

# Nurturing Community Development Through Dairy Initiative A Case Study Of Pathirakaliamman Dairy, Madurai District, Tamil Nadu\*

*This case study demonstrates how over all community development can be fostered through the foresight of integrating inherited traditional skills with available local resources. The Nadar community, with expertise in trading business, initiated the trading of the milk in a small way adopting traditional values and institutional structure. Over the years, with steady and sustainable growth they developed strong backward and forward linkages with quality services to producers and consumers. More importantly, they invested the profits in various enterprises and welfare measures, which transformed the lives of the Nadar community as well as overall development of the area itself. It is the example to realize that sustainable livelihood promotion is a mix of valuing the principles, revenue generation, social and welfare activities.*

## **Background**

Dairying in India is overwhelmingly a rural activity and is being practiced by millions of farmers along with agriculture. Till the beginning of 'operation flood' programme in 1960 –70, conventional form of dairying was the common feature, which was mainly done by the small traders in the villages. The rapid growth in the dairy sector brought in various technological improvements in the dairy activity, which gave 'industry status' to this sector. These technological improvements have not only helped to cater the needs of the ever increasing demands of consumers, also helped producers in fetching good price. As a result, dairying in India has now assumed a professional activity, which involves adoption of modern technologies and sound management practices. The cooperative model, which was evolved through operation flood programme, has been extensively tried in all parts of the country. Various dairy promotional schemes of the government gave boost to the industry and many private dairies were also established. With this, the conventional operation systems in dairy are slowly replacing with highly organised, latest technology involved and professionally managed dairy units.

In spite of all these developments there are a few dairy units which are operating in traditional way in the country. One such unit is located in Madurai district of Tamil Nadu state called 'Pathirakallaimman Dairy Society'. The uniqueness of this dairy is that it has extensively relied on the natural skill of the community and also took the community development activities to improve the overall livelihood of the village. Here an effort has been made to study this dairy unit with the following objectives:

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\* Study presented by Director, Pathirakaliamman Dairy, Madurai district, Tamil Nadu

- 1) To understand the practices & values adopted in running the dairy unit on a sustainable manner.
- 2) To study the impact of the dairy on the livelihoods of the people of the surrounding villages.

This study was done through conducting meetings with the key members of the dairy, operating staffs, bank officials, producers etc. Since the operation and governance of the dairy is largely based on traditional practices and values, relevant literature was reviewed about the Nadar community.

### **Genesis of Pathirakaliamman Dairy Society**

Nadar (a backward community in Tamil Nadu) community *Uravinmurai*<sup>1</sup> has started the Pathirakalaimman dairy society in the year 1963 at Palamedu – a town panchayat of Madurai district in Tamil Nadu. Traditionally the Nadar community has been involved in trading activities especially in wholesale as well as retail trading of the cereals, building materials, etc. Striking feature of this community is that they have their own set of rules and community development perspective, which are highly collective in nature. They have high integrity among themselves and show high regard & respect for the customary set rules. In all the villages where they live, *Uravinmurai* which functions for the development of the community *is formed*. Each and every Nadar family will make contribution (called as *Mahamai*) of Rs. 10 to Rs. 20 per month to *Uravinmurai*. There are about 1000 such *uravinmurai* in Tamil Nadu. One such *Uravinmurai* is operating or functioning in Palamedu since many generations. These *Uravinmurai* are now registered

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<sup>1</sup> ‘Uravinmurai’ means community group of Nadar

### **NADAR – Who are they?**

Nadars are a hardworking community, generally found in southern part of Tamil Nadu. One of their traditional occupation is toddy (a kind of liquor gathering from palm trees) tapping. Trade in a small way supplemented their livelihood. In the Hindu caste hierarchy the Nadars ranked very low because of their association with alcohol. It is history that Christianity and Missionary services have influenced in the improvement of the Nadars. They absorb the good practices of Missionary services and trade practices of westerners to adopt in their social structure to help the advancement of the community. The concept of setting up of *Mahamais* for group contribution (Self tax on trade activities to provide for setting up and maintaining Institutions and Temples) by the ancestors of Nadar is evidence of influence of Missionary services on Nadars. In present days, Nadars are known for their work mostly on business. Most cities in Tamil Nadu will have a grocery store run by a person from this community. Their networking has been remarkably well organised. Buying and selling has been their expertise. From the early stages, they have cultivated a close business shrewdness to procure farm products, at best prices, transporting them to warehouses, and distributing them for wholesale and retail markets all over India. The community has strong ability to recognise new opportunities and adaptability to new contexts.

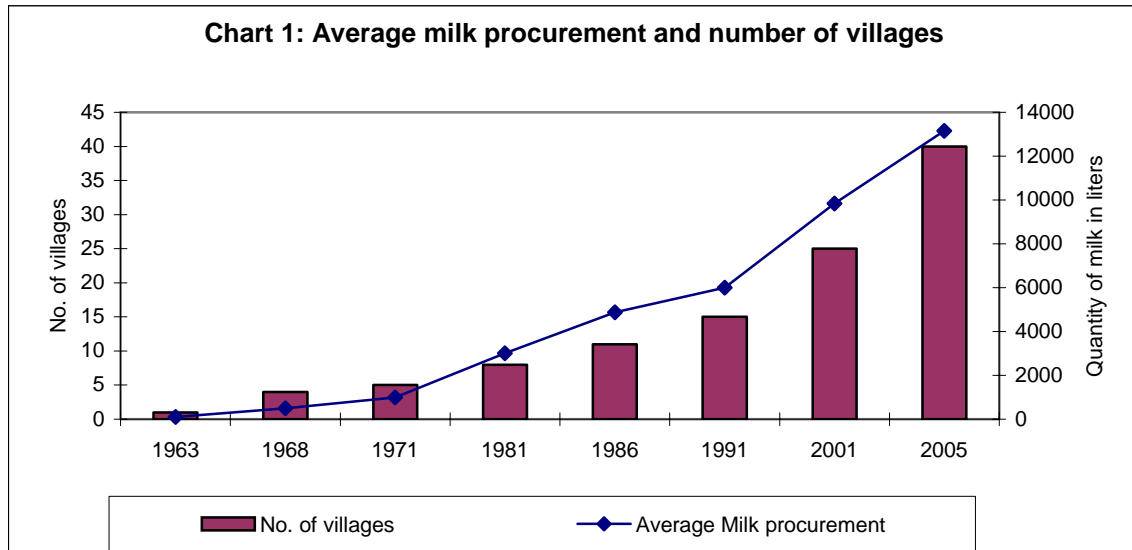
Palamedu is a town panchayat of Alanganallur block of Madurai district and has about 2000 households of which about 500 families are of Nadar community. The area is rain fed in nature and lacks water bodies. As a livelihood support to the Nadar community, Palamedu Uruvinmurai began the dairy activity in 1963 through collection of milk and supplying these to the houses and hotels in Palamedu itself. The main reason for starting the dairy activity was to help the Nadar community with sustainable economic activity and in turn which will help the peoples of other communities also. Another reason is that the availability of good fodder in the area which was conducive for rearing of animals.

### **Growth Path**

For the first three years of the initiation of dairy unit, they collected milk from the Plamedu village and selling it to local teashops, hotels and households locally. During that time volume of the milk was ranging from 200 liters to 400 lts per day and cycles were used for transportation.

Later they found demand for milk from Madurai town and started supplying milk in bulk quantities to hotels. To increase the milk procurement they started lending loan to members with a condition to sell the milk to their dairy. They started procuring milk from nearby villages and increased their milk procurement on an average of 300 liters per year. By the year 1986-87 they were procuring milk from 11 villages and volume of milk procured was about 5000 liters per day. By that time, they had five vehicles for transportation of vehicles. By 2001 –02 they reached 25 villages and milk procurement rose to nearly 10000 liters per day. Till that time they were operating transportation of raw milk to nearby towns with out doing any processing. The unsold milk was used to prepare the *palcova* (milk cake) and was sold in the market.

In the year 2003, they established the milk pasteurization unit of 10000 liters capacity under the Tamil Nadu state small-scale industry scheme called 'New Anna Marumalarchi Tittam'<sup>2</sup> with the total investment of Rs. 47.50 lakhs on plants and machinery. They also invested on many components like purchase of vehicles, construction of buildings etc. The total investment was about Rs. 1.5 crores. Now, the procurement of the milk has increased to 13000 liters per day. The graphical representation of the volume of the milk operated in the dairy unit is as follows.



It can be observed from the above chart that, the growth is very gradual till 1991. In later years the growth has increased significantly mainly due to the establishment of pasteurization unit.

### Operational Mechanism

Conventional<sup>3</sup> systems of operation were observed in the overall operation of the dairy unit and are presented in the following pages. It was observed that all the dairy operations - from milking of the animal to selling of the milk is being done by the staff of the dairy.

#### *Procurement of the Milk*

Pathirakalimman dairy is now procuring milk from 40 villages. In all the villages, it has appointed the milkmen for the milking of the cattle. Farmer has to bring the animals to specific places, which are called a milk collection centre. Here, the milkman does the milking operations in front of the representatives (usually accountant) of the dairy society. This practice has been followed since beginning of the dairy. The reason behind this practice is to ensure the farmer does not adulterate the milk in any way. Hence they do not conduct any testing of milk at the collection center and have reduced those expenses. The milkman is being paid at the rate of Rs. 1/animal/day. The accountant

visits all the milk collection centers twice in a day with milk van for procurement of the milk. The quantity of the milk will be recorded in the account books maintained with farmers as well as with accountant.

The collected milk will be taken to the dairy unit for further processing. It is interesting to note that all the milks are not being processed. Though they are procuring about 13000 liters of milk/day, only 10000 liters are being pasteurized to sell in the form of packets. The remaining milk of about 3000 liters is being sold without processing, to bulk users of Madurai town. They are ensuring to send the raw milk to the hotels of the Madurai town (which is about 25 km from Palamedu) within 2 hours. Out of 40 villages, in which they are collecting milk, 18 villages are kept for direct selling of raw milk to hotels of Madurai. Accordingly, they have synchronized the timing of the milk vehicles (presently the Dairy has 10 milk vans). A typical milk collection and transportation time is as follows.

<b>Time</b>	<b>Activity</b>
5.00 to 7.00 AM	Procurement of milk for direct selling and transportation to Madurai
7.00 to 10.00 AM	Milk collection at sent to dairy for pasteurization and making milk packet
10 AM to 5 PM	Transportation of packet milk to distant cities
5.00 to 7.00 PM	Milk collection for direct selling as well as for processing
7.00 PM onward	Transportation of packet milk to distant places

All the vehicles are being put to use for collection as well as transportation of milk, which makes efficient use of vehicles, and reduce the transportation cost.

#### *Payment to Producer*

Pathirakallaimman dairy has kept direct contact with each of the milk producers (presently over 1000 producers) and makes payment directly to them twice in a month. The payment is done on the 2<sup>nd</sup> and 17<sup>th</sup> of each month strictly regardless of the season, market and other factors. This system is in practice since its inception and producers have also appreciating the system. Presently the dairy is paying Rs. 9.50 per liter of milk.

#### *Marketing Channel*

Till the establishment of the pasteurization unit the society has been supplying raw milk in cans to bulk milk users like hotels. After establishment of the pasteurization unit and started marketing of packet milk, they have appointed the wholesale dealers in most of the cities. Presently there are 12 wholesale dealers for marketing of the sachet milk. The packet milk is being made available in three different sizes like 200 ml, 500 ml and 1 liter. The prices of the packet milk are Rs 14 & Rs. 16 per liter for toned milk and double toned milk respectively. With regard to raw milk, there are about 150 hotel customer in the Madurai town and are being supplied at the rate of Rs. 13 per liter.

The unsold milk is being brought back to the dairy to prepare the milk cake (*Palcova*) and is being sold locally. Before the setting up of the pasteurization unit the milk cakes were prepared in large quantities and now the production has been reduced significantly.

#### *Operation of the Pasteurization Unit*

In the year 2003, the dairy society has established the pasteurization unit with the view to upscale the dairy operation. The total capacity of the unit is 10000 liters per day. In this plant, 10 stages are being followed for processing of the milk as follows.

- 1) Reception of the milk
- 2) Platform test
- 3) Chemical lab test
- 4) Biochemical test
- 5) Chilling
- 6) Storage
- 7) Homogenisation
- 8) Pasteurization
- 9) Packing
- 10) Cold storage before distribution

The dairy has appointed two operators and one lab technician to operate and maintain the unit. It is noted that the operators have no formal training on these plants but had the similar kind of work experiences previously.

In the initial years they had processed about 6000 liters of milk per day and now the plant has been processing 10000 liters of milk per day in two installments. Presently they are facing quality power supply and hence not able to operate to its full strength of 15000 liters per day. With regard to operating cost the dairy is incurring about Rs. 50000 per month including electricity bill.

#### **Services to Milk Producers**

Since inception of dairy society, they have been providing services to milk producers like providing loan for cattle purchase, feed supply, health services to animals, insurance to animals etc. The salient features of the services are as follows.

*a) Loans to buy animal:* The loans were provided to producers with interest rate ranging from 12 to 24 per cent and monthly repayment amount were deducted during the payment for milk. While sanctioning the loan they used to take the surety from one of the key members of the Uravinmurai. In recent years, the dairy society has stopped providing loan to producers as the commercial banks are lending for the same purposes. However, the dairy has been facilitating with the banks to sanction the loan to the producers.

*b) Veterinary care:* The dairy society has one veterinary doctor and is looking after the health of the animals of the producer members. Once in a month doctor examines the animals and provides necessary suggestions. Though the service of the doctor is free of cost for members, they need to pay for the drugs. The society also maintains a pen for

stud bulls and gets artificial insemination facilities from Bangalore. The stud services are done at cost and society is bearing all the expenses for maintenance.

*c) Fodder supply:* The dairy has taken care to provide the quality feed and fodder to all the members. The society has maintained enough fodder and ensures no shortage of fodder in any time. Hence the member farmers never suffer from lack of fodder.

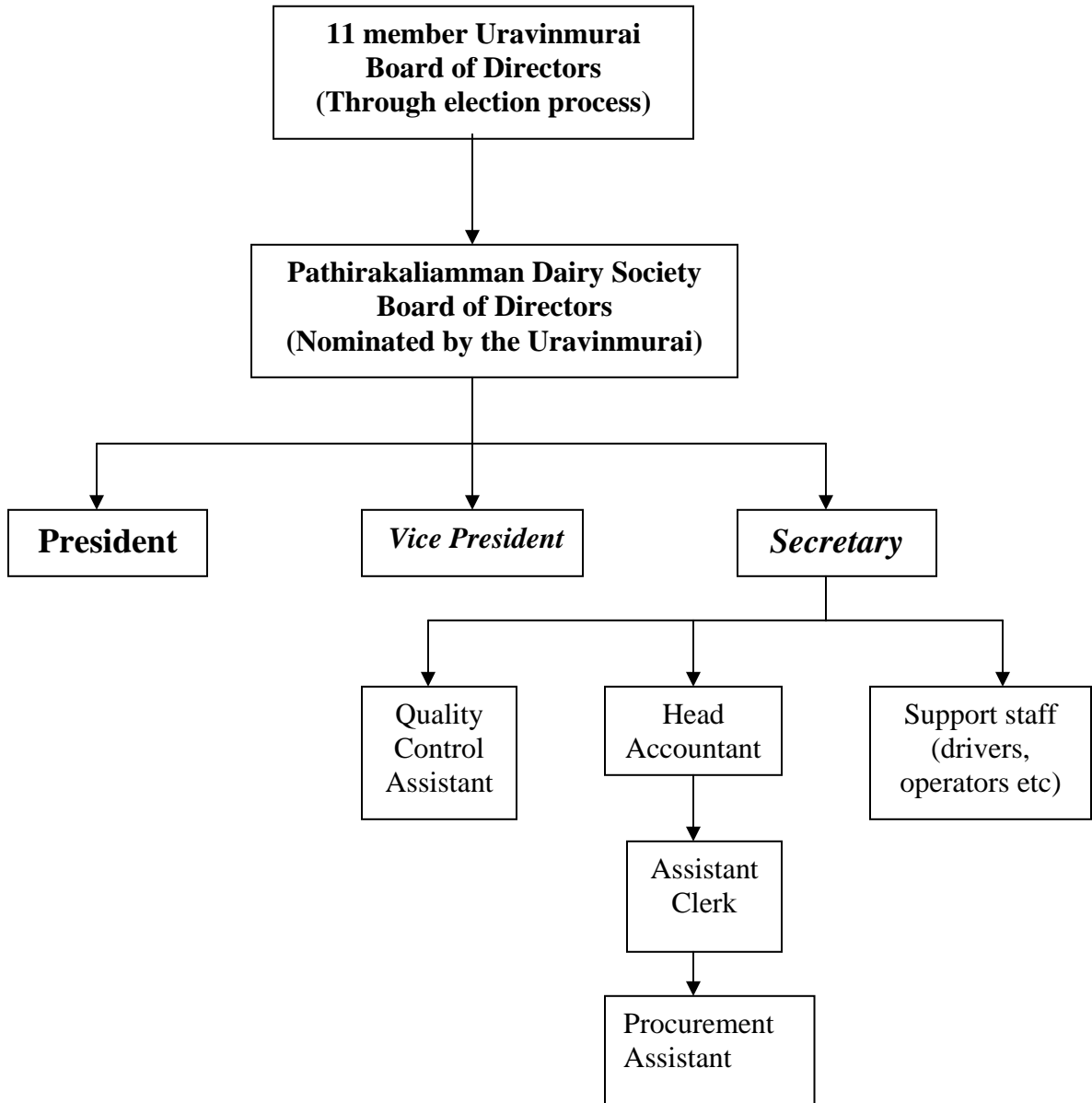
*d) Feed:* The cattle feed like oil cake, corn etc were purchased in bulk quantities and sold to the member. Though these feed prices are higher than what is available in market, the farmers buy from the society as they are assured of the quality of the cattle feed. Another interesting feature of the society is that, like dates of the payment for milk is fixed i.e 2<sup>nd</sup> and 17<sup>th</sup> of every month, feed distribution dates were also fixed. The dates are 3<sup>rd</sup> and 18<sup>th</sup> of every month. They have designed formula for calculation of the feed and are based on the milk yield of the cattle for a month. As per the calculation each producer member will get the feed of the quantity of 1/4<sup>th</sup> i.e 25 per cent of the total milk yield in a month . The cost of the feed will be deducted during the payment for milk.

*e) Insurance:* With regard to insurance all the members' cattle and staffs working in Dairy are insured. They have insured the cattle with National Insurance Company, Oriental Insurance Company, New India Assurance India limited and United India Insurance Company. 4% is the premium amount for the period of three years and the amount is being collected from the producers in installments. The dairy society arranges for the settlements the insurance claims in a short span of time.

### **Governance**

As stated earlier, the Nadar community through Uravimurai governs the whole operation of the dairy unit with traditional values/rules. Uravinmurai is the supreme body and consists of 11 members who are elected by the Nadar community. All the voters within the community gather together once in every two years to elect 11 committee members. The Pathirakalaimman Dairy Society also will have 11 members nominated by the committee for a period of two years. Among 11 members president, Vice president and Secretary will be selected and other will be a members. The organisation does not have separate treasurer and all the members on rotation on weekly basis play this role. The staff of dairy includes Head clerk, accountants, Assistant accountants and labourers. Similarly the Uravinmorai nominate members for all other institutions. The diagrammatic representation of the organisation structure is as below:

**Chart 1: Organisation structure of Pathirakalliamman Dairy Society**



The earlier, office bearers of the Pathirakalliamman Dairy Society hold office for the next 2-year and the in turn nominate the office bearers for all the other Pathirakalliamman institutions. The meetings of the various institutions are conducted with all the participants sitting in mats as traditionally done. The agenda is maintained in that particular week by one member and the minutes are also recorded by the same member. This is a unique practice whereby each member of the committee leads to manage the entire affairs of the society in rotation. By this method all the member gain knowledge of management of the society and the understanding the sense of ownership amongst the members will be high. The Pathirakalliamman Dairy Society does not have any treasurer



also and each week one member maintains the accounts. Thus he submits the accounts at the end of the week in the weekly meeting, which takes place on Tuesday afternoon. The issues related to other institutions too happen on fixed days in a week & at the Pathirakaliamman Dairy office.

The dairy has shareholders of Nadar community living in the village. Nadar community living in the village for a period of 10 years will be eligible to become the shareholder of the dairy. The Uravinmurai has been following the procedure strictly. Over the years the cost per share has risen from Rs. 1000 to the present value of Rs. 11000. From each Nadar family more than one share also can be purchased but restricted to one per individual. Presently there are 1645 share members in the society.

The dairy society has rules for the sharing of profit from the dairy society as follows:

Profit sharing to share holders	: 40%
Allocation for education activity	: 25%
Allocation for health services	: 15%
For other welfare measure	: 20%

### **Business Analysis of the Dairy Society**

From the information listed above it is clearly noticed that the dairy society has been increasing their operations very gradually and also do not have any plan to expand the operation rigorously. They have been running the dairy plant following their traditional practices. Whole operation of the dairy were analyzed hereunder to elicit the strengths and weakness of the dairy keeping in view the other external industrial factors.

**Table 1**  
**Business Analysis of the Pathirakalliamman Dairy**

Sl. No	Particulars	1963-64	1986-1987	2001-02	2004-05
	<i>Operational aspects</i>				
1	Procurement villages in Numbers	1	11	25	34
2	No. of Staff	4	18	32	45
3	Number of producer member	17	350	750	1066
4	Total Milk procured during the year in million liters	0.178	1.77	3.14	4.81
5	Average milk procurement in LPD	490	4875	9840	13160
6	Total milk marketed during in the year in million liters	0.165	1.56	2.84	4.67
	<i>Income earned (Rs)</i>				
1	Raw milk sales	450000	12480000	33080000	11274150
2	Pocket milk sales	0	0	0	50045850
3	Milk cake sales	0	85450	1245000	75250
4	Cattle feed sales	12000	728500	1367780	1557450
	<b>Total</b>	<b>462000</b>	<b>13293950</b>	<b>35692780</b>	<b>62952700</b>
	<b>Expenditure (Rs)</b>				
1	Milk procurement cost	394250	10676250	25228600	46230600
2	Salary & service charges	2400	162000	968000	1334000
3	Training	120	8100	38400	49500
4	Vehicle maintenance	105	889687	1616220	2565500
5	Electricity & other cost (packing material etc)	0	3500	38500	558000
6	Veterinary care	0	71400	142000	202475
7	Cattle feed purchase	8500	6,25,000	1015750	1265850
8	Total	405375	11810937	29047470	52247925
9	Profit earned	56625	1483013	6645310	10704775
	<i>Performance indicator</i>				
1	Procurement cost (Rs/lts)	2.21	6.03	8.03	9.61
2	Selling cost (Rs. /lts)	2.53	7.05	10.54	12.75
3	Transportation cost - both for procurement & selling (Rs/lts)	0.00	0.50	0.51	0.53
4	Processing cost (Rs/ lts)	0.00	0.00	0.01	0.12
5	Administration cost (Rs./lts)	0.01	0.09	0.31	0.28
6	Profit / liter of milk handled	0.32	0.84	2.12	2.23

We can see from the above table that the society has realized the good returns per liter of milk handled to the tune of 25 per cent which is high figure compared to any dairy units. The reason for such huge realization of return lies in the very nature of operation mechanism. Most of the costs components like transportation cost, administration cost are kept very low. Secondly the voluntarism nature of involvement of the staff has reflected as they have very low administration cost.

### **Community Development Activities of Pathirakalaimman Dairy**

Over the years the Pathirakallaimman dairy has initiated various social activities, which aims to improve the over all living standard of the village in general, and peoples of the Nadar community in particular. The used magamai (philanthropic contribution) amount and profit earned from the dairy for these initiatives. They are as follows:

- 1963: Uruvinmurai agriculture farm
- 1967: Nadar Youth Sangam
- 1969: Departmental store – ‘Mariamman Sangam’
- 1973: Hospital
- 1977: Pathirakaliamman Cinema Theatre
- 1980: Pathirkaliamman Matriculation school
- 1993: Pathirakali modern rice mill
- 2003: Pasteurization unit for dairy

The reason for setting up of these by the Uruvinmurai / dairy society is to provide diversified livelihood option to the community people and to make access to quality education and health services. As the palamedu village is in rain fed area, generally they lack good employment options with in the village.

Other than these enterprises, they have also initiated many welfare schemes for the benefit of the Nadar community. They are:

- 1) Allocation of Rs. 1000 as investment at the birth of the girl child. This money matures to a lump sum amount and is handed over to the family at the time of girl's marriage.
- 2) The dairy society gives Rs. 7000 interest free loan for wedding of the girl, which can be paid back in installment of Rs. 25 per month.
- 3) Education scholarship to students
- 4) In the event of demise of any member, the bereaved family is given Rs. 1000 towards funeral expenses.

All the above initiatives have greatly helped the Nadar community as well as other peoples of the village.

## **Impact of the Dairy Society on the Livelihood: An analysis**

Over the past 40 years the Pathirakalimman dairy society has been operating in Palamedu area with various initiatives. During the study visit an interaction was held with village community to find out the impact on the lives of the people. It was found that, though presently about five private dairy societies and AAVIN (a state run milk cooperative society) are doing dairying in Palamedu, Pathirakallimman dairy was the first initiator. Secondly, till today, it is the only dairy that has adopted pasteurization technology in Palamedu area. Some of the perceived impacts of the dairy are as follows:

- Presently, the dairy society has been serving the over 1000 farmers in surrounding 40 villages. More than 90 per cent of the producers belong to other communities.
- As a regular buyer of the milk from the producer it has contributed to the sustainable income to the families.
- With the provisions of the loan to purchase the animal it has greatly helped the producers to improve their income from dairy activity. A rough estimate done during the discussion with producers revealed that on an average each producer has earned Rs. 1500 /month/animal.
- Through the provision of quality feed and animal health services it has brought down the mortality rate of the calf from 75 % during 1960 to 10 % now.
- The local milkmen (non Nadar) are realizing an average daily income of Rs. 40 per day for milking operations.
- The Nadar community have benefited significantly through the various welfare schemes of the society.
- The school set up by the dairy has made big impact on the whole community in the area as they got access to good education facility.
- Another significant impact is that it has influenced other community people to take up the dairy activity adopting similar values or practices. As a result, recently two more dairy societies were established in Palamedu itself. Presently these dairies are operating selling of raw milk only.

## A Case of Manikkanpatti Village

Manikkampatti, a village situated about 5 km from Palamedu has 2000 houses mainly from Koundar (backward cast) community. Agriculture is the major occupation for the people. The Pathirakalliamman dairy has started promotion of dairy in the village 35 years ago. As the village elder recalls, "Though agriculture has been practised in the village, it was not sufficient to lead the life because of irregular rainfall. The dairy was not much practiced in the village. Whatever milk produced in the village was utilized for consumption only". At this juncture, the Pathirakallimman dairy initiated the dairy activity in the village. Mr. Balu, milkman in the village says, "the Pathirakalliamman dairy has provided the loan to farmers, fodder and feed. More than that, they purchased the milk and did payment to farmers regularly twice in a month. This has helped to realize the assured income to farmers". Regarding development of the dairy in the village he narrated, "Earlier very few houses had cattle that too for self consumption. Now almost all houses in the village have milch animals. Now totally three dairy societies are operating in the village including the Pathirakalliamman dairy. Pathirakalliamman dairy itself has kept two milkman in the village to do the milking of the animals."

Angammal an old lady having two animals said, "I have only 50 cent of dry land which is not at all enough to earn livelihood as we are totally 10 members in the house. 30 years ago I had received the loan to purchase the cattle. Since then I have been giving milk to the dairy and realized regular income. The regular feed and health services provided by the dairy has helped me in maintaining the improved cross breed animal which is giving more milk and more money."

AAVIN- a state run milk cooperative society and a private run milk society are the other two milk societies operating in the village. According to the villagers there is no difference in the milk purchase price among these societies. However with regard to regular payment and providing other services, the villagers have rated high for Pathirakallimman dairy. They say, " We have seen since last many years that, the service level has been maintained. We have not seen even one-day delay in making payment and providing feed. This is the main reason to continue with the Pathirakalliamman dairy." According to milkman Palanna "Though all the thing are alright with Pathirakallimman dairy, the only issue is that they do not appoint any non Nadar community people for their dairy as staff. But their initiation in dairy activity in the area has helped whole region and for all community people in terms of improving the income levels." They say "Pathirakalliamman dairy has played key role in improving the local economy through dairy initiative. Especially many poor households got benefited from the society. Each household realized an increase in income from Rs. 1500 to 2500 per month."

### SWOT Analysis of the Pathirakalliamman Dairy Society

<b>Strengths</b>	<b>Weakness</b>
1) The dairy activity is suited to local climate & tradition 2) Tightly managed institution 3) Community driven initiative and all the staff belongs to same community and have emotional attachment 4) Age old skill of the community in trading activity 5) Established market for their packet milk up to 100 Kms 6) Social & welfare initiatives	1) Extensive dependency on direct milk collection practice. As a result they have confined to surrounding 15 Kms villages only for milk procurement. 2) Less attention for increasing the scale of business or operational area 3) No professional / technical person even for pasteurization unit. 4) Conventional administrative set up. Not coping up with changing world
<b>Opportunities</b>	<b>Threats</b>
1) Lot of scope exists to upscale the operation including production of various milk products.	1) Largely labeled as a community focused /centered initiative. 2) Near saturation of local demand for milk is posing threat to do any expansion of the scale of business

### Learnings from the Study & Conclusion

The Palamedu Pathirakalaimman dairy society is a traditional institution bonded with certain values and commitment for welfare of Nadar community. Quite often, it is believed that the traditional values are considered as an impediment in the development process. Contrary to this belief, the dairy development and other welfare initiatives of this institution is an example to show how locally driven and managed system can transform the life of many poor households in the region. The uniqueness of this Pathirakalliamman dairy lies in makes use of the inherited skills of the Nadar community i.e trading in dairy operation to help the other communities also. With hardly any extra help they managed to build the enterprise and institutions that have created wealth for the community as well as great service for the whole area.

With regard to the business operation of the dairy unit, it can be observed that many practices are being followed from the inceptions of the dairy. They have found that following such system are necessary and have become customary aspects. The voluntarism nature of involvement of the staff is the highlight of the dairy. It has helped in building up of the ownership among the staff and has played big role maintaining the reputation of the dairy. The organizational structure also is quite unique and has provided opportunity to the entire member to do the operation with sincerity. The per liter profit realized i.e Rs. 2.23 itself speak on the efficient operation of the whole business.

Another uniqueness of the dairy is that they have initiated many enterprises and welfare measure over time, which has played crucial role in transforming the lives of the Palamedu village in general and Nadar community, in particular. The vision of the Uravinmurai is most appreciable as they set up the different kinds of enterprises to provide the livelihood opportunities to their community. The various welfare measures like depositing Rs. 1000 for birth of the girl child, education scholarship etc., have long term impact on the household and for improving the status of the people.

The many villages surrounding Palamedu have realized the trickle down or ripple effects of the growth of the Pathirakalliamman dairy. About 40 villages have taken up the dairy activity in larger extent and are realizing regular income. The recent modernization of the dairy with pasteurization unit has further opened up the way to upscale the impact on the surrounding villages in coming years. Presently the dairy has impacted over a thousand farming families through regular procurement of milk. Inspired by the growth of the Pathirakalliamman dairy, in recent years few other communities also initiated the dairy activities in Palamedu itself. Since it has created local competitions in the area, it is expected that in future it will again yield benefit to the households practicing dairy.

To conclude, Pathirakalliamman dairy has made significant impact on the livelihoods of the poor households in and around Palamedu village. The skills of the Nadar community have been utilized effectively to benefit the other community households. Adopting simple practices, emphasizing on traditional values, constant investment on various enterprises and initiation of various welfare measures etc have contributed for the sustainable and steady growth of the institution.

## NOTES

1. 'Uravinmurai' means community group of Nadar
2. "New Anna Marumalarchi Thittam" scheme introduced by Government of Tamilnadu on 28.6.2002 to generate rural employment, to fetch high prices for agricultural produce and to improve the rural economy, by promoting agro based / food processing industries. The Scheme provided a package of incentives which includes special capital subsidy of 15% on plant and machinery up to a maximum of Rs. 15 lakh, additional capital subsidy of 5% up to a maximum of Rs 5 lakh for employing more than 50% women in their work force. Generator subsidy of 15% on the cost of the generator up to a maximum of Rs 5 lakh and Low Tension Power Tariff subsidy at the rate of 30%, 20% and 10% of energy charges for the first, second and third year respectively.
3. Here conventional means that straightforward system with more involvement of the staff with out involving much outsiders.