

CASE STUDY ON

## DAIRY - ONLINE MILK COLLECTION AND PAYMENT SYSTEM



email: [sales@visiontek.co.in](mailto:sales@visiontek.co.in)  
[www.visiontek.co.in](http://www.visiontek.co.in)

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**Overview :**

A multi-national company which manufactures dairy products has been facing problems in the milk collection process. They noticed that a lot of time is being wasted on data tracking and the resources are being misused by milk collectors at the bulk milk collection (BMC) units. This created an unrest within the farmers who started to look for other options of selling their milk. It was of utmost importance to this company to retain their farmers loyalty as milk is their primary raw material. The company required a solution for increasing the transparency and improving data tracking in the milk collection process.

**Business Challenge / Problem :**

**From a farmer's perspective :**

A farmer takes his daily supply of milk to the nearest BMC centre where the milk is analyzed using a milk analyzer and weighing machine. The collector then calculates the SNF levels, fat content and water levels. Based on these entries, the collector determines the amount payable to the farmer and gives it to the farmer on a hand-written slip. As the note is written by hand, it is prone either to manipulation or manual error.

**From a milk collector's perspective :**

When the farmers go to the respective Bulk Milk Collection centres everyday, the appointed agent analyzes the milk content using a milk analyzer and weighing machine that are connected to a PC. The agent calculates the amount payable to the farmer based on the fat content, water level, weight and SNF levels. Then, the agent writes the amount on a receipt and hands it over to the farmer to collect the money after a certain period of time. After collecting all the milk, the agent has to send in a daily report of all the transactions to the manufacturer.

Manual entry of data related to calculation of milk quantity, fat content and amount payable to the farmers becomes cumbersome.

If a PC is used, a printer and smart card reader are additionally required. This increases maintenance costs. Also, there are connectivity in remote areas.

As the recorded data is manual, sending a daily report to the concerned dairy manufacturer turns laborious and error-prone.

**From the manufacturer's perspective :**

The manufacturer invests a lot of money in opening BMCs at various places. In the current system, there is no competent way of tracking their funds and the activities of the milk collector. If the farmer is not paid on time or is being cheated, the manufacturer loses the farmer to his competitors.

**Customer :**

Nestle India Ltd.

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### **Solution Description :**

Agents at the collection point use hand-held terminals to record the daily collection details.

A smart card could be issued to the farmer with his personal information and transaction details stored into it. So, every time a transaction takes place between the farmer and the collector, information like the amount received will be updated automatically.

Distribution of payment is done and two receipts containing information regarding fat, weight and amount receivable/payable, etc. are generated one for the beneficiary and another for the agent.

Every time a new transaction occurs, the data is automatically updated into the central server at real time using the GSM/GPRS network.

The terminal can also be used in the offline mode using a USB drive.

The manufacturer bases his production planning on the real-time milk quality information.

Daily summary reports can now be generated with proper administrative and audit control at different levels.

### **VISIONTEK Products Used :**

VISIONTEK 92 POS interfacing with milk analyzer and weighing machine with built-in GRPS/GSM for milk collection.

### **Benefits :**

Using a hand-held terminal will ensure complete automation in milk collection and payment process which will reduce manual error and increases transparency.

Usage of smart cards builds a sense of loyalty in the farmer as every transaction is recorded and it simplifies the work of the collector. This is also very helpful to the manufacturer as it is of utmost importance for him to retain the farmers and thus ensure a continuous supply of milk.

Easy, flexible and fool-proof solution for billing.

Reduces the work of the collection agent.

SNF, fat, water and other details can be read automatically and the final quantitative receipt can be generated.

It is possible to maintain a complete database of the farmers.

The payment cycle is reduced by 2-3 days.

### **Customer Impact :**

By using VISIONTEK POS, the customer was able to automate every milk collection and payment transaction, ensuring complete transparency in the whole process. This process proved cost-effective, systematic and error-free which saved a lot of time & money for the dairy manufacturer. Their relationship with farmers became stronger as a sense of good-will is cultivated due to increased transparency and prompt payments.

**Case Study Title:**

**Dairy - Online Milk Collection and Payment System**



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**LINKWELL TELESYSYSTEMS PVT. LTD.** 1-11-252/1B, Shoppers Stop, Begumpet, Hyderabad 500 016.

Tel: +91 40 66388000 | Fax: +91 40 66388006 | email: [sales@visiontek.co.in](mailto:sales@visiontek.co.in) | [www.visiontek.co.in](http://www.visiontek.co.in)

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