,000 90,000
	TOTAL	9,43,000	7,66,000
2	ASSETS 1.NON-CURRENT ASSETS a.property,plant and equipment and intangible assets b.Non-current Investment 2.CURRENT ASSETS a.Inventories b.Trade receivables c.Cash and bank blances	4,30,000 60,000 2,63,000 1,50,000 40,000	3,50,000 80,000 2,00,000 1,06,000 30,000
	TOTAL	9,43,000	7,66,000

Chapter - 3

Management and Leadership

.Leadership

While Kaira Union (or AMUL) had the support of national leaders who were at the forefront of the Indian independence movement, its local leaders were trained in Gandhian simplicity and had their feet rooted firmly amongst people whom they had mobilized the poor farmers of Anand. The foremost amongst them was Tribhuvandas Patel" who had led the movement for the formation of cooperatives of small and marginal farmers in order to compete against investor owned enterprises on one hand, and keep bureaucracy away on the other hand. Tribhuvandas was the first Chairman of the cooperative. His skills lay in organizing the village producers, in making them believe in the power of cooperation and their rights towards improvement of human condition. He is remembered as fair and honest person whose highest sense of accountability to the members of the union laid the foundation of trust between network members". Another important aspect of his remarkable management style was his gentleness and ability to repose trust in people he gave complete autonomy to managers of the union and earned complete commitment from them". Verghese Kurien was one such manager who would, first, shape the destiny of the Union and then the milk movement throughout the country.

Kurien emerged as the father of the dairy movement in India. He managed to keep the government and bureaucrats away from the cooperative and gave shape to the modern structure of the cooperative, worked tirelessly to establish the values of modern economics, technology and concern for farmers within the cooperative. He interfaced with global financing agencies to build new projects at AMUL. He worked with the Unions to bring the best of technology to the plants. He worked with marginal village farmers to create systems that would increase milk yields. He understood that without meeting the needs of customers he would not be able to satisfy his obligations to the farmers. In short, Kurien shaped the destiny of the milk movement in India through NDDB (as its Chairman) and particularly at GCMMF and cooperatives in Gujarat. He helped build a modern organization with professional management systems that would support the aspirations of farmers and customers.

Several young people left better paying jobs to help create a dream of making India the milk capital of the world. Kurien had learnt the persuasive charm of Tribhuvandas through plain speaking and had soon created a cadre of highly capable managers to whom he had delegated both management as well as commitment. These leaders were created at the village, district and state levels in different organizations of the network.

He was charismatic in his communication and committed in his effort. Over a period of time, he developed a very close link with the poor farmers who, as he always says, "were his employers" at the cooperative. He would travel through the villages along with Tribhuvandas and work out the details of how the milk collection cooperative would work, how trucks would pickup milk from village

MANAGEMENT

❖CHAIRMAN

Shri Shamalbhai B Patel

❖VICE-CHAIRMAN

Shri Gordhanbhai Ashabhai Patel

❖DIRECTORS

Shri Shivabhai Mahijibhai Parmar

Shri Maganbhai Gokulbhai Patel

Shri Navinbhai Ranchodbhai Patel

Shri Pravinsinh Fulsinh Solanki

Shri Pravinbhai Maganbhai Patel

Shri Bhaijibhai Amrsinh Zala

Shri Raijibhai Devjibhai Parmar

Smt. Madhuben Dhamasinh Parmar

Smt. Saraben Bharatbhai Patel

Shri Rajitbhai Kantibhai Patel

Shri B.M. Vyas

District registrar

❖MANAGING DIRECTOR

Shri Rahul Kumar

* **BANKERS**

- * The Kaira District Central Co-op. Bank Ltd.
- * State Bank Of India
- * UTI Bank Ltd.
- * Bank Of Baroda
- * Corporation Bank
- * Bank Of Maharashtra

AUDITORS

Special Auditors (Milk)
Milk Audit Office,
Anand.

Organization

AMUL is organized as a cooperative of cooperatives (i.e., each village society, a cooperative in itself, is a member of the AMUL cooperative) thereby deriving the advantage of scale and uniformity in decision making. The founders of Kaira Union realized that to fulfill their objectives, a large number of marginal farmers had to benefit from the cooperative a network of stakeholders had to be built. And once built, it had to grow so as to draw more rural poor to undertake dairy farming as a means of livelihood. The network had to have several layers the organizational network where the voice of the owners governed all decisions, a physical network of support services and product delivery process and a network of small farmers that could deliver the benefit of a large corporation in the market place. More importantly, a process had to be put in place to build these networks. Building an organizational network that would represent the farmers and the customers was the most complicated task. A loose confederation was developed with GCMMF representing the voice of the customers, the Unions representing the milk processors and the village societies representing the farmers. Competition in the markets ensured that the entire network was responding to the requirements of the customers at prices that were very competitive. The task of ensuring that returns to the farmers was commensurate with the objectives with which the cooperatives were setup was achieved through representation of farmers at different levels of decision making throughout the network the board of directors of societies, Unions and the Federation comprised farmers themselves. In order to ensure that most returns from sales went to the producers, the intermediaries had to operate very effectively and on razor thin margins. This turned out to be a blessing in disguise the operations remained very "lean" and started to provide cost based advantage to the entire network.

AMUL established a group to standardize the process of organizing farmers into village societies. In addition to establishing the criteria for selecting members, the group had to train the VS to run the cooperative democratically, profitably

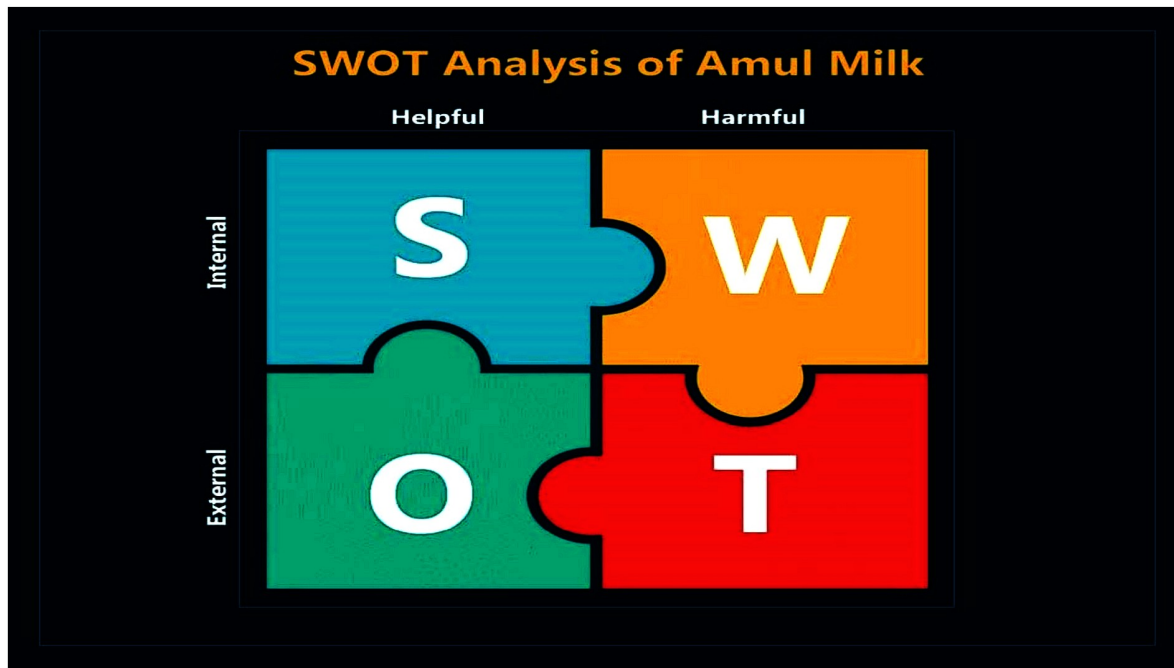
and with concern for its members. This included establishing procedures for milk collection, testing, payment for milk purchased from member farmers and its subsequent sale to the union, accounting, ensuring timely collection and dispatch of milk on milk routes established by the union, etc. The Village Societies Division at AMUL acts as the internal representative of village societies in their dealings with the Union. Cooperative development programmes at the village level for educating & training its members have become an important part of the strategy to build this extensive network.

Milk procurement activity at AMUL comprises development and servicing of village societies, increasing milk collection, procurement of milk from societies & its transport to the chilling locations, and resolving problems of farmers and village societies. Their stated objective is to ensure that producers get maximum benefits. The Village Societies Division coordinates these activities. Milk collection takes place over a large number of pre-defined routes according to a precise timetable.. The field staff of this division also help village societies interface with the Union on various issues ranging from improvement of collection, resolving disputes, repair of equipments to obtaining financing for purchase of equipment etc. In addition, they are also responsible for the formation of new societies, which is an important activity at AMUL.

In essence, the organization structure of AMUL allows effective utilization of resources without losing the democratic aspiration of individual members. It is obvious that such a system needs charismatic leadership to achieve consensus

Chapter - 4

SWOT Analysis



SWOT ANALYSIS

STRENGTH:

Largest milk producer in the world A huge base of around 11million farmers Traditional emphasis on consumption

Amul has a strong growth as its turnover for previous year increased by almost 18% and growth revenue by 67% making it the world thirteenth largest dairy organization

With Amul's products being popular and being in the market for a while now, it has developed its brand name and their customers are very loyal to the company.

. Although Amul's distribution network is wide and dispersed, it has managed to maintain its quality throughout the world. The credit also goes to the fact that Amul has a very strong supply chain.

Their diverse and wide ranges of products are also one of its strengths. .

The global mascot (Amul girl) used in their advertising is their icon throughout the world.

1. Corporate Image.
2. Diversified product line.
3. Dedicated work force.
4. Totally integrated operation.
5. Good for sightedness and long term vision.
6. Low capital cost
7. Brand Power.
8. High quality product.
9. Customer as well as customer support.

1. Lamu is rich in Natural resources (Land. forests, mangroves, fisheries) which can support investments

2. Lamu is the focus of a major regional development project e.g. Lappset, Amu Power, Coal plant etc

3. Lamu is rich in cultural heritage and ethnic diversity

4. Lamu is UNESCO's world heritage site

5. The various religions in Lamu exist in harmony and have a common interfaith platform

6. Lamu County has over 180 strong mosques none of which is considered to espouse radical ideologies

7. Tourism, fishing, agriculture and livestock industry provide opportunities for gainful engagement for the youth

8. There is willingness for cooperation between the people of Lamu and state organs in CVE

9. Communication systems/Infrastructure are present

10. Lamu has a strong tradition of being a centre of excellence for Islamic religious education. Many scholars in Kenya have studied in Lamu.

WEAKNESS:

1. Most inhabitants of Lamu live in Islands which are not easily accessible
2. Lamu is characterized by poor road infrastructure which makes transport difficult. Mobility is mainly by motorbikes, donkeys and boats Most residents experience the effects of radicalization
3. and violent extremism but lack awareness and capacity to mitigate the problem
4. Although there is willingness to cooperate, there is poor relationship between the community and security agents
5. There is serious suspicion and lack of trust between County on the one hand and National Governments and security agencies on the other.
6. Despite strong families, some parents still struggle to raise their children due to weakening of social bonds.
7. The standards of education have persistently been very low compared to other counties.
8. Most youth lack technical skills required for the labor market and tend to shun vocational training.
9. Lack of a collaborative framework between National and the Lamu county government threaten CVE efforts
10. Lack of a working security framework involving the County and National Government as envisaged in the Constitution (2010) through the CPA
11. There is fear among the various stakeholders to talk and engage in anti-radicalization and CVE in the county
12. Low levels of education in the county contributes to low awareness on CVE issues and limited capacity to tackle radicalization and VE

OPPORTUNITIES:

1. With the liberalization new avenues of exploiting open market economy are being open up.
2. Being the oldest co-operative society use their brand name as already being leader in dairy products, the other competitors are very far behind AMUL.
3. New product from Amul i.e. Amul preferred outlet(APO) can be very successful in the market as we receive better response from Distributors as well retailers and consumers
4. Must take the advantage of priority given to the Dairy industries by the Govt. in terms of loan
5. Technology (promoting small and medium-sized tourism agents [TA's] to adopt Internet)
6. Extensive marketing (with special focus on India and China)
7. Using its existing conference event business as a platform for expanding its leisure tourism market (capture business visitors to return as leisure tourists)
8. Economic wealth and investment in world-class facilities
9. loping cultural tourism initiatives the cultural tourism product of the most society.

1. THREATS:

1. With the globalization and liberalization various global brands are started to peak in.
2. Competition from other Co-operative and local industries are present in the market.
3. The milk curdling problem allows the competitors to penetrate the market which is previously covered by the Amul. The milk from Softe plant is responsible for that as a retailer can not bear huge loss. Some serious problem found is of the late delivery of milk in area like R.K.Puram. Sometime distributor's attitude and rude behavior is responsible for decrease in sales
4. Prevailing political instability in the Middle East region
5. Increased competition from tourism development in other emirates (Abu Dhabi) and other states (Oman and Qatar)
6. Current global and regional growth rates
7. Environmental impacts of tourism development and the scarce natural resources(water)
8. Adverse socio-cultural impacts of tourism development
9. Continued rapid tourism development may result in supply significantly exceeding demand

Chapter - 5

Conclusion and Suggestions

CONCLUSION:-

GCMMF that owns Amul, Asia's largest milk brand realized that with the changing lifestyle & increased awareness about health issues, there has been a discernable shift towards health based drinks from carbonated drinks. To utilize the potential of flavoured milk, butter milk & other milk based beverages that have an age old tradition in India. By identifying the targeted teenagers & youth, who were biggest consumers of colas & aerated drinks. The New variants of the brand were advertised through major national channels with special focus on youth oriented TV channels like MTV & Cartoon Network. By identifying the trend & introducing variants, Amul has been emerged as the fastest growing brand in non-carbonated soft drinks category. Compared to the distribution network of other brand of beverages to the Amul, it has to improve their network properly and make product available to the customer and also handle the customer problem if any. Company has to maintain a good relationship with the retailers by giving better margin, schemes/discounts. Amul plans to be a leader in food business. This 3458 crore co-operative is planning to enter in restaurants, ready-to-eat curries etc. it also plans to launch ready to drink coffee and tea. The plan of this co-operative is to make Amul, India's best known food brand and also to garner a sizable marketplace in 30 countries wherein its products are exported to. The brand should not be known in milk, butter & cheese but as a food brand. Its numerical target, a turnover in excess of Rs. 10000 crore by 2018. In words of Dr, Verghese Kurien, chairman (GCMMF). Amul is a brand that is trustworthy of 1000 million Indians. Why should it be seen only as a brand label for butter? Hope, its competitors are listening!

SUGGESTIONS & RECOMMENDATIONS.

Amul can venture out on new products like Toned milk, Condensed milk that can be used for sweets, Baby food products,

There are certain product like Amul basundi, gulab jamoon, chocolates etc which are not as popular as Amul ice cream. Amul must try to understand the cause of this through thorough market research and work on improving these products

Though Amul's hoardings are a huge success, it can penetrate even better in the rural areas by advertising through the media via cable channels and newspapers. Sponsoring shows in TV, sports events can be of great help.

Focus on retail expansion in Indian cities, towns and villages increase branded Amul parours to capture the consumer attention and keep the competition at bay.

Amul can venture into offering low-fat versions of its products as it would help capture the hearts of second and third generation Indians in US & Global Market.

Amul can venture out on new products like dairy based sweets, baby food products.

Salesmen should be given the responsibility to handle the retailer's grievances Orders by the retailers should be executed in a proper manner to avoid irregular availability. Promotion activities should take into consideration in two different ways:-

a) Company should associate themselves with social events,

b) Company should use electronic as well as print media for their advertisement

There have been a lot of complaints about replacement policy of Amul. Amul should try to improve its replacement policy and make it somewhat liberal.

Innovative schemes like Privilege cards giving discount on successive purchases may be introduced to make a customer brand loyal to Amul

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