



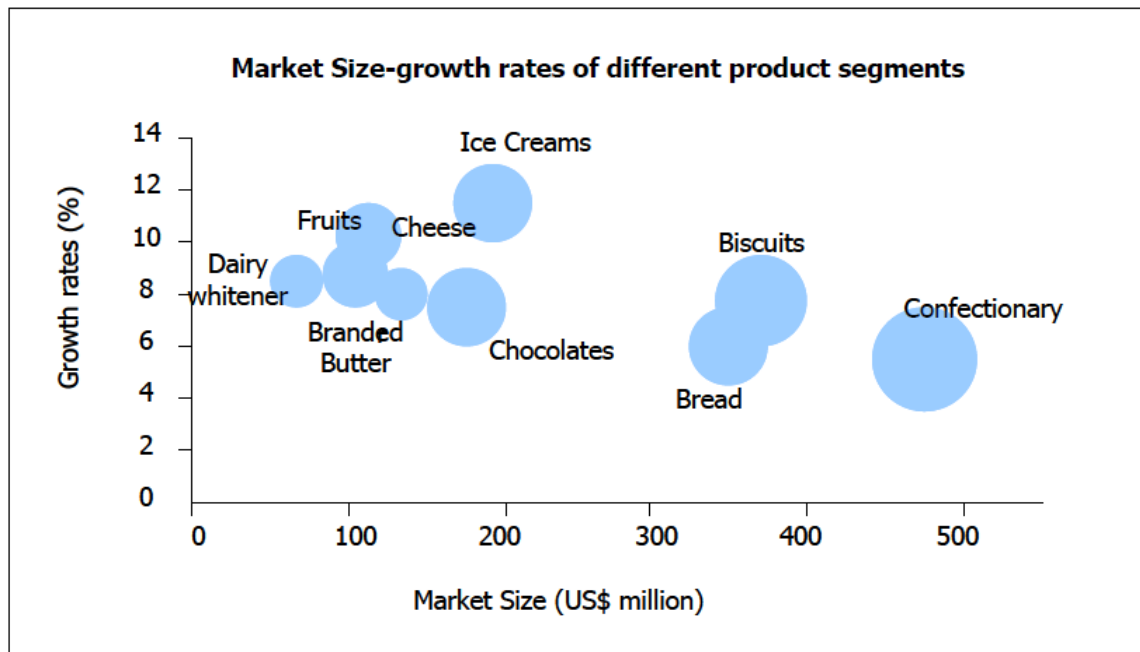
Think dairy is yet another initiative from Suruchi Consultants. It is high time for all business groups to consider dairy projects as a righteous choice for next diversification. It not only offers a quick cash inflow and moderate returns on investments but also gives an opportunity to all the business groups to accomplish their CSR (corporate social responsibilities) goals by developing backward linkages for community development.

In the dairy sector, even today most of the processing is done by the unorganized sector. Though the share of organized sector is less than 15 per cent, it is expected to rise rapidly, especially in the urban regions. Among the milk products manufactured by the organized sector, some of the prominent ones are ghee, butter, fermented milk products, cheese, ice creams, milk powders, malted milk food, condensed milk and infant foods.

Amongst dairy products, the 50,000 ton branded butter market, valued at US\$ 133 million is estimated to be growing at 8-10 per cent per annum. The cheese market is estimated to be US\$ 110 million in value terms and an estimated 54,000 tonnes in volume terms, and has been growing at a compounded annual growth rate (CAGR) of 8-9 per cent during 1999- 2003. These numbers are growing at a phenomenal pace and the current scenario is far much better than the one stated below. The growth in urban areas has been higher at about 15 per cent per annum. The ice cream market in India is estimated to be about US\$ 199 million per annum. A few corporate players, including Multi National Corporations are now focusing on this market. For example, Nestle and Britannia have forayed into emerging segments such as Ultra Heated Treatment (UHT) and flavored milk. Ultra Heat Treated (UHT) milk is becoming popular and the market is estimated at US\$ 33.4 million (Rs1.5 billion).

There has been sharp increase in the demands for fermented milk products like Yogurt, Dahi, butter milk and probiotics. The current growth rate in this sector is as high as 35 5 in few of the product categories.

The market size and growth rates of some of the products in organized dairy and consumer food segments are shown in the graph below.



Changing lifestyle has made products like pizza cheese to be an all time favorite and recent demand are well above 10000 MT per annum in this segment.

The opportunities are not only limited for setting up large dairy farms .Large dairy farms could be considered as a long term goal for an organization. The opportunities lies ahead with setting up state of the art technology dairy plant and later developing milk production in the catchments through community development and support services. A large number of government schemes as well as micro financing schemes are available for developing self help groups or individual entrepreneurs in milk production. There are large number of national and multinational organizations which are ready to support your endeavors in animal health ,breeding and feed management.

We at Suruchi are willing to partner with your esteem organization in this endeavor and offer our over two decades experience in capacity building and hand holding of your organization to enter into this industry of great potential and immense returns. Our association terms are also result linked to a great extent and may not be an obstacle in your decision making to venture into this field.

Please call us and our team will organize a corporate presentation on the road ahead for you at a mutually agreed time and place.

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