

## A Study on Market Development Assistance to Samalkha (Haryana) Chaff Cutter Industrial Cluster To Enter In Gujarat Market



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### Abstract

#### ABSTRACT

Small enterprises have been the engines of economic growth around the world as they are an important source of inventions and innovations. Similarly in India also SMEs play a vital role in the Indian economy, and are receiving increased attention and support.

Department of Science and Technology (DST), Ministry of Science & Technology has initiated a “Programme on Innovation Cluster” (PIC) with a vision to promote collaborative research, development and commercialization among MSME (Micro Small Medium Enterprise) cluster to promote production of high value goods and services using the innovative route. The project aims to support the Indian industry to move up the knowledge pyramid and operate at the frontiers of knowledge.

Investment in knowledge creation, acquisition, absorption and diffusion is critical for this purpose. This project aims to promote collective research and learning in horizontal and vertical clusters by facilitating linkages among enterprises with knowledge institutions to develop new and value added products aims at national and global markets. It is an action oriented project that builds on the best practices around the world and the foundation's in-house competence to foster cluster based MSME development.

Under the project “Promoting Innovation Cluster” a preliminary visit to Samalkha chaff cutter was initiated by the implementing agency to carry out the Rapid Diagnostic study report with the help of local association to understand the current scenario of the cluster.

#### Keywords:

Small industrial clusters, Samalkha chaff cutter cluster, Cluster development, Gujarat dairy industry, Market expansion

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### Introduction

Traditional foundries of Samalkha are almost as old as our independence. These foundries started manufacturing chaff cutter and gradually diversified into many other products and part of machinery i.e. cane crusher, valves for pumps and pulley for electric motors. Over a period of time chaff cutter & crane crusher became main product of Samalkha.

Most of the Samalkha products are sold in local market of Haryana and some are selling in other markets of India like Gujarat, Madhya Pradesh, Maharashtra and Karnataka. Some units are also indirectly exporting chaff

cutters via merchant exporters in Ahmedabad and Mumbai.

Since the local demand for the chaff cutters manufactured by Samalkha cluster are stagnant and also facing competition from nearby markets of Goraya and Batala in Punjab, it is high time to explore further markets. Markets like Gujarat, Maharashtra, Madhya Pradesh and Karnataka are highly potential and yet untapped.

Gujarat has very developed and matured milk industry including famous AMUL brand. There are 16 district cooperative dairies covering almost whole Gujarat region with respect to Milk production. There are approximately 18,000 plus milk societies connected with these dairies and around 3 million members are associated with the milk societies. These 3 million plus milk producers are holding around 5.5 million milk producing cattle. With these Gujarat alone is producing almost 7.7% of total milk produced in India.

Traditional way of feeding cattle in Gujarat is different than northern part of India where milk producers serve small pieces of grass using chaff cutters where as in Gujarat 8 feet long grass is cut in to 4 portions and offered to cows and buffalo. There is very less awareness about chaff cutters, its usage and benefits of using small pieces of grass to feed the cattle. Also with compare to north region, Gujarat farmers are lazy and do not prefer to do hard work. Secondly, the feeding grass is available throughout the years and thus the farmers are little less worried about the wastage by offering long length of grass to cattle.

Slowly the awareness of chaff cutters is increasing and farmers have also started taking care about wastage of grass. Dairies also are taking keen interest in promoting chaff cutters amongst their milk societies and some of them are also offering subsidy to the members interested in purchasing chaff cutters.

Since the demand is increasing day by day for chaff cutters in Gujarat, Samalkha is finding an opportunity to propose their products to the Gujarat market. There is hardly any big time industry or manufacturers in Gujarat involved in manufacturing of chaff cutters. There are few local manufacturers those who are catering the local demand of chaff cutters and some from Punjab are also present in Gujarat.

Market research report of Gujarat has reveal that there is hardly any awareness about Samalkha and its products, but the positive aspect of Gujarat market is that there are hardly any big competition from the local supplier or the competitors of Punjab. Most of the time milk dairies are directly buying from the manufacturers and supplying it to the members along with the subsidy.

Gujarat being untapped market, Samalkha has golden opportunity to expand their reach to such prosperous market and develop its strong presence that can lead to further expansion to the nearby markets of Madhya Pradesh and Maharashtra.

### Research Methodology

#### Research Objective

- To analyse the current system and identify the gaps therein
- To understand from end users the reason for using/ not using the chaff cutters

- To analyse the reasons for low demand of chaff cutters in Gujarat despite large cattle population and agricultural land
- Positioning Samalkha to identify its current market share of chaff cutters
- To identify whether there is requirement for improvement in features of the existing product or there is a need to develop a new product and ensure that there is no communication gap between the stakeholders

#### Scope of the study

This study is carried out to understand the demand and supply situation of chaff cutters in Gujarat and also to identify the existing as well as potential market demand of the chaff cutter in Gujarat. We have conducted market research of Dairies and Milk societies located in 13 different districts of Gujarat including Ahmadabad, Anand, Surendranagar, Godhra, Junagadh, Baroda, Bharuch, Surat, Valsad, Gandhinagar, Mehsana, and Himmatnagar & Palanpur.

#### Data collection sources

Two methods were used to conduct a study on chaff cutters. This study is synthesis of Primary data as well as Secondary data.

##### Secondary Data:

The secondary data was collected to mainly estimate the demand of chaff cutter in Gujarat, the parameters are as follows:

- Report prepared by MSME foundation, New Delhi for Samalkha cluster development
- Website of Samalkha Industry Association
- Brochures of chaff cutter manufacturers in Ahmadabad & Samalkha
- Government AFDP scheme guideline

##### Primary Data:

Primary information was collected through personal interviews of the dairies and milk societies at 13 different districts of Gujarat to understand the current scenario of chaff cutters. This data collection tool was also utilized to create awareness amongst prospective users of chaff cutter about the benefits and usability of chaff cutters.

#### Sampling

- Sample Size: 13 Dairies of Gujarat region and 180 Milk Societies which are registered under these dairies.
- Sample Unit: Dairy representatives and milk society secretary or chairman.
- Sampling Technique: sampling technique is non- probability sampling with convenience sampling technique.

#### Research tool

Questionnaire designed for District Dairies and Milk Societies of Gujarat

**Research Design**

Descriptive research design has been used to describe the current situation of dairy industry in Gujarat and the opportunities for Samalkha chaff cutter cluster to sell its product in Gujarat market.

**Limitation**

In every district, there are more than 1000 milk society out of which we covered 15 in each district and prepared our report so the constraints were of resources & selecting the samples.

**DATA ANALYSIS****Milk Dairies****Banas Dairy- Palanpur**

<i>Name of the Dairy:</i>	Banas Dairy
<i>District Name:</i>	Banaskantha
<i>Name of the Person:</i>	Mr. Govind Bhai
<i>Designation:</i>	Junior Exe. (35 yrs exp)
<i>Number of Milk Soc.:</i>	1400
<i>Total Number of Members:</i>	3, 00,000+
<i>Approximate no. Of Cattle in District:</i>	15, 00,000
<i>Are they buying chaff cutters:</i>	Yes
<i>Are they providing any subsidy to members? How much:</i>	Yes / 40%

**Main highlight of the meeting (Any key point):**

- Chaff cutters can be bought on 2 main condition
- 1.) Quality & Price shall be reasonable & 2.) End users should like the product.
- They have field staff of 100 people. They regularly visit village and they can be utilize to create awareness about the chaff cutters
- At least 200 societies will take interest to buy the chaff cutters and each society can buy at least 5 – 10 chaff cutters

**How many milk soc. visited in the district?**

- 15 societies visited

**Main highlight of the milk societies meeting:**

- Everyone in societies using chaff cutters are asking for after sales service
- Only brochure or printed material is not enough, live demo is required to promote chaff cutters in all the villages. Preferred time for demo is before 9AM or after 6 PM
- Dairy is so far not supplying but they are just assisting the societies in connecting them with supplier, if dairy can supply than it will become easier for us to buy.

**Madhur Dairy- Gandhinagar**

<i>Name of the Dairy:</i>	Madhur dairy
<i>District Name:</i>	Gandhinagar
<i>Name of the Person:</i>	Mr. Ketan G. Patel
<i>Designation:</i>	Veterinary officer
<i>Number of Milk Soc.:</i>	115
<i>Total Number of Members:</i>	42,000
<i>Approximate no. Of Cattle in District:</i>	1, 00,000
<i>Are they buying chaff cutters:</i>	No
<i>Are they providing any subsidy to members? How much:</i>	Yes / 50% on Sudo

**Major issue with Chaff cutter:**

- They have already applied for subsidy for motor operated chaff cutter but no response from Govt. Also the price of motor operated chaff cutters is high in local market that all members cannot afford (Rs. 13,000 to 20,000)

**Main highlight of the meeting (Any key point):**

- Dr. Rohit Mehta (M.D.) said that dairy needs motor operated chaff cutters & if Samalkha can supply at better rate and quality, they are open to discuss.

**How many milk soc. visited in the district?**

- 15 societies visited

**Main highlight of the soc. meetings:**

- Very low awareness about the chaff cutters. Out of 15 societies visited, only 3 societies are aware about the chaff cutters
- Those who have more than 10 cattle are more interested to buy motor chaff cutter
- Many have shown interest to buy chaff cutters, but first they want to see the demonstration of the same.

**Sabar Dairy- Himmatnagar**

<b>Name of the Dairy:</b>	Sabar dairy
<b>District Name:</b>	Sabarkantha
<b>Name of the Person:</b>	Mr. D.B.Patel
<b>Designation:</b>	Senior manager
<b>Number of Milk Soc.:</b>	1779
<b>Total Number of Members:</b>	3, 22,000
<b>Approximate no. Of Cattle in District:</b>	4, 00,000(app.)
<b>Are they buying chaff cutters:</b>	Not yet (but order has given)
<b>Are they providing any subsidy to members? How much:</b>	Yes / 60%

**Major issue with Chaff cutter:**

- 8 years ago, they bought some motor operated chaff cutters but the life cycle was only 6 months. They want minimum 1 year warranty

**Main highlight of the meeting (Any key point):**

- They have order some 50 chaff cutters on trial bases from Ludhiana
- They want initially 4 to 5 chaff cutters as demo for 1 month and the product is up to their expectation they can surely buy more.

**How many milk soc. visited in the district?**

- 15 society visited

**Main highlight of the soc. meetings:**

- Most of the members are aware about the chaff cutter but the problem is high price
- They want presence of chaff cutter supplier for after sales and before buying they need demonstration

**Amul Dairy- Anand**

<b>Name of the Dairy:</b>	Amul Dairy
<b>District Name:</b>	Anand & Kaira
<b>Name of the Person:</b>	Dr. Sudhakar
<b>Designation:</b>	AM - Healthcare
<b>Number of Milk Soc.:</b>	1,148
<b>Total Number of Members:</b>	6, 35,000
<b>Approximate no. Of Cattle in District:</b>	12, 50,000
<b>Are they buying chaff cutters:</b>	Yes
<b>Are they providing any subsidy to members? How much:</b>	16 Milk Society

**Are they providing any subsidy to members? How much:**

- 30% on Sudo & 25% on Motor Chaff cutter is provided by AMUL Dairy

**Major issue with Chaff cutter:**

- Basically farmers are very poor so they can't afford the high price chaff cutter, so if there is any scheme / subsidy is provided by dairy / govt than farmers will surely buy

**Main highlight of the meeting (Any key point):**

- Any manufacturing company of chaff cutter is welcome in AMUL for supply if it provides good quality of product with reasonable price

- Dairy people don't know about the AFDP scheme. Since it is a private dairy they are offering their own subsidy and under that last year 304 milk societies got the benefit.

**Main highlight of the soc. meetings:**

- Society members don't know about the govt AFDP scheme of 75% subsidy on chaff cutter and if it is been offered they are keen to avail such subsidy scheme.
- People are interested in both kind of chaff cutter, hand and motor operated. From the 16 societies visited for survey, around 350 motor operated and 200 hand operated chaff cutters are demanded.

**Sugam Dairy- Vadodara**

<b>Name of the Dairy:</b>	Sugam Dairy
<b>District Name:</b>	Vadodara
<b>Name of the Person:</b>	Mr. P.K. SONI
<b>Designation:</b>	Manager input
<b>Number of Milk Soc.:</b>	1,221
<b>Total Number of Members:</b>	2, 05,292
<b>Approximate no. Of Cattle in District:</b>	6, 00,000
<b>Are they buying chaff cutters:</b>	Yes
<b>Are they providing any subsidy to members? How much:</b>	No
<b>How many milk soc. visited in the district:</b>	14 Milk Society

**Major issue with Chaff cutter:**

- Awareness is one big issue with chaff cutters
- People are not motivated to buy chaff cutters; if motivation and exposure will increase then the scenario will be different.

**Main highlight of the meeting (Any key point):**

- They bought samalkha chaff cutter 7 years ago, not happy with blade, no after sales.
- They need some local presence of the suppliers.
- No one is interested in hard work, people will prefer motor operated

- 1200 society in baroda out of which on 240 are using chaff cutters (20%)
- They are open to meet samalkha and they need awareness support for the chaff cutter promotion

**Main highlight of the soc. meetings:**

- We will purchase the product through dairy.
- Only 10% milk soc. Members those who fall in BPL category will prefer hand operated rest 90% will prefer motor operated.
- Bhaili Milk society's chairman is trading in chaff cutters. He buys from Ahmedabad and Punjab. (Mr. Ashwin Patel)

**Dudhdhara Dairy- Bharuch**

<b>Name of the Dairy:</b>	Dudh Dhara Dairy
<b>District Name:</b>	Bharuch
<b>Name of the Person:</b>	DR. A.B PATEL
<b>Designation:</b>	Manager input
<b>Number of Milk Soc.:</b>	550
<b>Total Number of Members:</b>	70,000
<b>Approximate no. Of Cattle in District:</b>	47,000

<b>Are they buying chaff cutters:</b>	Yes
<b>Are they providing any subsidy to members? How much:</b>	Yes / Rs. 4,500
<b>How many milk soc. visited in the district:</b>	10 Milk Society

**Major issue with Chaff cutter:**

- People in this region are lethargic and that's why they don't prefer to cut grass with chaff cutter.
- Communicating the benefits to them will change their mentality.
- After sales back up is again one of the strongest reason because of which people have stopped using the chaff cutters.

Yash Agro – A'bad, and 100 Hand operated chaff cutters from National Agro Kalol

- Bharuch dairy gives Rs.4500 subsidy to their members
- In their specifications to buy the chaff cutters, they includes extra belt, stand and blades
- 2011-12 AFD scheme – 800 members are interested
- They are open to meet Samalkha

**Main highlight of the meeting (Any key point):**

- Dairy follow the direct approach in buying chaff cutters (No tender system)
- 2010-11 they purchased motor operated chaff cutters from

**Main highlight of the soc. meetings:**

- They are getting benefits under AFDP scheme.
- Kurchan village is interested for awareness about the chaff cutte

**Sumul Dairy- Surat**

<b>Name of the Dairy:</b>	Sumul dairy
<b>District Name:</b>	Surat
<b>Name of the Person:</b>	DR. S.K Mangukia
<b>Designation:</b>	Manager input
<b>Number of Milk Soc.:</b>	950
<b>Total Number of Members:</b>	2, 25,000
<b>Approximate no. Of Cattle in District:</b>	9, 00,000
<b>Are they buying chaff cutters:</b>	Yes
<b>Are they providing any subsidy to members? How much:</b>	Yes / Rs. 4,500
<b>How many milk soc. visited in the district:</b>	12 Milk Society

**Major Issue with Chaff Cutter:**

- Chaff cutter suppliers/traders are fragmented and due to that they find difficulty in buying chaff cutters locally.

- They have purchase chaff cutter after visiting the manufacturing unit in Punjab and Ahmadabad.

**Main Highlight of the Meeting (Any Key Point):**

- Last 15 years Sumul dairies are selling chaff cutters. Mainly buying from Punjab and Ahmadabad. Almost 15,000 chaff cutters are sold.
- They don't know about Samalkha but they are open to explore the possibilities to source.

**Main Highlight of the Soc. Meetings:**

- If awareness is being created then demand is surely going to increase.
- Majority of the soc are using Raja Toka brand of Punjab. Mainly use for cutting the sugar cane instead of grass.

**Sursagar Dairy- Surendranagar**

<b>Name of the Dairy:</b>	Sursagar Dairy
<b>District Name:</b>	Surendranagar
<b>Name of the Person:</b>	Mr. B.D.Panchal
<b>Designation:</b>	AM - Procurement
<b>Number of Milk Soc.:</b>	645
<b>Total Number of Members:</b>	1,18,000

<b>Approximate no. Of Cattle in District:</b>	5,00,000
<b>Are they buying chaff cutters:</b>	Yes
<b>How many milk soc. visited in the district:</b>	15 Milk society

**Are they providing any subsidy to members? How much:**

- Under AFDP scheme, 75% subsidy

**Major issue with Chaff cutter:**

- Last year they got approval of Rs. 22 Lacs for chaff cutters so 60 milk soc got the benefit of motor chaff cutter and 100 milk soc got Hand chaff cutter
- Last year they bought 86 motor chaff cutter from Girnar @ Rs.20,000 and 238 hand chaff cutter from Punjab @Rs. 5,000/-. They are providing 75% subsidy under AFDP

**Main highlight of the meeting (Any key point):**

- Few years ago milk soc bought chaff cutter through NCCF but

the quality of the product was not good so now dairy is directly purchasing chaff cutters from suppliers and providing to the milk soc.

- Jasdan chaff cutter has good quality but samalkha's hand operated chaff cutter is not good at quality

**Main highlight of the soc. meetings:**

- In menka village, they are not interested in hand cutter because of scarcity of man power & machine is not cutting grass properly that are sold by Samalkha.
- In kothriya village, they are interested to buy motor operated chaff cutter if service, warranty & quality are provided

**Vasudhara Dairy- Valsad**

<b>Name of the Dairy:</b>	Vasudhara dairy
<b>District Name:</b>	Valsad
<b>Name of the Person:</b>	Mr. R.K. Sinha
<b>Designation:</b>	Manager input
<b>Number of Milk Soc.:</b>	1200
<b>Total Number of Members:</b>	70,000
<b>Approximate no. Of Cattle in District:</b>	3,00,000
<b>Are they buying chaff cutters:</b>	Yes
<b>Are they providing any subsidy to members? How much:</b>	No
<b>How many milk soc. visited in the district:</b>	14 Milk Society
<b>Major Issue with Chaff Cutter:</b>	Lack of Awareness

**Main Highlight of the Meeting (Any Key Point):**

- Dairies are offering Chaff Cutters on 0 interest installments of 12 months.
- Purchasing mainly from Punjab, Raja Toka and Goraya
- They don't know about Samalkha, but they are open only if the products are cost effective
- Dairy needs support in awareness activities for chaff cutters
- Sudo (Traditional cutters) 3000 supplied under AFDP, not interested in AFDP support for chaff cutter
- They run FOP (Farmer Orientation Program) to create awareness about the Chaff cutters

- 2010-11 they sold 100 motor operated chaff cutters purchased from Yash agro @ Rs. 14,500 and distributed amongst the members

**Main Highlight of the Soc. Meetings:**

- Biggest gap is that societies doesn't know that dairy is offering installment scheme for chaff cutters
- Mr. Ram Devbhai was interested to buy 100 chaff cutters (Prime condition. It should cut all type of grass)
- One chaff cutter is already with Ramdevbhai of Punjab brand. He bought this from dairy at Rs. 13,500 without any installment support. He is not satisfied with that.

**Sorath Dairy- Junagadh**

<b>Name of the Dairy:</b>	Sorath Dairy
<b>District Name:</b>	Junagadh
<b>Name of the Person:</b>	Dr. H.A.Kamdar
<b>Designation:</b>	Manager - Procurement

<b>Number of Milk Soc.:</b>	300
<b>Total Number of Members:</b>	15,000
<b>Approximate no. Of Cattle in District:</b>	30,000
<b>Are they buying chaff cutters:</b>	No
<b>How many milk soc. visited in the district:</b>	12 Milk Society

**Are they providing any subsidy to members? How much:**

- Dairy is not interested in providing subsidy for the chaff cutter.

[1] Seminar or meeting at village level

[2] Generate the demand &amp; prepare the report &amp; send to GRISERV, Baroda for final approval

[3] After get the sanction from GRISERV, Samalkha can do the business

**Major issue with Chaff cutter:**

- Farmers are not aware about the chaff cutter

**Main highlight of the soc. meetings:****Main highlight of the meeting (Any key point):**

- Dairy can directly do the business with suppliers if good quality & price of product are provided
- BAIF (Bhartiya Agro Industry Foundation) is providing sudo to members worth rs.700 at free of cost. This subsidy is provided by Jilla gram vikas agency.
- Proposal stage of BAIF:

- Members are directly purchasing the products from suppliers or BAIF (Bhartiya Agro Industry Foundation)

- They don't know about chaff cutter & AFDP

- This people are more interested in motor chaff cutter after knowing its benefits

**Dudhsagar Dairy- Mehsana**

<b>Name of the Dairy:</b>	Dudhsagar dairy
<b>District Name:</b>	Mehsana
<b>Name of the Person:</b>	Dr. Joshi
<b>Designation:</b>	Head of veterinary depart
<b>Number of Milk Soc.:</b>	1200
<b>Total Number of Members:</b>	2,70,000
<b>Approximate no. Of Cattle in District:</b>	12,00,000
<b>Are they buying chaff cutters:</b>	Yes
<b>Are they providing any subsidy to members? How much:</b>	Yes / 30%

**Main highlight of the meeting (Any key point):**

- Dairy is buying directly from the manufacturers/suppliers if they like the product. Dairy do not entertain middleman

**Main highlight of the soc. meetings:**

- Many members are ready to buy chaff cutter. At present those are using chaff cutters, they are not happy with after sales services. If some part of machine gets spoiled, they don't have service provider to repair it or replace the spoiled part.
- Some members think that north India chaff cutter will not cut the Dry grass

**How many milk soc. visited in the district?**

- 15 societies visited

**Panchamrut Dairy- Godhra**

<b>Name of the Dairy:</b>	Panchamrut Dairy
<b>District Name:</b>	Godhra
<b>Name of the Person:</b>	Mr. Yusuf Pathan
<b>Designation:</b>	Manager Procurement
<b>Number of Milk Soc.:</b>	1916
<b>Total Number of Members:</b>	3,60,000



<i>Approximate no. Of Cattle in District:</i>	15,00,000
<i>Are they buying chaff cutters:</i>	Yes
<i>Are they providing any subsidy to members? How much:</i>	15 Milk society

**Are they providing any subsidy to members? How much:**

- Providing chaff cutter at Rs. 13000 market price of the same is Rs. 19000

**Major issue with Chaff cutter:**

- More than 60% member are using Sudo or direct feeding the grass without cutting

**Main highlight of the meeting (Any key point):**

- They can go for other than Gujarat based company if quality, price, after sales service, and ISI mark is attached.
- They don't know about Samalkha but they are open to new opportunity

**Main highlight of the soc. meetings:**

- Many milk societies are interested in purchasing chaff cutters after they came to know about the benefits of using chaff cutters.

**Uttam Dairy- Ahmedabad**

<i>Name of the Dairy:</i>	Uttam Dairy
<i>District Name:</i>	Ahmedabad
<i>Name of the Person:</i>	Dr. D.I. Patel
<i>Designation:</i>	Manager input
<i>Number of Milk Soc.:</i>	640
<i>Total Number of Members:</i>	80,000
<i>Approximate no. Of Cattle in District:</i>	3,00,000
<i>Are they buying chaff cutters:</i>	Yes
<i>Are they providing any subsidy to members? How much:</i>	No
<i>How many milk soc. visited in the district:</i>	15 Milk Society
<i>Major Issue with Chaff Cutter:</i>	No

**Major Issue with Chaff Cutter:**

- People are lazy that's why use of chaff cutters is low

**Main Highlight of the Meeting (Any Key Point):**

- Dairy has suggested to develop a media campaign to create awareness about the chaff cutters

**Main Highlight of the Soc. Meetings:**

- People don't know much about chaff cutters and the exposure is also very low.

**Key Findings****Milk Dairies**

1. Dairies are very much keen to provide chaff cutters to their members and some of the dairies are already providing subsidy to promote the chaff cutter amongst their members.
2. Most of the dairies are concern with the product quality and after sales services.
3. Almost all dairies are aware about the RKVY / AFDP scheme and some of them are using the scheme also.

4. Few dairies are also doing awareness campaign for RKVY / AFDP scheme but their approach is not effective and due to that very low response they are receiving from their milk societies.
5. Few of the dairies are positive to do joint promotion of chaff cutters with the suppliers since they know the benefits of the using chaff cutters.
6. Majority dairy preferred the Tender process of the buying of chaff cutter but in some of the dairy they are directly approaching the suppliers or manufactures.
7. Even those dairies which are buying through tender process, they are very much open for trying new suppliers and secondly they are not stick to one supplier.
8. Price, Quality & after sales services are the prime factor for dairy to buy a chaff cutter.
9. Punjab stands in 1<sup>st</sup> position in terms of supply of chaff cutter after local supplier.
10. Except Surendranagar dairy, no other dairies have heard about Samalkha or its products.
11. Almost all dairies are open to source/buy chaff cutters from

outside Gujarat they are also interested to see Samalkha products to explore the possibility of buying from Samalkha.

#### **Milk Societies**

1. Hardly anyone is interested to by hand operated chaff cutters. In Gujarat due to easy availability of electricity no one is interested to do labour work.
2. Most of the members interviewed are aware about the chaff cutter & its benefits. In fact they are ready to buy chaff cutters but right now the usage of chaff cutter ratio in Gujarat is around 1%.
3. Those who don't know about the chaff cutter and its benefits, after knowing the benefits and usability are showing keen interest to purchase it.
4. Most of the time chaff cutters are sold by the dairy to their members' societies. There are hardly any traders market exists in Gujarat for chaff cutters.
5. Those who are using Motor operated chaff cutter that are priced between Rs. 10,000 to Rs. 20,000 where as hand operated chaff cutter is costing between Rs. 2,500 to Rs. 5,000.
6. Members that are not using the chaff cutter, most of them are using Sudo for cutting the grass & these Sudo are most of time are provided by the dairy and at some places that are available in local market.
7. Majority of milk societies are not aware about AFDP scheme & 75% subsidy scheme of chaff cutters. They have never received any communication from dairy about such scheme.
8. If subsidy of 75% is provided on chaff cutter than majority of people will preferred to buy chaff cutter and that would be Motor operated chaff cutter.
9. Almost every one interviewed is using green & dry both the pastures for feeding the cattle.
10. Majority of the milk society members are cultivating the grass in their own land and very few are buying it from outside.
11. Those members who have more number of cattle they will surely prefer Motor operated chaff cutter & even those who are having 2-3 cattle there first preference is motor operated only.

#### **Conclusion**

In every industry there is a desire for further expansion and if this is done through a formal channel then the task becomes easy for the Industrial cumulative growth. The same thing is applicable to the Samalkha industrial association where MSME foundation runs cluster development programme. Initial period we had visited 13 Milk Dairy & 180 Milk Society in Gujarat region. We found some major highlights like:

Demand of chaff cutter is low due to high price & lack of After Sales Services. Here farmers don't want to do hard work by using Hand Chaff Cutter but they preferred smart work by using Motor Chaff Cutter. They focus on three major aspects:

- Awareness / Demonstration at Village Level
- Good Quality product with safety features
- After Sales Services

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