

Bangalore Milk Union Ltd

Energy Conservation Cell

Bangalore Milk Union constituted Energy Management Cell during 2001-02. This cell consists of Manager (Production), Manager (Engg), Deputy Manager and Assistant Managers. Manager (Production) being the Energy Manager.

Salient Features & Functions of Energy Conservation Cell:

1. Formal meetings are conducted every month in the presence of Managing Director.
2. Trend line for the consumption of electricity, furnace oil and water is drawn well in advance and any variations in the consumption will be discussed and suitable actions will be initiated.
3. Preventive maintenance schedule is being monitored

Achievements:

Best Total Energy Management award for the year 2002-03 by NDDB, IRMA and Karnataka Milk Federation.

The Energy Conservation Cell has presented the achievements to Faculty members of IRMA and Officers of Amul held at IRMA, Anand and also to the officers of MILMA, Kerala Milk Federation held at Kottayam, Kerala.

Future Plans:

Gasifier System at all the chilling centers
Utilisation of Methane gas generated from ETP.
Rain Water Harvesting
Installation of continuous evaporator of condensing Milk
Appointing external agency to identify and adopt the more efficient energy savings system.

Energy Management Policy

“Utilisation of Energy effectively & judiciously aiming to conserve the energy continuously by adopting eco-friendly methods & thereby increasing the productivity of the Union”

Energy Goal

“To Provide Fresh - Quality Milk & Milk Products at competitive prices to the consumers & thereby uplifting the financial position of the rural milk producers”

Bangalore Milk Union

Vision of the Union

“Wish to grow into a Model Milk Co-operative in the Country”

INTRODUCTION

Bangalore Milk Union (Bamul) is a co-operative organisation which covers Bangalore Urban & Rural districts. It is a Milk Producer Farmers organisation for dairy development activities to achieve the following

OBJECTIVES

- To form Dairy Co-operative Societies at Village level and dissemination of information like good Animal feeding, breeding practices & Clean Milk Production through Extension Services.
- To provide assured market & remunerative price for the milk produced by the farmer members.
- To provide Technical Input Services like Animal Husbandry, Artificial Insemination, Balanced Cattle Feed, Fodder Development, etc., to the milk producers.
- To facilitate rural development by providing opportunities for self-employment at village level, preventing migration to urban areas, introducing cash economy & opportunity for steady income.
- To provide scientifically processed Fresh & Pure Milk to the urban consumers at competitive price.

BACKGROUND

On January 1st 1958 a pilot scheme under Department of Animal Husbandry, Government of Karnataka was started to cater Veterinary Hospitals & Milk process facilities at National Dairy Research Institute (NDRI). In 1962 the Bangalore Milk Supply Scheme came into existence as an independent body. Bangalore Dairy, a joint venture of UNICEF, Government of India & Government of Mysore was dedicated to the people of Karnataka on 23rd January 1965 by the then Hon'ble Prime Minister Late Sri Lal Bahadur Shastri. Bangalore Dairy scattering over an area of 52 acres, the Dairy had an initial capacity to process 50,000 liters of milk per day. This Dairy was handed over to Karnataka Dairy Development Corporation (KDDC) in December 1975 as a part of Rural Milk Scheme of Mysore, Hassan & Kudige under Operation Flood-II and then transferred to Karnataka Milk Federation (KMF) in May 1984 as a successor of KDDC. To cater to the growing demand for milk by the consumers of Bangalore City, the capacity was increased to 1.5 lakh liters per day under the Operation Flood-II during 1981 and later increased to 3.5 lakh liters per day under Operation Flood-II during 1994.

As per the policies of the National Dairy Development Board (NDDDB), Bangalore Dairy was handed over to Bangalore Milk Union (Bamul) on 1st September 1988. The Union is capable of processing the entire milk procured, by timely implementation of several infrastructure projects like commissioning of Mega Dairy, new chilling centers & renovation of product block.

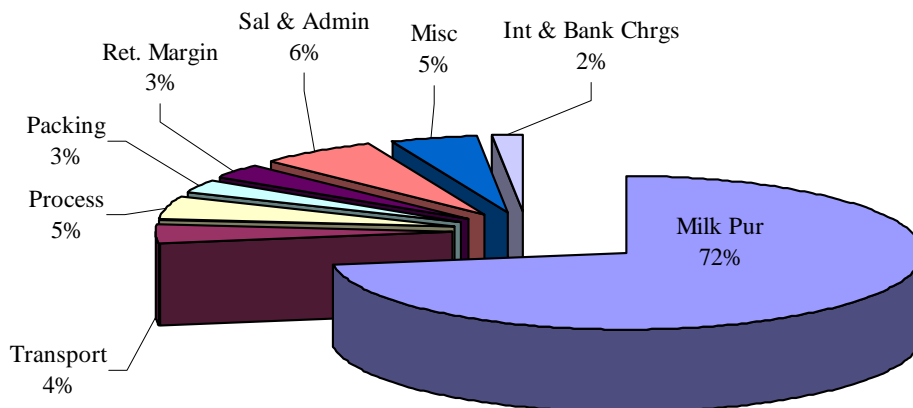
Bamul has been registered under MMPO by Central Registration Authority. Today, the Union has become biggest Milk Co-operative Union in Southern India. Bamul has been certified for ISO 9001-2000 and HACCP (IS-15000) for quality management and Food Safety Systems, and also got a National Productivity Award Thrice.

ORGANISATION STATUS

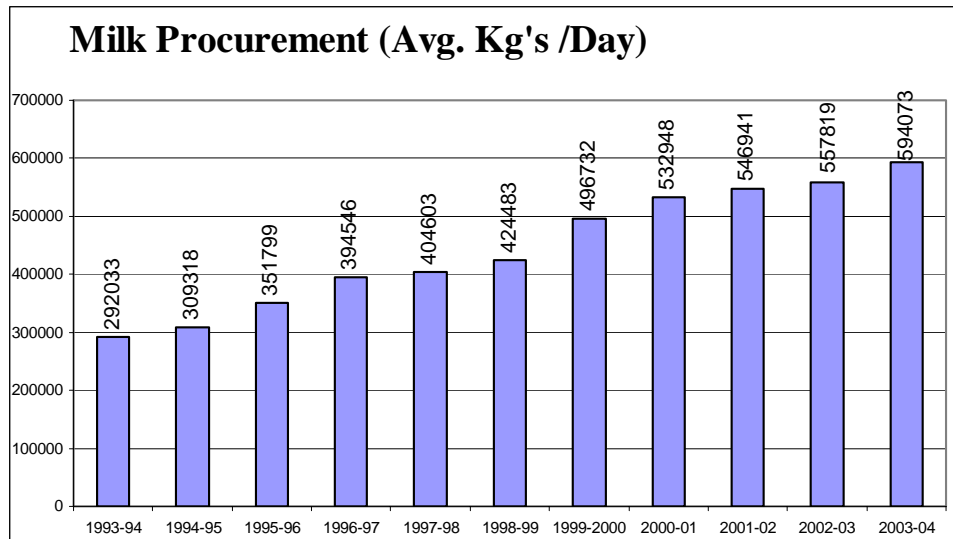
MILK PROCUREMENT

The operational efficiency is reflected on procurement prices paid to the member producers. Bamul is offering the most remunerative milk procurement price to member producers. Annual average Milk Procurement for the year 2003-04 is 5.94 lakh liters per day. During the flush season it has procured to the peak of 6.80 lakh liters per day. The average milk procurement price paid during the year was Rs. 9.40 for every Liter of Milk supplied to the Union.

Expenditure Incurring per Ltr. of Milk



Milk collected at DCS will be transported to Chilling Centers, through 83 Milk Procurement Routes, by traveling 14,738 KM's every day. 2 Bulk Milk Cooler (BMC) Routes are also in operation, which collects milk from 13 BMC centers of 28 DCS directly transported to Bangalore Dairy through insulated tankers.



During 2003-04 Bamul procured 5.94 Lakh Kgs of Milk Per day, on an average of 415 Kgs of milk per DCS. With a motto of “Pure & Fresh Milk from Cow to Consumer” Bamul has Installed Bulk Milk Coolers, Automatic Milk Collection Units, Electronic Weighing Scales to minimise human contact of milk and transparency at the time of milk collection.

MILK MARKETING

The Bangalore Milk Union is marketing milk and milk products in the brand name of “Nandini” through 942 retailers, 41 Franchisee Outlets, 19 Milk Parlors, 6 Whole sale Dealers, 7 Transporter Cum Distributors and 8 Day counters being served by 131 distribution routes. The key success factor of Bamul in becoming a market leader is the narrow price spread maintained between purchase & sales, marketing higher volumes of milk. The volume of sales plays a critical role in determining costs. Hence, the market strategy of Bangalore Milk Union is to regard selling of market milk as its core marketing activity and to concentrate its efforts in this direction to increase the volume of milk sales. The impressive growth in the sale of milk by Bamul over the years is due to the persistent efforts to maintain timely supply, maintaining quality and attending to the complaints of consumers and agents with prompt follow-up action.

INFRASTRUCTURE DEVELOPMENT:

The strategy of Bangalore Milk Union is “Procure More, Sell More & Serve More” and reaping the benefits of economies of scale. In order to realize this strategy, the Union has implemented the following projects so that more and more milk can be procured and processed. This will help us to serve our producer members by passing on the maximum benefits, we are consciously adopting the growth-oriented strategy of helping our producers to grow by ourselves growing constantly.

Challenge:

Although Bamul sets high standards for its products and customer serve, its prior reliance on manual operations made it impossible to keep with surging demand. In designing

mega dairy, Bamul looked towards an automated system that would allow it to achieve consistent quality parameters for each product. Energy and manpower would also be more effectively optimised and controlled and all plant equipment would be integrated. In addition, employees would be trained in how to use the new automated systems and valuable management information would be collected at the main server and used for marketing and evaluations.

Milk quality is immediately checked for quality parameters upon arrival at the plant's main gate. From this point onward, each operation is automated with controls for chilling, milk pasteurisation, standardisation and cleaning-in-place (CIP). The system also gathers and distributes data for production, quality and energy management.

At the heart of the system is a reputed Allen-Bradley PLC-5/80C platform, which communicates to analog and digital I/O on control Net a producer-consumer communication network. Customers are also seeking significant benefits. Milk now reaches market faster, at a better quality and with a longer shelf life.

Mega Dairy with a capacity to process 6 lakh litres of milk per day has been built by investing Rs. 38.70 crores obtained as term loan from National Dairy Development Board. The Mega Dairy, has latest state-of-the-art technological facilities in dairy processing and the Union will have the ability to manufacture milk and milk products to world class standards.

Apart from the existing SIX Chilling Centers Bamul is also going to commission one more chilling center at Kanakapura shortly with a chilling capacity of 50,000 Liters per day.



FINANCE

The Union has achieved a record turnover of Rs. 278.74 crores in the year 2003-04 as against Rs. 253.23 Crores for the year 2002-03. Union has earned a Net profit of Rs. 3.81 Crores for the year 2003-04 as against Rs. 2.29 Crores during 2002-03. This improvement in Net Profit is achieved due to improvement in managerial efficiency, energy management, market development and quality excellence.

Performance at Glance (Rs. in Lakhs)

Particulars	1999-2000	2000-01	2001-02	2002-03	2003-04
Net Sales	21,415.51	22,072.93	23,223.42	25,332.20	2,78,737.50
Milk & Products Purchase	16,256.48	16,695.67	16,645.43	17,760.38	19,858.53

