

Kalanjiam Milk Producer Company Limited

The milk procurement that began at 5744 litres on April 4, 2009 hit a peak of 17800 litres on September 30, 2009.

The milk sales of 5540 litres on April 4, 2009 hit a peak of 16763 litres on September 30, 2009.

As on 30th November 2009, the company broke even – meaning its costs were fully covered by the revenue it realised from milk sales.

And all this within five and a half months of beginning production!

"Our job is not to give people a fish; it's not to teach them how to fish.

It is to build a new and better fishing industries."

- Bill Drayton, Founder of Ashoka Foundation



Kalanjiam Milk Producer Company Limited (KMPCL) promoted by DHAN is a unique business initiative owned and managed by people themselves. Registered as a producer company, KMPCL is a conglomeration of milk producers from nearly 100 villages in Cuddalore district. The company runs a high-end dairy processing unit in Ayekuppam village in Kullanchavadi, which packs and sells milk collected from villagers who

form the primary producer groups. The milk sold under the brand name 'Anandam' has proved to be a promising source of happiness: not only for the end consumers but also for the villagers who supply milk to the dairy everyday.

Unlike a commercial dairy unit, the KMPCL is a producer company with the milk producers themselves as the shareholders. The five-member board that constitutes the governance body is elected *from* and *by* the members of primary milk producer groups (PPGs). Though the model is similar to cooperative model, there are differences. Unlike the cooperatives, each milk producer supplies milk in his/ her own interest. Also, the income accrued by company gets distributed within 10 days, and the responsibility of distribution is done the leaders of PPGs, not by a company staff.

DHAN promoted KMPCL setting up the dairy unit at Ayekuppam with the tsunami relief fund. Now, the foundation provides techno-managerial support to the company deputing quality staffs and personnel.

Through collective marketing the dairy farmers are getting Rs.1 to 2 as additional price for a liter. As an impact of PPGs, the local intermediaries and other companies have come forward to pay better amount to PPG. So far CALL programme has promoted 42 PPGs covering 774 families in Cuddalore district to facilitate collective marketing.

In the future, DHAN hopes to up scale the model. As Mr Ganesh, the CEO of the company puts it, 'We intend to learn from this pilot model and replicate it all over the State and possibly in other States,' thus going in tandem with DHAN's philosophy of enabling the poor all over the country.

A DISTRIBUTOR SPEAKS HIS MIND



Mr V. Pazhani, a distributor in Cuddalore, swore by the quality of *Anandham*. He had run out of milk packets by the end of the day. There was only one full cream milk packet in the deep freeze. Initially a die-hard critic, Pazhani bought the packet to check the quality. The product was later found to be more than satisfactory. The milk survived the four-hour journey, and exposure to the elements in a non air-conditioned vehicle. It stayed good for four days after it was bought, even when the vessel of milk was left on the kitchen top by mistake one night.

As he put it, "Today's stock gets sold in the day itself. Many just ask for milk. I give them *Anandham*." Now as a good word spread by the users of *Anandham*, it is hope to become a popular brand.

'IT MADE A LOT OF DIFFERENCE TO ME'



If a corporate sector's director reminds you of Mr Ratan Tata or Mr Aditya Birla, you may be surprised to meet Mrs Muthulakshmi of Puliur Kattusagai village. She is one of the five elected directors of the Kalanjiam Milk Producer Company Limited.

The pride of being a director of a dairy sits lightly on her shoulders. She said how her gradual improvement in the standard of living motivated others to start selling their milk to the dairy. She was instrumental in taking the concept of community-owned dairy unit to the people and explaining them how it could benefit them.

"I had just one cow. Now I have seven," as she said, for Muthulakshmi herself is a good example how the unit had making a difference in the lives of the poor her.