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Dairy Pulse 179th Edition (1st to 15th, April 2023)



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E-mail: editor@dairynews7x7.com, Contact: +91 78274 05029, 120-4370845, 4320845

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C-49, Sector-65, Noida, Uttar Pradesh, 201307

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Dairy Pulse 179th Edition (1st to 15th April, 2023)

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Indian News

India To Protect Interests Of Dairy Sector In EU-FTA: Piyush Goyal

APR 14, 2023

<https://dairynews7x7.com/india-to-protect-interests-of-dairy-sector-in-eu-fta-piyush-goyal/>



India will completely protect the interests of farmers and dairy sector in the proposed free trade agreement (FTA) with the European Union, commerce and industry minister Piyush Goyal has said. He was here on an official visit to hold discussions with leaders and the private sector on ways to further enhance trade and investment ties between the countries. The minister also went to Paris for the India-France business summit.

Goyal said that Italy and France have offered unstinted support for the early conclusion of negotiations for the India-EU trade agreement. During the meetings in Italy and France, he said, India has emphasised about the different economic conditions and per capita income in the two regions. But the kind of business opportunities which India provides for EU businesses are huge and “nobody can provide those in the world”, he added. “Keeping all this in mind, we would do the FTA... We will protect the interests of farmers and dairy sector... We have done that with UAE and Australia trade pacts also,” Goyal has said.

Chief negotiators of India and the European Union (EU) are scheduled to meet from June 19-23 in New Delhi for the fifth round of negotiations. India and the 27-nation bloc resumed negotiations on June 17 last year after a gap of over eight years on the proposed agreements on trade, investments and Geographical Indications (GI). Top officials at the commerce secretary level would meet in August to review the progress of talks.

India had started negotiations for a trade pact with the EU in 2007 but the talks stalled in 2013 as both sides failed to reach an agreement on key issues, including customs duties on automobiles and spirits and the movement of professionals. India’s merchandise exports to EU member countries stood at about \$65 billion in 2021-22, while imports aggregated \$51.4 billion.

A GI is primarily an agricultural, natural or manufactured product (handicrafts and industrial goods) originating from a definite geographical territory. Typically, such a name conveys an assurance of quality and distinctiveness, which is essentially attributable to the place of its origin. “India will not compromise on its interests... that is not possible,” Goyal has added.

On the European Union’s announcement of imposing carbon tax on certain sectors like metals, he said that the issue is part of the discussion. India has earlier stated that it is concerned about the European Union’s announcement of imposing carbon tax, saying such measures require New Delhi to recalibrate its approach towards a free trade agreement.

The EU is introducing the Carbon Border Adjustment Mechanism (CBAM) from October 1 this year. CBAM will translate into a 20-35 per cent tax on select imports into the EU starting January 1, 2026. According to a report by economic think tank Global Trade Research Initiative (GTRI), the carbon border adjustment mechanism being implemented by the European Union will have an adverse impact on India’s exports of metals such as iron, steel and aluminium products to the EU. In 2022, India’s 27 per cent exports of iron, steel, and aluminium products worth \$8.2 billion went to the EU.

India Not To Import Butter, Other Dairy Products-Rupala

APR 14, 2023

<https://dairynews7x7.com/india-not-to-import-butter-other-dairy-products-to-tap-domestic-sector-to-improve-supplies-parshottam-rupala/>



Union Minister for Fisheries, Animal Husbandry and Dairying Parshottam Rupala on Friday made it clear that the country will not import dairy products like butter and the supplies will be improved with the help of huge untapped domestic sector. Rupala's statement comes even as his ministry's top official had last week stated that the stocks of dairy products, especially butter and ghee etc., were lower than previous year and the country might import if the need arises.

The ministry official had also said that the country's milk production is estimated to be static in 2022-23 due to lumpy skin disease in cattle and rebound in post-COVID-19 demand. When asked about meeting the shortages of dairy products through imports, Rupala said: "There is no truth in it (shortage of dairy products). No import will take place."

There is no shortage of milk in the country and the government is regularly monitoring, he said on the sidelines of the launch of two animal health initiatives here. "The demand has increased. We have a huge untapped area, we will try to tap that...We will manage it properly and there is no need to worry," he said and urged farmers and consumers not to worry about it. On the rise in retail prices of dairy products, the minister said there is no need to worry about the prices. Farmers are getting good rates.

In 2021-22, India's milk output stood at 221 million tonnes, while it was 208 million tonnes in the previous year, according to official data. Last

week, former agriculture minister and NCP leader Sharad Pawar had written to the government urging it not to consider import of dairy products, saying it will directly affect the income of the domestic milk producers. India last imported dairy products in 2011.

Earlier, Rupala launched two animal health initiatives — the Animal Pandemic Preparedness Initiative (APPI) and the World Bank-funded Animal Health System Support for One Health (AHSSOH) in order to control zoonotic diseases transmitted from animals to humans. APPI aims at tracking animal diseases through large-scale digital surveillance, bringing synergies in advancement in vaccines for human beings and institutionalising targeted early response to animal and human health emergencies. The AHSSOH project of Rs 1,228 crore which is jointly funded by World Bank will initially be implemented in Assam, Odisha, Karnataka, Madhya Pradesh and Maharashtra.

The AHSSOH project aims to strengthen 75 district laboratories, provide 100 mobile veterinary units in remote locations and high-risk areas, and upgrade 300 dispensaries and hospitals besides training 5,500 veterinarians as well as 9,000 private diagnostic professionals. These two initiatives will also be showcased at the G20 Health Working Group meeting scheduled to be held on April 20 in Goa.

Minister of State for Fisheries, Animal Husbandry and Dairying L Murugan, Animal Husbandry and Dairying Secretary Rajesh Kumar Singh, Director General of Health Services Atul Goel, Principal Scientific Advisor to Government Ajay Kumar Sood, and World Bank Head (Agriculture and Food Global practices) Oliver Braedt were also present at the launch event.

Retail price of milk in India has increased by 12% in an Year

APR 14, 2023

<https://dairynews7x7.com/retail-price-of-milk-in-india-has-increased-by-12-in-an-year/>



Milk is ubiquitous in India — from the morning glassful that most middle class school kids glug to its use in Hindu religious rituals. Now it could become a headache for Prime Minister Narendra Modi's government as prices soar.

The average retail price of milk in India has increased by 12% from a year ago to 57.15 rupees (\$0.6962) a liter. A mix of factors is at play — a jump in the cost of cereals has made cattle feed more expensive coupled with lower dairy yields as cows were inadequately fed due to the pandemic rupturing demand at the time.

In turn, milk — which has the second-largest weight in India's food basket — pushes up overall inflation as well. India's headline inflation for March fell below the central bank's target of 6% as high interest rates cooled overall demand, according to data released Wednesday. However, milk inflation trended higher than the overall figure at 9.31%.

High prices of milk and related products — emotive items that most poor families aspire to and wealthier people see as indicators of status — have the potential of becoming a political risk for Modi's government ahead of national elections next summer.

"This trend of higher milk prices is problematic, since it is a highly price elastic product and has a direct impact on consumption," said R.S. Sodhi, president of the Indian Dairy Association.

For now, the demand-supply mismatch has helped a rally among dairy stocks in India as analysts expect this situation can help organized players expand their share of overall market in India.

However, Sodhi said the balance sheet of dairy companies may eventually come under stress as the cost of procurement is rising. One factor is the increase in the prices of cereals and rice bran, ingredients used in animal feed, which is discouraging farmers from feeding their cattle sufficiently and is reflecting in milk prices that have risen 12%-15% during winter months, he said.

Unseasonal rain and heat waves have also contributed to this jump in feed prices. Cereal inflation came in at 15.27% for March 2023.

But trouble was brewing even before prices of cattle feed began to rise.

When the coronavirus pandemic hit and India introduced one of the world's strictest lockdowns, demand for milk and milk products dipped as many restaurants and sweet shops were forced to shut down either temporarily or permanently. India accounts for almost a quarter of the world's milk supplies, but those massive volumes are produced in large part by tens of millions of small farmers who maintain modest numbers of animals. The drop in demand meant they were unable to feed their livestock well.

"A cow has to be fed irrespective of whatever quantity of milk it is giving and this is a pressure point for the producer," said Jayen Mehta, who heads India's largest dairy cooperative, Gujarat Cooperative Milk Marketing Federation, which owns the iconic Amul brand.

And while the South Asian nation consumes the bulk of the milk it produces, exports have also been rising, especially once the global virus disruption eased and demand for milk products picked up across the the world. India exported dairy products worth about \$391.59 million in the 2021-22 fiscal year compared to \$321.96 million in the year before that.

Dairy Stocks Gain as Heatwaves Drive Rare Milk Shortage in India

“In terms of the outlook for this year, we believe that milk prices will continue to increase, since there is a shortage of milk heading into the peak demand season,” Madhavi Arora, economist at Emkay Global wrote in a report this month.

Demand for ice cream and yogurt jumps as summer temperatures soar. That’s followed by the season of Hindu festivals, which starts around September — milk-based sweets are a holiday staple — and carries on for the next few months. While Modi revamped a food program to make monthly rice and wheat rations free for about 800 million Indians, higher prices of other kitchen staples add to the pressure on his government to do more to help citizens cope with the rising costs of living. That’s crucial as he prepares to seek reelection next year in a country that has by far the largest number of poor people worldwide.

“It’s an issue that affects ordinary people rightly,” said Neerja Chowdhury, a New Delhi-based political columnist. “But whether it becomes a poll issue depends on the opposition, how effectively they can use it and make it into a right issue that make people vote in a particular way.”

Analysts expect Modi to win as the opposition remains in disarray. But the government may still

have to do some heavy-lifting to beat back price pressures, given the Reserve Bank of India has already paused monetary tightening amid mounting growth risks.

While economists expect overall inflation to ease going ahead, things are not looking up for this staple. India’s central bank last week said that prices of milk may continue to be firm going into the summer season due to tight demand-supply balance and fodder cost pressures.

Amul’s Mehta describes it as walking a tight rope. On one hand, it is about limiting the impact of inflation on consumers for an essential item, while simultaneously ensuring producers get a fair price to encourage them to continue producing milk, he said.

For now, even middle class families are tweaking their milk consumption. Ruchika Thakur, a lawyer and a parent to a five-year-old, says cutting down on milk purchases is not an option so she’s started buying cheaper options to tackle the surge in cost.

“I think twice before making that extra cup of coffee,” she said, adding that there is no room for buying more, especially for a family of eight who consume three liters of milk each day.

Milk cooperatives indulged in market distorting tactics

APR 14, 2023

<https://dairynews7x7.com/milk-cooperatives-indulged-in-market-distorting-tactics-violating-anand-model/>



The new controversy in election-bound Karnataka is, surprisingly, around two large and successful dairy cooperatives —Amul (brand owned by Gujarat Cooperative

Milk Marketing Federation, GCMMF) and Nandini (brand owned by Karnataka Milk Federation, KMF).

The debate seems to have been kick-started by two events: a statement in December 2022 that if Amul and Nandini work together jointly, there will be primary dairies at every village level in three years; and the announcement of GCMMF (on April 5) that it will be introducing milk and curd (‘dahi’ for the FSSAI obsessed) in Karnataka.

The first statement gave rise to fears (though unfounded) that KMF and GCMMF may be merged to form a multi-State cooperative — given the slew of new multi-State cooperatives (with control shifting to the Union Government) announced by the new Ministry of Cooperation recently. The second, a purely commercial announcement by Amul on its entry, did ruffle a few feathers. Amul later clarified that it is not in competition with Nandini. These statements have, however, sent conflicting messages to the farmers, particularly in Karnataka.

The fact is that both Amul and Nandini sell milk and milk products outside their respective States. Amul is humongous in size (procures about 26-27 million litres of milk daily) and has huge marketable surpluses. It also has a large portfolio of products to sell with an excellent brand image and a strong distributor network. Amul competes with Mother Dairy (a subsidiary of NDDB) in Delhi and it is understood that the latter has inched ahead in the National Capital Region in terms of volume and value. One can argue that this has prevented large private companies from taking a big share of the market.

On the other hand, Nandini is the second largest (procures about 8 million litres of milk per day) and is buoyed by the huge market distorting subsidy given by the Karnataka Government, of ₹6 per litre of milk, to dairy farmers (a burden of about ₹1,200 crore on the State budget). The catch is: this is limited to the milk supplied to KMF (Nandini). It is more a subsidy to KMF which that enables it to sell milk cheaper than any of its competitors

Given this price advantage, can Amul take a major share of the Karnataka market? Most unlikely. But the twist in the tale seems to be the recent entry of Amul into Andhra Pradesh. It is reported that AP is providing subsidy for dairy farmers associated with milk cooperatives in some districts (almost on the same lines as Karnataka), under its 'Amul- Palavelluva' scheme. This gives Amul the muscle to price the milk

sourced in AP lower than their declared 'price structure'.

There were instances when Kerala, till recently a perennial deficit State for milk, used to buy large quantities of milk from KMF through its milk federation (MILMA). The regional unions made substantial profits by selling this milk at par with MILMA prices. The design of the subsidy to dairy farmers in Karnataka (and now AP) does create major distortions in the market.

Both Amul and Nandini have surplus milk and they have no option but to sell milk and its products in other States. Additionally, Amul has milk collecting and processing plants in other States (Rajasthan, Uttar Pradesh, West Bengal, Maharashtra, Madhya Pradesh, Punjab and Odisha). The State law governing cooperatives allows it to procure milk from outside the State, and process and sell in whichever market it chooses.

While Gujarat itself is surplus in milk, investments in other 'high milk producing, low procuring' States give that much more marketing muscle to Amul. The disturbing point about Amul's entry into other States is that the law does not prescribe that it collects milk exclusively from cooperatives in such States, giving rise to the possibility of procuring through private middlemen. Even if cooperatives are formed in these States, they will only be suppliers of milk and not be eligible to be members of GCMMF, which will remain under the exclusive ownership of Gujarat farmers.

Moral dilemma

Does Amul, which claims that it gives back more than 80 per cent of the consumer rupee to its farmers, give the same amounts to its non-member farmers? If there is a difference, what is it? Here lies the moral dilemma. One can argue that if Amul had not entered, private players would have found the market more profitable.

While the Karnataka issue may die down after the elections, what happens to comparatively smaller local brands like Aavin (Tamil Nadu),

Sudha (Bihar), Gokul (Maharashtra), Saras (Rajasthan), Sanchi (MP), Verka (Punjab), and the like. Uttar Pradesh, the largest producer of milk in the country, has also the lowest procurement of milk through its coop milk federation, leaving the farmers at the mercy of the middlemen. A fertile ground for private investment.

The twin issues of a market distorting subsidy enabling a State milk federation to sell cheaper in other States and the ability of strong State milk federations to invest in other States without giving equal rights to their dairy farmers violate the fundamental principles of the Anand model of dairy cooperatives. For such States which have lost their dairy cooperatives due to mismanagement and inefficiency, large dairy cooperatives

from other States will behave almost like the private sector, at best, a benevolent one.

This is the exact opposite of Dr Kurien's vision of farmer owned dairy cooperatives as the principal instrument of rural prosperity. What would NDDDB, with its legal mandate of 'adopting a cooperative strategy on an intensive and nationwide basis' (NDDDB Act) do under the circumstances? Will the Amul-Nandini-Mother Dairy combine (which procures about half of the total milk procured by cooperatives) strike at the very root of the Anand model so passionately advocated and developed by Dr Kurien? A larger debate on the issue may throw up new options.

Purabi Dairy targets 50pc revenue increase to Rs 300cr in FY'24

APR 14, 2023

<https://dairynews7x7.com/purabi-dairy-targets-50pc-revenue-increase-to-rs-300cr-in-fy24/>



The West Assam Milk Producers' Co-operative Union Ltd (WAMUL) on Thursday said it is aiming to clock a 50 per cent jump over its 2022-23 revenue to around Rs 300 crore in this fiscal.

The business of the Guwahati-based cooperative, which markets milk and milk products under the Purabi Dairy brand, crossed Rs 200 crore in 2022-23, WAMUL said in a statement.

Of the Rs 200 crore, Rs 190 crore came from milk and milk products while Rs 10 crore came from the cattle feed business.

The milk cooperative had registered over 32 per cent rise in sales in 2022-23.

"The revenue growth can be primarily attributed to the rising demand for the milk and milk products of the cooperative. The cattle feed business, which started operations in May 2022, also added to the revenue," it said.

During 2021-22, Purabi Dairy's business stood at Rs 151 crore, the company said.

"Looking forward, Purabi Dairy has set an ambitious target of achieving a turnover of Rs 300 crore in 2023-24. To achieve this, WAMUL plans to introduce new categories and expand its operations to new geographies," it added.

In the last fiscal, milk sales grew by 17 per cent, curds by 80 per cent, paneer by 45 per cent, lassi by 160 per cent and ghee by 120 per cent.

Talking about its business model, Purabi Dairy said the automated milk collection centres set up in rural areas ensure that farmers receive a fair price for milk.

WAMUL operates a network of nearly 600 dairy cooperative societies, comprising 30,000 dairy farmers, across the state.

By eliminating middlemen, the company ensures that farmers receive a better price for milk,

which ultimately improves their livelihoods, the statement said.

Milma resents entry of Nandini milk brand in Kerala

APR 14, 2023

<https://dairynews7x7.com/milma-resents-entry-of-nandini-milk-brand-in-kerala/>



The Kerala Cooperative Milk Marketing Federation (KCMMF), known by the brand Milma, has voiced serious concern over the tendency of some State milk marketing federations to aggressively enter markets outside their respective States, holding that this involved a breach of the cooperative spirit based on which the country's dairy sector has been organised for the benefit of millions of dairy farmers.

"Of late, there has been a growing tendency on the part of some of the State milk marketing federations to market their staple products outside their respective domain. This grossly violates the federal principles and cooperative spirit based on which the country's dairy cooperative movement has been built and nurtured by pioneers like Tribhuvandas Patel and Verghese Kurien," Milma Chairman K.S. Mani said here on Thursday.

Amul in Karnataka

"The move of Amul (Gujarat Milk Cooperative Federation) to promote its staple products in Karnataka has been met with strong resistance from stakeholders in that State. But the Karnataka Milk Marketing Federation recently opened its outlets in parts of Kerala to sell its Nandini brand of milk and other products. This is a highly

unethical practice which defeats the very purpose of India's dairy movement and will harm the interests of the farmers," Mr. Mani said.

He feared that the trend would lead to unhealthy competition among States, unless the Union and State governments come together to evolve a consensus.

'Encroachment'

"As per the prevailing agreement and courteous business relations existing among milk cooperatives, cross-border marketing of liquid milk shall be avoided as it amounts to blatant encroachment of the sale area of the respective State. Such practices from any side will jeopardise the spirit of co-operative principles that have been nurtured for long by mutual consent and goodwill," he explained.

Mr. Mani noted that the tendency to enter the markets outside one's domain by opening sales outlets or roping in franchisees should be avoided. "Initially, they sell only value-added products, then start selling liquid milk also and subsequently begin shop-to-shop distribution of milk. Eventually, they will seek to capture markets outside their area, taking advantage of the State-to-State variations in price and production cost."

Milma's functioning

Though the input cost in dairy sector in Kerala is much higher compared to other States, Milma passes on 83% of its turnover to dairy farmers through the co-operative societies in its network. Also, the bulk of Milma's surplus is given to the farmers as additional incentive on milk price and subsidy on cattle feed as the well-being of the dairy farmers is its prime concern.

Considering these stark realities, it is in the best interest of dairy co-operative federations of various States that they refrain from plans to open

sales outlets or make franchisee arrangements to sell liquid milk and other staple products outside the State, Mr. Mani added.

Amul converts complete range of Buttermilk into probiotics

APR 14, 2023

<https://dairynews7x7.com/amul-converts-complete-range-of-buttermilk-into-probiotics-at-the-same-rates/>



The commodity segment has driven the maximum business growth for Amul and given the company surpluses with double-digit volume growth coming from across categories, says Jayen Mehta.

The MD of Amul spoke to e4m Editor Naziya Alvi Rahman about the brand's big launches this year, expansion to newer countries and his turnover plans for the next five years. Edited excerpts below:

We were looking at your financial results and you have done exceedingly well with a growth of 18.4%. What are the factors that continue to work for you despite the global slowdown?

Our business is built on five strong verticals. One is the fresh product portfolio, which comprises milk, buttermilk, and fresh paneer, and that is doing exceedingly well. It has grown by more than 20 per cent. The second one is that of our dairy products – butter, cheese, milk powders, and tetra-pak milk. So that segment has also seen a good resurgence in the entire market. We have seen double-digit volume growth coming from across the categories. The third segment is the frozen product division like fries, snacks, diced cheese and ice-cream, which has grown very well. More than 40 per cent growth has come from this segment.

The commodity segment has significantly driven the maximum business growth and given us the surpluses. We try to sell it through our Amul Dairy trade portal. Also, there is an auction portal in which we get buyers from across the country. More than 2,500 customers participate in our auctions. If we deep dive into the data then we do about eight to ten auctions every day. Focusing on last year's data, we did over 2,500 auctions. As a result, we got good market sales along with good price realization.

Moving on to the fifth segment – international business. We export our products to more than 40 to 50 countries. We have added more countries and the business is very promising and growing very well. All these five business verticals or the pillars of our business are doing very well. One major trend for our industry is consumers shifting from unbranded and loose to package and branded. The sudden upsurge in the demand for packaged products allowed us to expand the business further. Also, we are estimating a growth of 20% and the turnover to increase from Rs 55,000 crore to Rs 68,000 crore. Approximately, Amul's turnover will increase to Rs 85,000 crore from Rs 72,000 crore.

Which are your biggest markets abroad? And is it only popular amongst Indians, and NRIs, or is it also consumed by the locals?

The main reason for the brand to go global is the NRI segment because they are familiar with Amul, and that gives us an easy foothold in the market. We are exporting to the US, Canada, the Middle East, the entire south-east Asia market, and also the Far East, including Japan, Australia,

New Zealand and so on. Also, the NRI market is a very promising market for us. Having said that, we have also entered into products like French fries, which have a huge demand. We have created new markets across the Philippines, Japan, the Middle East and Malaysia.

What new markets are you likely to enter this year?

We have entered into about 12 countries in Africa in the last couple of years. We will be adding another five or six there. So, it's a round way of expanding, growing the market and adding more products in each of them.

You are a legacy brand on television, your ads are in demand and people look up to them. But now you're also there on digital. So, what is the percentage of business coming from online versus offline outlets and what are your digital spends like?

Amul is big on digital for the primary reason that we are in the business of creating content. So that is where we get a huge boost in our visibility and actually with limited spends. I'll put it from a different perspective. The TV programmes and shows, and the TV advertising business are known to you. We sponsored Master Chef this year and we did many other activities on television. But in digital, for the last three and a half years now, post Covid, we are running a popular show on our Facebook page called Simple Homemade Recipes. We have done more than 5,100 shows non-stop in the last 1100 days connecting more than 3500 to 4000 chefs. They come and present their content on our Amul Facebook page, which is viewed by a large number of people in India and around the world. We are also making Insta reels and promoting them on YouTube. So, this is one small way of content creation.

Furthermore, we are now present on social media in 13 languages, 12 of these are Indian languages and the 13th one is Arabic. We speak to our customers in their mother tongue. This is the best way to connect to the audience in their

mother tongue and we do about 300 to 500 posts every month and across multiple languages.

Moreover, we are now the official partners of nine out of ten IPL teams this year. We were business partners with five IPL teams last year. We are the sponsors of the Indian contingent to Olympics, the Commonwealth Games last year, and we'll be doing it for the Asian Games this year. Also, we are official sponsors of all five Women Premier League teams for the next three years. We were also beverage partners to the kabaddi and volleyball leagues. We were also associated with Argentina and Portugal football teams during FIFA. It's not just the advertising spends, it's the content and the power of communication, using the right medium for the right target audience.

Amul is considered a very bold brand. You have taken a stand on all topical issues. How much has it helped you as brand?

That is the fundamental part of our content creation. We have very influential campaigns and they have been doing well because of the power of consistency of communication. The 'Butter Girl' is free to talk about every issue in India and around the world. She has been there for 55 years. This is the best thing going for us.

What is the overall marketing strategy? What is the media mix like?

Media has to go where the consumers are. We are among the top advertisers on television, print, radio and outdoor. We ensure that we need to be where our consumers are. So, all said and done, the brand spends less than 1 per cent of its turnover on advertising. Talking of the medium, I feel the lines converge because when you are doing a Master Chef, you run a cheese recipe contest, and then you give space to 1,000 participants on the Facebook page, showcase their recipes and the best are selected by the Master Chef judges. Also, some get a chance to come on the show. It is a well-integrated strategy in which

you can interplay the strength. And at the end of the day, it's where the consumer is.

Would you like to speak on entering a new market and it becoming a controversial issue? You've been entering so many new markets. Have you seen this kind of a response ever before?

See, the entry into Karnataka is not new. As you may be aware, we have been selling Amul milk in North Karnataka since 2015, so Karnataka's entry is not new. Amul and Nandini are both cooperatives. Both organisations work on the same values, philosophies, and business models. They have come out of this Amul model itself. And we have been collaborating and working together for decades together. Having said that, the entry into Bengaluru was a calibrated attempt to enter the market only to service the niche segment through the eCommerce channel. In Bengaluru, Nandini has a huge price advantage. They're selling the products at about Rs 39-Rs 40 per litre for tone milk, as compared to Rs 54 – the price which you pay in Mumbai and Delhi, we can't use our price there. We did not undercut it and our effort is to only sell through commerce channels. You are doing so well in all the domains in all aspects. But what will be your five-year plan? Where do you want to take Amul from here?

We have identified several pillars of growth. If you have \$9 billion dollar today, how do we add another billion dollars in different categories? We identified a billion-dollar category, say in organics. We have launched eight different products, including atta, basmati rice, and different type of pulses. We shall be soon launching organic tea, organic sugar, jaggery, a lot of spices, and so on. Everything you perhaps consume in your kitchen will be organic.

Apart from the Amul range of dairy products, we have also launched oil. Our strategy is to launch oil at Rs 100. This is going to be a first in India.

The price remains fixed and the volume changes depending on the changing dynamics in the oil market. Our strategy in the oil space is beating inflation and being assured of a standard price. We are also looking at the protein vertical in which we are going to launch a range of protein-based products. Protein buttermilk is already in the market. We shall soon be launching protein yogurt, protein shakes, protein water, high-protein milk, high-protein cookies, and high-protein ice creams.

Another pillar is probiotics. Starting now, we have converted the entire buttermilk range, which we sell in pouches across India (almost 3 million litres a day), into probiotics at the same price of Rs 30 a litre. There will be no change in taste and probiotic quality stuff will be available to customers around the country at the same price. This is going to be a big revolution, which will help strengthen the immunity of our country.

Mithai is another category we are working on as there is a huge appetite for Indian sweets. We already have a portfolio of about 50 for kajukatli, pedas, rasmalai, rasgulla and shrikhand, and so on. So, we are building on that portfolio too, and making fresh mithai available at a very affordable price with the best quality to the customers. We have more than 10,000 outlets across the country and mithai will be sold through the Amul parlours. We shall also be selling online. So, if you are in Mumbai today and order a pack of kajukatli, it will be delivered on the same day to you. So that is also an experiment. We have also launched a direct-to-consumer portal. and are present in all format stores and e-commerce channels. We are looking at a turnover of Rs 1 lakh crore by 2025. We also even have enough plans for 2030.

India's potential dairy fat demand creates uncertainty

APR 14, 2023

<https://dairynews7x7.com/indias-potential-dairy-fat-demand-creates-uncertainty/>



According to multiple market sources, India is currently running short of butter and clarified butter (ghee/anhydrous milk fat (AMF)). In a meeting last week, the Indian government announced it was considering whether to import ghee and AMF, or butter. If the government decides to come into the market, then the dairy fat market may find some support, potentially leading to an unexpected demand increase. India is the largest consumer of butter in the world, with annual consumption of 6.4 million tonnes. Under usual circumstances, Indian butter production is self-sufficient, but according to government sources, milk production during the 2022-2023 season was reportedly stagnant compared to the 2021-2022 season, which closed at 221 million tonnes.

However, according to the Indian Animal Husbandry and Dairy Secretary, demand for dairy increased over the same period by 8-10%, which can be linked to the market recovery following

the COVID-19 pandemic. Stagnant milk production in India was largely a result of lumpy skin diseases, which continues to negatively impact the Indian dairy herd. Lumpy skin disease is a viral disease that affects cattle. It is transmitted by blood-feeding insects, such as certain species of flies and mosquitoes, or ticks. It causes fever, and nodules on the skin and can also lead to death, especially in animals that have not previously been exposed to the virus. Control options include vaccinations and culling of infected animals. Lumpy skin disease can lead to significant economic losses.

Market sources remain uncertain about how tight Indian milk supply could impact the global dairy market over the coming weeks and months. According to multiple contacts, the focus of the Indian government is on dairy fats as, unlike skimmed milk powder (SMP), the stock of milk fats continues to drop. While New Zealand and South American producers are currently able to offer the cheapest price levels, it remains uncertain if they will be able to cover the required volumes. Indian buyers could potentially look to other sources. Market participants are monitoring the situation closely to better understand if the Indian government approves imports of dairy fats. Mintec will continue to follow this topic closely over the coming weeks.

Amul Vs Nandini: What's The Hue And Cry About

APR 13, 2023

<https://dairynews7x7.com/amul-vs-nandini-whats-the-hue-and-cry-about/>



The 16th edition of the Indian Premier League (IPL 2023) is currently underway engulfing the nation with interesting matches amidst the slugfest. But India is currently glued to another interesting match between dairy players Amul and Nandini, that has emerged with a massive political outrage with Amul's entry into the Bengaluru market.

Amul Vs Nandini, How It All Began

The tussle between Amul and Nandini began with Amul's Twitter announcement that stated its expansion in the Karnataka dairy market.

Amul tweeted, "A new wave of freshness with milk and curd is coming to Bengaluru. More information coming soon, #LaunchAlert".

This raised alarm in the southern state and the Gujarat Cooperative Milk Marketing Federation (GCMMF) became the centre of backlash along with the ruling Bharatiya Janata Party. The counterblast followed both on-and-offline protests, with hashtags like #Savenandini and #GobackAmul trending on Twitter.

While Amul has clearly stated about selling its dairy product online through e-commerce platforms, the dairy major's Karnataka entry is like a hot potato for the opposition which is backing the Nandini milk, owned by Karnataka Milk Federation (KMF). Correspondingly Amul's debut is backed by the ruling BJP.

What's The Controversy Here ?

Political interference is primarily responsible for the Amul-Nandini 'milk war', The controversy, which is currently flaming, was infused a year ago when the Union Home Minister Amit Shah expressed desire for KMF and Amul to

merge. Subsequently, BJP's special interest in the state of Gujarat is another important reason that sparked the controversy as the majority of the population believes Amul's Bengaluru entry is the party's attempt to destroy the local brand, enhancing the Gujarat Milk Marketing Federation. The opposition further fuelled the conflict with protests and debates claiming, "Save milk – Save farmers".

Political statements on the controversy (source media reports)

Chief Minister Basavaraj Bommai said, "Nandini's market reach is wide, there is no need to fear Amul".

Siddaramaiah, Leader of Opposition, Karnataka Legislative Assembly tweeted "PM Modi, avare, is your purpose of coming to Karnataka is to give to Karnataka or to loot from Karnataka? You have already stolen banks, ports & airports from Kannadigas. Are you now trying to steal Nandini (KMF) from us?".

State Congress Chief DK Shivakumar said, Nandini is better than Amul and we don't need any substitute for it. He emphasised the state is rich in milk production and has good soil and water and hence doesn't require the latter.

State Cooperation Minister S T Somashekar restated no merger between KMF and Amul. He said Amul milk is sold at Rs 57, per liter whereas we sell at Rs 39. Our product has a prominent presence in Tamil Nadu and other states and so it is impossible to erase the brand, Nandini.

The Price Battle

Toned milk price: Amul's per litre cost is Rs 54 and Rs 52 in Delhi and Gujarat respectively. Nandini's per litre price is Rs 39 in Bengaluru.

Full-cream milk price: Amul Gold full cream milk costs Rs 66 in Delhi and Rs 64 in Gujarat. Subsequently, Nandini's price is Rs 50 in Bengaluru for 900 ml.

The price of curd offered by Nandini is Rs 47 per kg cheaper in comparison to Amul's Rs 67 per kg. The Product Line

According to its official website, apart from milk Nandini's wide range of dairy products includes UHT milk, flexipack milk, curds and fermented dairy products, ghee, buttermilk, milk powder, ice-creams and frozen desserts, milk sweets, chocolates etc.

While Amul is a bigger name and is popularly known for its wide range of offers, its dairy products, according to its official website, includes beverage products, ice cream, ghee, butter, paneer, cheese, curd and other milk sweets.

With Karnataka polls scheduled for May this year, it will be interesting to see how all the parties 'milk the milky battle'.

Amul's price revision is a battle against soaring costs

APR 13, 2023

<https://dairynews7x7.com/no-other-option-behind-amul-price-revisions-a-battle-against-soaring-costs-in-gujarats-dairies/>

Gujarat's Amul has courted controversy as a 'challenger' to Karnataka's home-grown Nandini, but the dairy giant is struggling due to rising costs, farms shutting down.



Shibam Dairy in Gopalpura village in Gujarat's Anand district. It is owned by a businessman who invested Rs 11 cr five years ago, but is still waiting to see profits | Credit: Madhuparna Das | ThePrint

The arrival of Gujarat-based dairy juggernaut Amul in Karnataka has caused a political firestorm over an alleged BJP "conspiracy" to wipe out local brand Nandini and flood the market with pricier milk. However, despite its size and reputation, Amul is grappling with major inflation-related challenges in Gujarat, and is now mulling developing gomutra (cow urine) and go-bar (dung) products to help manage costs and provide incentives to producers.

ThePrint visited Gujarat's Anand and Kaira (earlier Kheda) districts, the hubs of the state's dairy industry, to find out the reasons for escalating prices and the issues confronting Amul, the iconic brand of the state government's Gujarat Cooperative Milk Marketing Federation (GCMMF).

Dairy industry insiders said that many private milk farms with 300-400 cattle are shutting down, while smaller producers who have a dozen or less cows are battling for survival amid mounting green fodder prices.

Further, Amul is currently struggling to keep its demand-supply network intact across India in the face of soaring energy, labour, and transportation costs.



A shut cattle farm in Gopalpura, Gujarat | Credit: Madhuparna Das | ThePrint

Meanwhile, the milk cooperative industry in Gujarat is witnessing at least two to three price revisions annually, leading to around a 10 per cent hike in milk prices in the past year and a half. Simultaneously, milk producers are clamouring for more returns, exacerbating the already challenging situation.

Notably, the organisation — which includes 18,600 cooperative societies in villages and 18 member unions spread across 33 districts — is now largely controlled by the ruling Bharatiya Janata Party (BJP). The chairpersons of apex body GCMFF as well as all the district unions are BJP leaders, most of them MLAs.

Acknowledging that Amul is facing challenges due to inflation, Shankar Chaudhary, the Speaker of the Gujarat Legislative Assembly and the chairperson of Banas Dairy, one of the 18 member unions, said diversification could help minimise the impact.

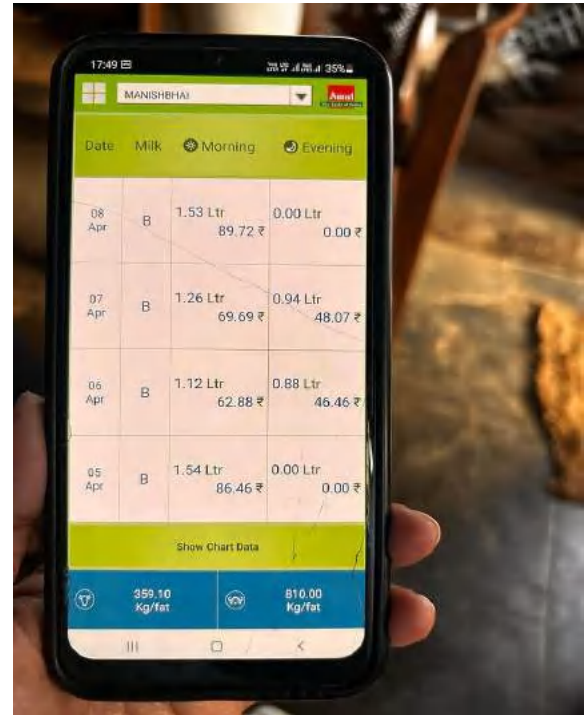
“Amul is trying to find ways out of the inflation by marketing gau mutra and gobar products, including biogas, cow-urine powders, and so on,” Chaudhary claimed.

Successful yet struggling

Gujarat’s Anand Milk Union Limited (Amul) is well-known as one of the greatest success stories of India’s pre-independence cooperative movement, starting out in 1946 with two village cooperatives and 247 litres of milk production on its first day.

A lot of milk has flowed under the bridge since then.

The Anand unit currently has 1,240 village direct cooperatives (VDCs) from where Amul procures milk. The first Amul headquarters here now has a swanky office and cutting-edge operating systems that track producers, cattle, milk production, agents, dealers, and all business data in a click from the managing director’s office.



A mobile app installed in every milk producer’s phone to track the production, health of the cattle, payments and other related things | Credit: Madhuparna Das | ThePrint

The organisation registered a turnover of Rs 55,000 crore in the last financial year to which the Anand unit had contributed 11,750 crore, said Amit Vyas, managing director of Kaira District Co-operative Milk Producers’ Union, popularly known as Amul Dairy.

The cooperative has an app installed in every milk producer’s phone to minimise leakage in the supply system, making tracking network almost foolproof, he added.

“In this cooperative structure, 83 per cent of our earnings go to the milk producers. This is the highest payback among any form of cooperatives

in the country. Rest of the 17 per cent is spent towards labour, energy, transportation, packaging, and maintenance of the entire-top-to-ground mechanism that we have built,” Vyas said.

“It is almost unsustainable,” he noted, “but Amul’s network is resilient enough to weather all storms.”

The biggest such ‘storm’ in Gujarat has been inflation, trumping even the impact of Covid restrictions and outbreaks of lumpy cow disease, dairy insiders told ThePrint. The result has been rising prices.

“In the last financial year, the energy cost has gone up by 46 per cent and the transportation cost has risen by 6 per cent. We have also got letters from the government announcing revision in the labour cost. We have to factor in all these costs and are left with no option other than price revision,” Vyas said.

According to the latest available price data from the Department of Consumer Affairs, the average price of 1 litre of milk rose 10.5 per cent to Rs 56.8 on 4 April, 2023, from Rs 51.4 a year earlier.

This rise in prices is not linked to profit-making, said Brig Vinod Bajiya, executive director of Banas Dairy, which has 1,750 VDCs under it.



Cows feeding on their costly fodder at a dairy farm in Gopalpura, Gujarat | Credit: Madhuparna Das | ThePrint

“Milk production is not a profitable business. It is a requirement. People need to understand this. Amul is not a corporation but a cooperative. It is the only cooperative in the country that has

made it a nationally and even internationally known brand,” Bajiya told ThePrint.

“Amul survived and still sustains due to the network it has built and because people are contributing on the ground. Banas Dairy has 900 tankers on the road at any point of time ferrying milk,” he added.

Solutions in play, ‘sexed semen’ to cow urine R&D

To increase the supply of milk and stabilise prices, Amul is using various reproductive technologies for cows.

These, Bajiya said, include “sexed semen” technology, which allows for sex-selective breeding, in order for cows to give birth to female calves.

“Lumpy skin disease impacted milk production by 4 to 5 per cent, but we vaccinated fast. Now, we have 250 veterinary doctors on payroll to support the cattle and to minimise the burden on producers,” he added.

Banas Dairy chairman and BJP leader Shankar Chaudhury said that the organisation is also trying to tap into other cow products to help manage costs.

“The cattle economy has traditionally been very resilient and India has survived on it for years,” he said. “The soil needs manure for farming, and that comes from cow dung. It is used to produce biogas too. There are R&D processes running to extract powder from cow urine, which has medicinal values. We will procure these from the farmers too, and give them an incentive,” he added.

On the ground, however, dairy farmers and investors are now growing increasingly restive in the face of falling profits.

‘Producers not gaining from price revisions’

Out of approximately 110 big milk producing farms in the Anand-Kaira zone, about half have closed down over the past two or three years due to a lack of profitability, said a senior official of the cooperative. These farms, he added, were largely owned by wealthy businesspersons and non-resident Indians (NRIs).

The official, however, claimed that even though such farms “invested crores” they “did not put in the required effort to rear cattle”. Instead, he emphasised the importance of smaller players.

“Amul is meant for the small and marginal producers and they make the cooperative run successfully,” the official said.

Meanwhile, dairy farmers/owners that ThePrint spoke to claimed they had invested plenty of effort and money, but were struggling to stay afloat in the midst of rising prices of cattle feed and green fodder.

“The prices of cattle feed and green fodder are soaring. Even after price revision, the producers do not make any gains,” said Sanjay Rabari, the owner of Shibam Dairy in Anand’s Gopalpura village.

He has 400 cattle and his farm produces 3,000 litres per day, but business has been bad for three years, he claimed. “I invested Rs 11 crore in building the plant and installing cutting-edge technology. But, now I can barely pay the EMIs. Many of our community members have shut down,” Rabari said.

Apart from price rise, Rabari blamed “duplicate” and unbranded milk for the crisis. “There are middlemen who collect milk from the farmers at a higher price, and sell it off at a cheaper price,” he alleged. “This is unsterilised, unprocessed milk with artificial fat, not fit for consumption. There should be regulatory actions against them.”



Manish Thakor with his cattle. He works as a primary school teacher, while his family members

run the farm | Credit: Madhuparna Das | ThePrint

Meanwhile, Manish Thakor, a small-scale milk producer at Jitodia cooperative in Anand, claimed he could barely make ends meet. The family owns four cows and three buffaloes that collectively yield about 20 litres of milk daily. Once costs are factored in, the earnings are paltry.

“We earn Rs 30,000 each month but spend around Rs 18,000 to cover the costs of cow-maintenance, cattle feed, and fodder. So, practically we earn only Rs 12,000 per month,” Thakor said. “This is not enough to run a family. I work as a primary teacher and my brother does odd jobs.”



Amul’s BMC (bulk milk cooler) unit installed in Jitodia village cooperative | Credit: Madhuparna Das | ThePrint

Political factor

In Gujarat, control of the state’s milk ecosystem is not only a matter of dairy economics but it also has a political aspect.

This starts at a structural level. Each cooperative, right from the village level to the apex body, has two arms — one political and one administrative. Each cooperative holds elections and elects politicians as chairpersons, while the administrative set-up is run by a team of experts and officials.

According to a senior member of the cooperative, any political party with control over Amul stands to reap electoral benefits in around 93 constituencies.

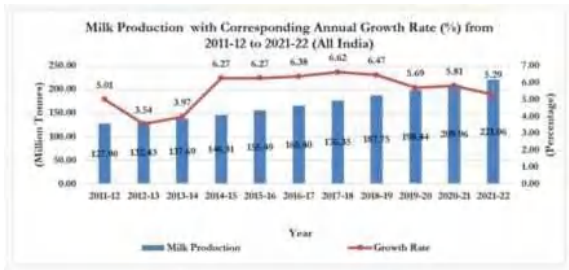
In February, Vipul Patel, BJP's Kaira district chief, became the chairman of Amul Dairy after winning the election to the cooperative. Kanti Sodha Parmar, a former Congress MLA from Anand who joined the BJP after losing the assembly polls in 2022, was elected as the vice-chairman in the same Amul election.

“Amul cooperative is a movement for us. We were and will remain self-reliant,” Patel told The-Print. “Our mandalis (cooperatives) work in the interest of the nation. Price increase was a necessity, but Amul does not revise price for profit.”

What does data tell us about spike in milk prices?

APR 13, 2023

<https://dairynews7x7.com/what-does-data-tell-us-about-spike-in-milk-prices/>



When read with wholesale inflation for dairy products, there seems to be a close connection between rise in fodder and dairy product inflation

Anecdotal accounts of dairy products being unavailable in markets combined with high inflation for milk and milk products, recent speculation about the government allowing milk imports, and its subsequent refutation by the animal husbandry secretary of the government of India have created a lot of buzz about a possible supply chain disruption in India's dairy sector. The fact that these events have followed the outbreak of the lumpy skin disease (LSD) among cattle – it is estimated to have killed tens of thousands of animals – makes theories of damage to production capacity more credible. What can official data tell us about the state of dairy production and a crisis (or lack of it) in India? Here are charts which try and answer this question.

Has milk production fallen sharply in 2022-23? IIP data shows a fall, but it's not the first time.

India's National Dairy Development Board (NDDB) publishes statistics for annual production of milk on its website. However, the latest available numbers on the NDDB's website are for 2019-20. Another official source of data on milk production is in Index of Industrial Production (IIP) numbers, which publish monthly data on physical quantity of milk, milk powder, butter, ghee and ice cream. IIP numbers are available until January 2023. A comparison of data from April 2022 to January 2023 shows a contraction in production of milk powder, butter and ghee out of these five categories. To be sure, neither is the contraction a first-time affair in the series which begins in 2011-12, nor is its extent the biggest ever.

But IIP and NDDB data have not aligned in the past

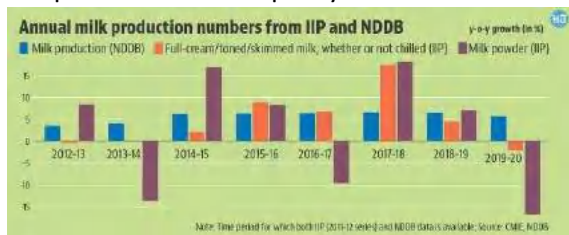
To be sure, IIP numbers, especially at a high level of disaggregation are not believed to be free from problems. A comparison of IIP numbers on milk production with NDDB numbers shows this clearly. While IIP numbers show a fall in production of milk and related products in more than one year since 2012-13, NDDB data shows a continuously increasing trend throughout. One of reasons for this discrepancy could be the fact that IIP captures milk production wh

Annual growth in milk production from IIP data (in %)

Apr-Jan	Milk*	Milk powder	Butter	Ghee	Ice cream
2012-13	-0.1	9	25.8	3.8	-3.1
2013-14	-0.7	-10.9	-15.4	2	0.2
2014-15	1.9	12.9	25.4	-3	5.2
2015-16	8.3	11.6	-4.3	13.4	6.9
2016-17	6.5	-10.8	-14.2	3.6	3.1
2017-18	17.1	18.3	15.4	-7.5	9.2
2018-19	6	10.1	4.2	-3.4	8.2
2019-20	-2.3	-20.1	-26.1	3.4	9.1
2020-21	-5.6	29.3	16.5	-1.5	-57.5
2021-22	5.6	0.3	6.6	5.3	90.1
2022-23	3.1	-8.2	-10.8	-0.3	49

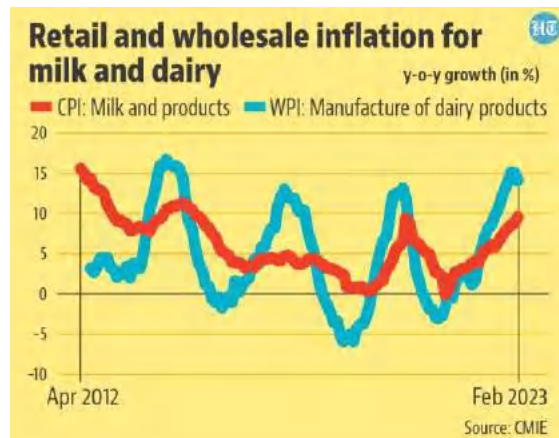
Source: CMIE *Full-cream/toned/skimmed milk, whether or not chilled

ich reaches processing units (IIP is a survey of industrial units) and large-scale dairies whereas NDDB's estimation is on a wider scale. However, the point about discrepancy in data remains.



Is the current spike in milk inflation unprecedented?

No, if one goes by retail and wholesale inflation data for milk and milk products in the past. Consumer Price Index (CPI) for milk and products grew at 9.8% on an annual basis in the month of February 2023. While this is the highest monthly inflation since February 2015, milk inflation was in double digits for a year between 2014 and 2015. Wholesale Price Index (WPI) for dairy products was at 17% in February 2023. Here too, inflation has been higher in the past, and unlike in the case of retail inflation, wholesale inflation for dairy seems to have peaked and is now coming down.

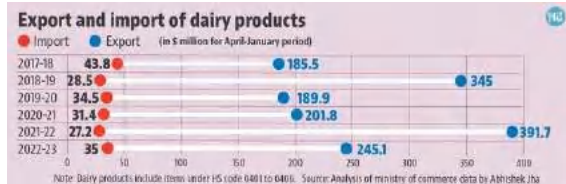


Fodder inflation data shows that LSD's shock is not the only factor for spike in milk prices. Fodder inflation, as seen in WPI, has been in double digits for 13 consecutive months now, and it grew at 24.3% on an annual basis in the month of February. When read with wholesale inflation for dairy products, there seems to be a close connection between rise in fodder and dairy product inflation. This suggests that part of recent dairy inflation is cost-push rather than driven by just a fall in production due to loss of cattle by LSD.



So far there is nothing extraordinary about dairy trade

Has a sudden surge in dairy exports led to a shortage for domestic consumption? An HT analysis of trade data for April-January period from the ministry of commerce does not suggest this. In fact, total dairy exports in 2022-23 fell by more than \$100 million compared to the same period last year.



What explains the shortage of dairy products and the speculations around need for large scale imports? This is one of the rare occasions, where we need to think whether government's datasets are being able to capture a correct picture of the situation at hand.

Mother Dairy announces aggressive plans for VAD segment

APR 12, 2023

<https://dairynews7x7.com/mother-dairy-announces-aggressive-plans-for-value-added-dairy-segment/>



Mother Dairy Fruits and Vegetable Pvt Ltd is gearing up to strengthen its value-added dairy play with aggressive plans to launch nearly 100 products in the next three years.

The leading milk and milk products major, on Tuesday, announced its new portfolio with over 15 new products for the summer season of 2023. The company is foraying into ready-to-consume custard format. It has also launched two ready-to-drink coke coffees variants besides ten new ice creams products. In addition, the company has enriched its Nutrifit Curd offering with Vitamins A & D.

Manish Bandlish, Managing Director, Mother Dairy Fruit & Vegetable Pvt. Ltd. said, "In the next 3 years, we aim to introduce over 100 new products in order to reaffirm our position as one

of the leading and consumer-centric dairy players in India; this year marks the beginning of this journey."

"Given the diversity and evolution being witnessed in the needs and preferences of our consumers, we have embarked upon a journey to tap into new product spaces and categories. The introduction of these new products couldn't have been timed any better as we move towards sprucing up our dairy products portfolio," he added.

New products

The company said that it is developing new products basis deep consumer insights, aimed at tapping into indulgence and convenience spaces along-with the evolving consumption occasions. The newly introduced range will be available across major markets of the company through both traditional and new-age distribution channels, it added

Ready-to-consume Custard has been launched in vanilla-flavour (200 ml pack size, priced at ₹40), available in Delhi NCR and metro cities through both traditional and new-age distribution channels. Meanwhile, Cappuccino and Latte are available in. 200 ml pack size at ₹30).

Baroda Dairy director Maharaul quits Congress, joins BJP

APR 11, 2023

<https://dairynews7x7.com/baroda-dairy-director-maharaul-quits-congress-joins-bjp-along-with-5-others/>



Ahead of the crucial election to the post of chairman and vice-chairman of the Baroda District Co-Operative Milk Producers' Union Limited (Baroda Dairy) on April 13, one of the directors, Kripalsinh Maharaul, on Monday quit the Congress party and joined the BJP in Gandhinagar, along with five others from rural milk producer unions of the districts.

Maharaul, who is also the director of Sankheda APMC, joined the BJP in the presence of party general secretary Pradipsinh Vaghela, Savli MLA Ketan Inamdar, Karjan MLA Akshay Patel and Vadodara District BJP President Satish Patel — also a director of Baroda Dairy.

Along with Maharaul, the BJP also inducted Arjunsinh Rathod, sarpanch of Sarsindha village of Sankheda taluka in Chhota Udepur district, and Pramodsinh Maharaul, president of the milk union of the village, along with presidents of the milk producer unions — Lalkrishna Rathwa of Muldhara village in Chhota Udepur and Bhanusinh Solanki of Deroli village in Karjan taluka of Vadodara district.

At the event, Vaghela said, "Right from the smallest to the biggest cooperatives, the Congress misused the institutions to benefit their family. However, due to the hardwork of BJP workers and the diligence of the rural milk producers, today, most cooperatives are being run by the BJP. Baroda Dairy director and APMC Sankheda director, Kripalsinh Maharaul, and others have joined the BJP officially. The BJP is working to increase the incomes of the milk producers and they have joined us to recognise these efforts."

The top posts of Baroda Dairy had fallen vacant after the resignations of chairman Dinesh Patel and vice-chairman GB Solanki in a span of one week in February this year, after a spate of allegations by Inamdar regarding the functioning of the dairy.

Since September 2021, Inamdar led a series of agitations of milk producers against Baroda Dairy — first for an increase in remuneration to milk farmers, and recently, accusing the management of malpractice and corruption. While Dinesh Patel resigned as chairman of the dairy after unsuccessfully contesting the Gujarat Assembly polls as an independent, Solanki said that he resigned to "end the chaos" created by "critical" persons so that the "dairy can function" in its maximum capacity.

The first phase of the five-year term of the two posts ends in July this year.

Centre mulls rehaul of livestock insurance scheme

APR 10, 2023

<https://dairynews7x7.com/high-premium-poor-coverage-centre-mulls-rehaul-of-livestock-insurance-scheme/>



Pulled up recently by a Parliamentary Standing Committee (PSC) for zero insurance coverage of livestock in 2022-23, the Centre is considering a comprehensive livestock insurance scheme modelling the Prime Minister's Fasal Bima Yojana. The Union Animal Husbandry Ministry's move is to roll out the scheme ahead of the 2024 Lok Sabha elections. There are initial proposals to waive off premium for cattle rearers from Scheduled Caste (SC)-Scheduled Tribe (ST) communities. At present, less than 1% of the country's cattle population is insured and the average yearly premium is 4.5% of the insured amount.

The Animal Husbandry Ministry recently held a meeting with various insurance companies and other stakeholders on the matter. "Our effort is to reduce the premium so that more farmers enroll in the scheme," an official said, adding that a comprehensive livestock insurance will replace the present Livestock Insurance Scheme. The scheme is functional in 100 districts of the country. The Centrally-sponsored scheme is being managed by the respective State Livestock Development Boards.

Recently, the Animal Husbandry Ministry had told the Parliamentary Standing Committee on Agriculture and Animal Husbandry that farmers are often caught in the fight between State gov-

ernment officials and insurance companies. A report submitted to Parliament by the panel on Demands For Grants of the Ministry quoted an official and said the Ministry prefers direct transfer of benefits to farmers' accounts.

The panel said in the report that not even a single livestock was insured during 2022-23, whereas during 2021-22, 1,74,061 animals were insured. "The Committee were informed of the hardships faced by the livestock owners in getting their livestock insured and also about the measures being taken to ease the process of livestock insurance. Expressing concern over no insurance during 2022-23, the Committee recommended the Ministry to take effective steps so that the process of insurance of livestock is made easy for the beneficiaries. "The Committee would also like the Department to explore the possibility of developing an App-based Livestock Insurance facility for livestock owners. The Committee would like to be apprised of the total progress made by the Department in this regard," the report added.

The official said high policy premium rate and general economic conditions of farmers are reasons for lower enrollment in such schemes. "The government considers subsidy on the premium paid by socially marginalised farmers from SC-ST communities," the official added. In the meeting with insurance companies, the Centre stressed

on the importance of expanding the ambit of the scheme and decreasing the premium paid by the farmers.

During the Lumpy Skin Disease pandemic, about two lakh cattle died in the country. Farmers had demanded compensation from the government for the loss. The Centre's attempt is to keep the premium low and ensure maximum coverage of livestock. "The coverage at present is very poor

as most of the farmers are not in a position to pay premium. Some exquisite cattle breeds are insured by the breeders, but the government wants to insure more animals," the official added. Several farmers' organisations had also demanded comprehensive livestock and crop insurance in the background of pandemics such as lumpy skin disease.

Milma milk procurement dips as summer peaks in Kerala

APR 10, 2023

<https://dairynews7x7.com/milma-milk-procurement-dips-as-summer-peaks-in-kerala/>



With summer reaching its peak, milk procurement has seen a slight dip across the State, while there is no scarcity of supply by milk cooperative Milma.

While there appeared to be a fall in milk production due largely to the weather condition, arrivals from other States too had been affected marginally as milk production had dropped, said Kerala Cooperative Milk Marketing Federation Chairman K.S. Mani.

The drop in milk procurement was around 9% when compared to last year, he said. The shortfall is made up largely through imports from neighbouring States. But the spread of lumpy skin disease among cows in some States has resulted in a dip in milk production. Daily procurement in Kerala is in the range of 14 lakh litres, while sales are to the tune of 16 lakh litres.

Ernakulam Regional Cooperative Milk Producers' Union Chairman M.T. Jayan said there was a gap in procurement and sale of milk in the region comprising the districts of Ernakulam, Thrissur, Kottayam, and Idukki. Procurement is to the tune of 3.40 lakh litres a day, while sales stand at around 4.25 lakh litres. Most of the shortage is met through import.

Mr. Jayan said the shortfall in procurement was a normal phenomenon during summer, and dairy farmers were given incentives to increase production and sell milk to cooperatives. Mr. Mani said localised sale of milk had seen a spike with festivities coming back in strength after the pandemic.

The regional cooperatives take a beating in their margins because when milk is brought from States such as Maharashtra, the transportation cost is higher than when procured from neighbouring Tamil Nadu or southern parts of Andhra Pradesh.

How digital financing is reaching dairy farmers

APR 10, 2023

<https://dairynews7x7.com/how-digital-financing-is-reaching-dairy-farmers-and-dairy-micro-enterprises/>



Digitalisation has proven to be a significant stepping stone to success in countless sectors and the past two years have only strengthened the digital outlay of India. Digital assets across the Indian economy have doubled over the past 15 years, as firms diverted from not only investing in IT but also digitising their physical assets, making it easier to exchange them in real time. Dairy amongst all sectors plays an integral part of the single largest agricultural sector in India, accounting for 5 per cent of the national GDP.

Being the largest and fastest-growing markets in the world, India's per capita milk consumption at 427 grams/day already exceeds the world average of 305 grams/day. In addition, the National Action Plan for Dairy Development aims to increase organised milk production from the current 20-21 per cent to 50 per cent by 2024 and milk production by cooperatives is being targeted to increase from 10 per cent to 20 per cent and the private sector from 10 per cent to 30 per cent. While 80 million smallholder farmers with herds of fewer than ten animals produce 70 per cent of milk, financing the sector has been a daunting concern to unlock the potential of small and medium-sized enterprises.

Financial solutions

As a tradition of the past in most sectors, when it comes to monetary requirements, farmers would make use of traditional financial entities like cooperative societies, banks and money lenders. Digital transactions were a far-fledged thought to weave farmers in, hence resorting to

the traditional methods of financing. The standard financial framework in the rural regions was tangled, time consuming and heavily dependent on documentation. This led to perplexity and hesitancy amongst farmers, giving rise to more modern and feasible financial solutions.

Taking one step at a time, with the onset of digitisation and the unprecedented pandemic, dairy farmers' cooperatives and organised labour have also begun to concentrate on integrating online payments for farmers instead of cash payments. Given that smaller milk producers control a large portion of the market in India, the introduction of digital payments presents its own set of challenges, not having a bank account being a notable one. In recent times with the Digital ID – Aadhaar, India becoming the fastest-adopting economy with real-time digital payments, and the availability of digital footprints of farmers is allowing for a new financial revolution to take place and agri fintech start-ups that are focused on BFSI interventions in the dairy sector have become the necessity of the hour.

Choosing different path

It is not only technology but the ability to understand the unique needs of the target segment and translate it back with banking partners in terms of customised digital financial products and the creation of simplified processes are the key to customer adoption. Some fintech companies have chosen a different path for the 80 million dairy farmers and dairy microenterprises to access BFSI and their day-to-day needs.

With an increasing number of businesses utilising technology and ensuring that farmers gain access to services like credit and insurance, to deliver assured quality across the dairy supply chain financing in the years to come, the country is predicted to witness a surge in businesses attaining digital competence. Dairy micro enterprises are expected to advance in areas such as

digital banking, digital payments and fintech that will result in farmers and customers connecting for seamless and smooth transactions. In India, it is predicted that the size of the dairy industry is

expected to rise from ₹14,899.8 billion to ₹31,185.7 billion by 2028 boosting the growth rate of the economy to 13.02 per cent by 2023-2028.

Innovation: The Indian dairy industry's need of the hour

APR 10, 2023

<https://dairynews7x7.com/innovation-the-indian-dairy-industrys-need-of-the-hour/>



The Indian dairy business needs innovation now more than ever. Even though the dairy business has had difficulties lately, there is a growing market for dairy products. India is well-positioned to lead the dairy industry as a major player in the global market, following which India is the world's largest producer of milk, and the dairy industry is important to the nation's economy. The sector does, however, confront a number of difficulties, such as rising demand, shifting customer tastes, competition, and sustainability issues. The industry may use innovation to overcome these obstacles and seize new possibilities. For instance, firms may stand out in the market and increase their client base by creating new dairy products that adapt to shifting consumer demands. Similar to how firms may boost production, cut expenses, and increase efficiency by implementing new technology like automation and artificial intelligence. Indian dairy industry innovations and advancements

India is a major participant in the dairy sector, and the potential for expansion is substantial as the world's top milk producer. The Indian dairy business has seen major technical developments in recent years. For the market to stay on top of

trends, it is critical to connect with the shifting requirements and aspirations of customers. Innovation may also aid in addressing issues related to sustainability, including lowering the industry's carbon impact, enhancing animal welfare, and guaranteeing the wise use of natural resources. For instance, creating innovative feed formulations with lower greenhouse gas emissions can contribute to the industry's sustainability and environmental friendliness. Increasing production and efficiency is one of the main problems facing the Indian dairy sector. This may be overcome by utilizing automation and technology, such as automated feeding systems and cutting-edge data analytics. The dairy business in India is one of the biggest in the world, but despite its size and scope, the sector is dealing with a variety of problems that call for creative solutions.

India's dairy business is highly fragmented, with more rural farmers joining cooperatives rather than major companies. Dairy farming is still integrated into the farming system and is not a standalone business. Big data is another area that Indian corporations are focusing on, in addition to technical advancements to enhance farming practices and the organizational supply chain. The use of cutting-edge techniques like precision farming, which uses sensors, data analytics, and machine learning to optimize farm operations, can increase the productivity of Indian dairy farms, which is currently low. Moreover, innovation can aid in the development of fresh and cutting-edge dairy products that reflect shifting

customer demands. By decreasing the rate of adulteration and contamination, innovative solutions can aid in improving milk quality as well. Innovation is also required in the fields of animal genetics and breeding in addition to these domains. Farmers may enhance the quality of their milk while simultaneously lessening their influence on the environment by creating new varieties of cows and buffaloes that are more suited to Indian circumstances.

The Indian dairy business is well-positioned to enjoy rapid growth. As the Indian dairy sector is one of the biggest producers of greenhouse gases, there is a need for creative solutions that might lessen the negative effects of dairy farming on the environment. And to do this, a variety of approaches are being experimented with, such as developing new sustainable feed, forming partnerships with businesses that can assist

them with methane capture, etc. When it comes to the nutrition part of feeding infants, because of apparent freshness, many still choose unpackaged, raw milk brought by a neighbourhood milkman in many regions of the nation. Hence, large companies play a crucial role because they can ensure quality. However, the demand for nutrition products has increased as people's understanding of children's health and the significance of a newborn's first few days of nutrition has increased. India has made significant progress in the dairy industry, going from a severe milk crisis to becoming the largest producer. Ultimately, the expansion and success of the Indian dairy business depend heavily on innovation. Long-term success and contributions to the industry's general growth and development are more likely for businesses that embrace innovation and maintain a competitive edge.

National Dairy Mela evokes good response in Karnal

APR 10, 2023

<https://dairynews7x7.com/national-dairy-mela-evokes-good-response-in-karnal/>



Scientists delivered lectures on natural farming, diseases of dairy animals, animal nutrition, how to produce clean milk, value addition and processing of milk, fodder production and management, breeds of dairy animals, integrated farming system, and how to keep the soil healthy

The National Dairy Mela, being organised at the ICAR-National Dairy Research Institute here, evoked a huge response on Sunday. Thousands of farmers, dairy farmers, entrepreneurs and visitors visited the Mela on the second day.

Dr Dheer Singh, director and vice-chancellor, ICAR-National Dairy Research Institute, Karnal, said that several programmes were organised, and farmers participated in the milking and cheese-making competitions. Scientists delivered lectures on natural farming, diseases of dairy animals, animal nutrition, how to produce clean milk, value addition and processing of milk, fodder production and management, breeds of dairy animals, integrated farming system, and how to keep the soil healthy. In his address, the chief guest Dr Inderjit Singh, vice-chancellor, Guru Angad Dev Veterinary and Animal Science College, Ludhiana, described the mela as a multi-purpose platform for the farmers and animal rearers. He congratulated NDRI for completing 100 years. In his address, he advised the farmers to connect with research institutes and Krishi Vigyan Kendras for their growth.

Dr Gopal Sankhla, organising secretary, informed that about 400 animals have been registered in

the mela and around 50,000 farmers from different parts of the country are likely to attend this three-day event.

Bengaluru Hoteliers To Use Local 'Nandini' Dairy Products Only

APR 10, 2023

<https://dairynews7x7.com/amul-gets-hostile-welcome-in-karnataka-bengaluru-hoteliers-to-use-local-nandini-dairy-products-only/>



The dairy giant Amul eyes entering Karnataka's Bengaluru to sell milk and curd but the hoteliers group there has said that it will only use 'Nandini' products to support the state farmers.

The Dairy giant Amul gets a hostile welcome in Karnataka's Bengaluru where it plans to sell milk and curd as the Bruhat Bengaluru Hotels Association (BBHA) announced that it will only use 'Nandini' milk to "support the state farmers," reported news agency ANI.

Amul is eyeing to enter the 'undisputed' territory of Nandini Milk, a home-grown brand marketed by the Karnataka Milk Federation (KMF). Entering Bengaluru will pit Amul against the home brand Nandini which many people are seeing as unwanted competition between two successful milk cooperatives.



Many fear that if Gujarat-based Amul is allowed to sell its dairy products such as milk and curd in Karnataka then it will affect the incomes of local farmers. Amidst all this, there are speculations doing rounds that KML will be merged with Amul.

The ruling party BJP and the opposition Congress have been taking jibes at each other in this matter. Accusing Congress of politicising Amul's entry to Karnataka, Karnataka Chief Minister Basavaraj Bommai said: "We have absolute clarity with regard to Amul. Nandini is a national brand. It's not restricted to Karnataka. We have popularised Nandini as a brand in other states as well." He added that not only has milk production increased in the state but incentives have also been given to the milk producers, reported news agency PTI.

Kumaraswamy, the JD(S) second-in-command, alleged that Amul has this 'bad thinking' to finish off its lone competitor Nandini in Karnataka itself. "One nation, one Amul, one milk and one Gujarat' has become the official policy of the Central government. Hence, Amul is strangulating KMF by standing in its support," PTI quoted Kumaraswamy as saying.

#GOBackAmul Trends

Due to all this backlash, citizens of Bengaluru have also called for boycotting Amul with posts on social media with captions that say #GoBackAmul.



Azaad India
@azaadprodhani

After destroying Maharashtra, Modi Shah now planning to destroy Karnataka.
Amit Shah has planned to destroy Karnataka's popular milk brand Nandini by bringing Gujarat's Amul into the state.
Boycott Amul and SAVE NANDINI

#SaveNandini
#GoBackAmul

The strong emotions of locals with Nandini have been proven to be a jolt to Amul in Bengaluru.

Farmers, dairy owners wary of steep hike in fodder prices

APR 10, 2023

<https://dairynews7x7.com/farmers-dairy-owners-wary-of-steep-hike-in-fodder-prices/>



After the lumpy skin disease (LSD) outbreak among cattle last year and the widespread damage to wheat crop by rains this year, concerns over 'toori' (dry wheat husk/stem) shortage has now set the alarm bells ringing among farmers.

Farmers and dairy owners have warned of a steep rise in the prices of 'toori' (cattle fodder) in the coming days, which might hike prices of milk and related products. They say the fodder prices would also impact poor and marginal farmers across villages, who are dependent on cattle for sustenance.

Marginal farmers as well as labourers comprise a sizeable portion of the rural population across villages in Doaba and other regions of the state. Dheeraj Bajaj, general secretary, Govind Gau Dhaam Gaushala, Kapurthala, which has over 1,000 heads of cattle said, "The twin crisis created by the LSD last year and the expected shortage of fodder this year has made dairy business

unsustainable for many. The cost of feeding cattle with current fodder price rates is pushing marginal farmers to give up dairy farming."

He said, "Our gaushala had a budget of Rs 21 lakh for fodder last year. This year, it has already shot up to Rs 31 lakh. Fodder prices per trolley are expected to shoot up to Rs 10,000. Normally, these are Rs 5,000 to 6,000. Earlier, fodder prices were between Rs 400 and 500 per quintal in Kapurthala, which have touched Rs 700."

Harminder Singh, a farmer from Bhawanipur village in Kapurthala, who also supplies 'toori' to gaushalas, said, "Punjab was known as the land of milk and butter its quality. But the crop damage could make dairy business unsustainable for small farmers and labourers."

Jaswant Singh, Chief Agricultural Officer, Jalandhar, said, "A few days ago, the agriculture minister had said at a meeting that fodder from the state will not be routed to cardboard making factories and industrial units. There is clearly a damage to the wheat crop, which will affect fodder supply too. All steps are being taken to provide relief to farmers."

Dry fodder rates at 10-year high in Moga

Moga: The price of dry fodder made from wheat straw in Moga and other parts of the Malwa belt has shot up to a 10-year high at Rs 900 to Rs 1,200 per quintal

Balwinder Singh, a landless dairy farmer, said he was totally dependent on dry and green fodder purchased from the market

He said, "The rising cost of dry and green fodder has increased the cost of milk production. Therefore, it's no longer a profitable business."

BJP's "Misrule" Led To Increase In Milk Prices: M Kharge

APR 10, 2023

<https://dairynews7x7.com/bjps-misrule-led-to-increase-in-milk-prices-m-kharge-attacks-centre/>



Congress President Mallikarjun Kharge on Saturday said from being one of the world's largest milk-producing countries in the world, (white revolution) under the previous UPA regime, the country is now 'forced' to import milk products due to the misrule of the BJP-led central government.

Taking to Twitter, Mr Kharge alleged that the BJP's 'misrule' left dairy farmers betrayed and led to an increase in milk prices.

"Congress made India the world's largest milk producer through the White Revolution. But... BJP's misrule betrayed our dairy farmers, due to which milk prices are increasing daily and now we are forced to import milk products. The difference is clear!", Kharge tweeted.

The Ministry of Fisheries, Animal Husbandry and Dairying on Thursday said the Central government was monitoring the demand and supply gap observed in the dairy sector — primarily due to increased demand for milk products post-pandemic.

In a statement, the government said it is well aware of the fact that dairying has been a major source of livelihood for millions in the country and many of its schemes and programmes are aimed at further strengthening the sector.

Earlier this year, Mother Dairy said the prevailing fodder shortage and other factors have forced them to jack up milk prices.

"The current milk availability scenario, fodder shortage and other factors have led to lower milk procurement during the ongoing flush season, forcing the raw milk prices to remain high, which has also been widely reported in the media. Having said that, we are keeping a close watch on the situation and will take a call as the situation warrants," said a Mother Dairy spokesperson in a statement earlier in the year.

Earlier, Gujarat Cooperative Milk Marketing Federation (GCMMF) also hiked the prices of Amul pouch milk by ₹ 3 per litre, across variants.

"We would like to inform you that the price of Amul pouch milk (all variants) has been revised upwards as under w.e.f. February 2, 2023 night dispatch (February 3, 2023 morning)," the Gujarat Cooperative Milk Marketing Federation (GCMMF) said in a statement earlier in the year. After the revision, a 500 ml pouch of Amul Taaza is now available at ₹ 27; Amul Taaza at ₹ 54 per litre; Amul Taaza at ₹ 108 for two litres; Amul Taaza at ₹ 324 for 6 litres; Amul Taaza 180 ml at ₹ 10; Amul Gold 500 ml at ₹ 33; Amul Gold at ₹ 66 per litre; Amul Gold at ₹ 396 for 6 litres; Amul Cow Milk 500 ml at ₹ 28; Amul Cow Milk at ₹ 56 per litre; Amul A2 Buffalo Milk 500 ml at ₹ 35; Amul A2 Buffalo Milk at ₹ 70 per litre; Amul A2 Buffalo Milk 6 litre at ₹ 420.

Mother Dairy also raised the price of its full cream milk offerings from ₹ 64 per litre to ₹ 66 per litre in Delhi and the National Capital Region (NCR) in late 2022.

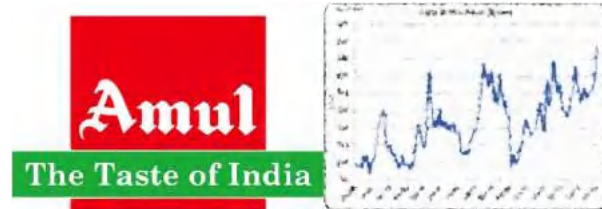
It was the fifth upward revision in milk prices, an essential food item, in 2022. The earlier revisions

were done in March, August, October, and November.

Currently No Plans to increase milk prices : Jayen Mehta MD Amul

APR 10, 2023

<https://dairynews7x7.com/currently-no-plans-to-increase-milk-prices-jayen-mehta-md-amul/>



GCMMF, which sells dairy products under the Amul brand, expects a 20 per cent growth in its revenue this fiscal to around Rs 66,000 crore on rising demand, its MD Jayen Mehta said. The Gujarat Co-operative Milk Marketing Federation Limited (GCMMF) has registered a turnover of Rs 55,055 crore in 2022-23, an increase of 18.5 per cent over the previous year.

In an interview with PTI, the MD (in-charge) of GCMMF said that it had reported a strong growth in revenue in the last financial year as the demand for branded dairy products increased post-Covid. ,

“We expect the sales momentum to continue across our product portfolio. Demand is shifting from unorganized to organized players.

Mehta said the federation is also focusing on growing organic food and edible oil businesses, which are currently very small. When asked about milk prices, Mehta said, “As of now we have no plans to increase rates.”

He informed that input cost has increased by 15 per cent last year, forcing the cooperative society to increase the retail prices to some extent last year. The GCMMF did not hike prices in 2020 and 2021 due to Covid, he said, adding that rates were hiked a few times last year.

GCMMF pays about 80 per cent of the retail price to dairy farmers. Mehta said that GCMMF’s milk procurement has increased in March and will increase this month also.

“Farmers are getting good prices. That’s why the supply of milk is improving,” he said. South India will also start flush season soon, which will increase the supply.

Mehta said post-Covid demand picked up sharply in 2022 and the trend will continue, though the pace of growth should slow down this year based on the base effect.

He also said that the demand-supply situation will remain balanced in the near future.

GCMMF currently has 98 milk processing plants across the country with an installed capacity of 470 lakh liters per day. It is collecting an average of 270 lakh liters per day.

The MD said that the federation would expand the capacity by 30-40 lakh liters per day in the next two years. In the last financial year, GCMMF registered a 21 per cent growth in fresh produce, which accounts for 50 per cent of its turnover.

The ice cream range grew by 41 per cent. “We have achieved volume sales growth across all product categories. Pouch milk, which is the product with the highest turnover, has shown double digit growth in volumes.

Besides this, our products like butter, ghee, ice cream, UHT milk, flavored milk, paneer and fresh cream have also registered double digit growth,” Mehta had said recently.

How digital financing is reaching dairy farmers and dairy micro-enterprises

April 08, 2023

<https://www.thehindubusinessline.com/economy/agri-business/how-digital-financing-is-reaching-dairy-farmers-and-dairy-micro-enterprises/article66713677.ece>

Digitalisation has proven to be a significant stepping stone to success in countless sectors and the past two years have only strengthened the digital outlay of India. Digital assets across the Indian economy have doubled over the past 15 years, as firms diverted from not only investing in IT but also digitising their physical assets, making it easier to exchange them in real time. Dairy amongst all sectors plays an integral part of the single largest agricultural sector in India, accounting for 5 per cent of the national GDP.

Being the largest and fastest-growing markets in the world, India's per capita milk consumption at 427 grams/day already exceeds the world average of 305 grams/day. In addition, the National Action Plan for Dairy Development aims to increase organised milk production from the current 20-21 per cent to 50 per cent by 2024 and milk production by cooperatives is being targeted to increase from 10 per cent to 20 per cent and the private sector from 10 per cent to 30 per cent. While 80 million smallholder farmers with herds of fewer than ten animals produce 70 per cent of milk, financing the sector has been a daunting concern to unlock the potential of small and medium-sized enterprises.

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hesitancy amongst farmers, giving rise to more modern and feasible financial solutions.

Taking one step at a time, with the onset of digitisation and the unprecedented pandemic, dairy farmers' cooperatives and organised labour have also begun to concentrate on integrating online payments for farmers instead of cash payments. Given that smaller milk producers control a large portion of the market in India, the introduction of digital payments presents its own set of challenges, not having a bank account being a notable one. In recent times with the Digital ID – Aadhaar, India becoming the fastest-adopting economy with real-time digital payments, and the availability of digital footprints of farmers is allowing for a new financial revolution to take place and agri fintech start-ups that are focused on BFSI interventions in the dairy sector have become the necessity of the hour.

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The author is founder, MD & CEO, Digivridhi Technologies Private Limited

Clarification Regarding Import of Dairy Products

APR 7, 2023

<https://dairynews7x7.com/clarification-regarding-import-of-dairy-products-such-as-ghee-and-butter/>



The Government of India is well aware and considerate of the fact that dairying has been a major source of livelihood for millions of dairy farmers in the country and all the schemes/ programmes of the Government are aimed at further strengthening it.

However, this is a fact that there has been some demand and supply gap observed in the dairy sector- primarily due to increased demand for nutritious, safe and hygienic milk and milk products post COVID-19 pandemic.

To meet the growing demand and considering the fact that the supply of milk in the ensuing summer season being a lean season may be less, there were demands from several dairy cooperatives for import of conserved dairy commodities – milk fat and powder.

With this background, NDDDB along with Government of India has been monitoring the demand-supply situation. Since the process of import takes time, the necessary back end processes are being put in place to timely manage the situation in case of any eventuality.

In case the situation warrants, the import may be done to help ease out the situation for the dairy cooperatives to meet the summer demands. However, in that case also it will be ensured that it is routed only through NDDDB and the needy Unions may be given the stocks at the market price after proper assessment.

This will ensure that the market is not distorted and interests of our dairy farmer is protected, which is paramount and central to any decision taken by the Government.

The article that Hon'ble MP Shri Sharad Pawar ji is referring to in his letter addressed to Minister of Animal Husbandry, Dairying and Fisheries Shri Purushottam Rupala, which is available in public domain, only states that a decision will be taken after watching the demand-supply position later in the summer, which inter alia means that no final decision has been taken in this regard.

Milk prices up by 10.5% from a year ago

APR 7, 2023

<https://dairynews7x7.com/milk-prices-up-by-10-5-from-a-year-ago/>



Inflation in the prices of milk and milk products has accelerated almost continuously for the last 20 months and, in the last five

months, it has consistently surpassed the overall level of price rise in the country.

The reason for this, according to people closely associated with the milk industry, could be a combination of supply and demand factors, with the pandemic playing a key role.

Analysis by ThePrint has found that the rate of inflation in the 'milk and milk products' category of the Consumer Price Index has accelerated nearly every month since July 2021 to February

2023, apart from marginal dips in February 2022 and July 2022. The data also shows that, since October 2022, inflation in milk prices has surpassed the general rate of price rise in the country, and this gap has been widening.

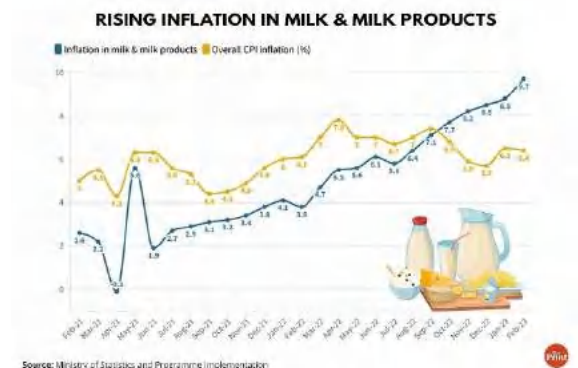


Illustration: Ramandeep Kaur

While February 2023 is the latest period for which we have inflation data, there is more recent data on the actual price of milk.

The average price of one litre of milk has risen to Rs 56.8 on 4 April, 2023 — the latest date for which there is data — from Rs 51.4 a year earlier, according to price data from the Department Of Consumer Affairs. This is an increase of 10.5 per cent in one year.

“The main reason for the increase in milk prices is due to a rise in input costs, a part of which is due to the rise in fodder prices. The price of concentrates and minerals used in the composite feed for milch cattle has also risen,” B.S. Chandel, former Principal Scientist at the National Dairy Research Institute, told ThePrint.

“The reason for the rise of the price of these inputs is because of the supply disruptions due to the Covid-19 pandemic, and the subsequent carry-on effects,” Chandel said, adding that, “Production suffered during that period.”

In any case, he explained, the supply of feed in the country is only 60 per cent of the demand, and so the rising input prices of feed have had a knock-on effect on the price of milk.

R.S. Sodhi, former managing director of Amul and the current President of the Indian Dairy Association, said, while supply issues certainly have

a part to play, the issue also lies in the fact that demand for milk products has increased.

On the supply side, he said that the pandemic-induced national lockdown and subsequent regional lockdowns meant that demand for milk fell sharply, which had knock-on effects on the entire industry.

“Although demand fell during the lockdowns, it is not as if the milk-producing animals stop producing milk, and so the price of milk and its products fell sharply,” Sodhi explained. “As a result, in the next year, the farmers perhaps did not try to increase production as much as they could have, had the prices not crashed.”

Indeed, data from the Department of Animal Husbandry & Dairying shows that, although the overall production of milk in India has increased every year, the rate of growth of production has fallen sharply since the pandemic.

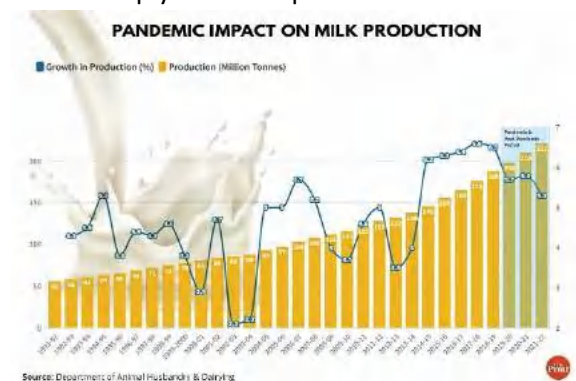


Illustration: Ramandeep Kaur

“Another factor is that the pandemic disruptions meant that artificial insemination of the cattle could not be done during that period, which meant that calving was delayed, the impact of which is felt only two years down the line,” Sodhi said.

However, this factor is not yet documented, according to Chandel.

“This fact has not come into the records,” Chandel said. “It is being presumed by the scientists that calving might have been delayed, but it has not entered the records as yet.”

Both Chandel and Sodhi agree that the demand for milk and milk products has increased in the

past few years with Chandel saying this is due to an increase in purchasing power, and Sodhi putting it down to greater awareness about including protein in diets.

However, while Sodhi says the increase in demand is the major cause behind the rise in milk prices, Chandel feels the rise in input prices is the driving factor for the rise.

Further, reports indicate that lumpy skin disease, which has been affecting cattle in India to a significant degree over the past year, has not had much of an impact on the production of milk in the country. Anecdotal evidence suggests that the disease has largely been affecting cattle that are already old and sick, and so not producing much milk in any case.

Reliance's FMCG arm to launch ice cream brand "Independence"

APR 7, 2023

<https://dairynews7x7.com/reliances-fmcg-arm-to-launch-ice-cream-brand-independence-in-gujarat-market-soon/>



Reliance Consumer Products, a fast-moving consumer goods (FMCG) company backed by Reliance Retail Ventures, is reportedly exploring the possibility of entering the burgeoning ice cream market with its brand "Independence," which was launched in Gujarat last year.

According to sources familiar with the matter, Reliance Consumer Products, a FMCG company backed by Reliance Retail Ventures, is reportedly in talks with a Gujarat-based ice cream manufacturer to outsource production of a new ice cream brand named "Independence," which was launched in Gujarat last year. If the talks materialize, Reliance's entry into the organized ice-cream market is expected to intensify competition, as per industry experts.

An email query sent to RIL did not receive a response.

According to sources, Reliance Consumer Products is in the final stages of negotiations with a

Gujarat-based ice cream manufacturer to launch its new "Independence" brand this summer. The company aims to offer locally developed FMCG products and will sell its ice cream through its dedicated grocery retail outlets.

The Independence brand offers a range of products, including edible oils, pulses, grains, and packaged foods.

An expert said, "It is expected that the entry of Reliance will bring significant changes to the ice-cream market and competition will intensify. It will be interesting to see the range of products and the markets it targets.

The organized players in the Indian ice-cream market account for approximately 50% of the market, which has a size of over INR 20,000 crore. Experts predict that the Indian ice-cream market will experience double-digit growth in the next five years, as disposable income rises and electrification improves.

With rural demand for ice cream increasing significantly, industry experts believe other major companies may also enter the market. Manufacturers such as Havmor Ice Creams, Vadilal Industries Ltd, and Amul are expanding their production capacities to meet the growing demand for ice cream in India.

Amul's plan to enter Bengaluru market ruffles feathers

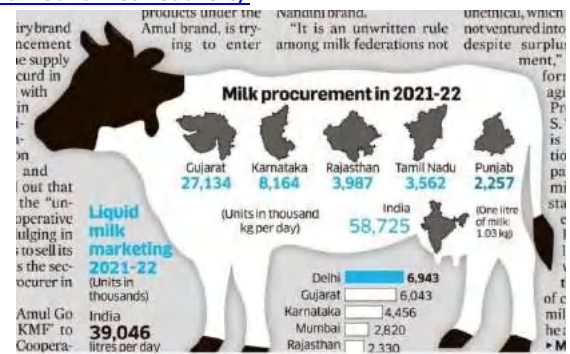
APR 7, 2023

<https://dairynews7x7.com/amuls-plan-to-enter-bengaluru-market-ruffles-feathers/>



The milk industry behemoth Amul's announcement of their plan to enter the Bengaluru market to supply milk and curd through online portals has ruffled the feathers of Kannadigas on social media, where users used #gobackAMUL hashtag on Thursday (April 6).

The announcement by Amul on Wednesday (April 5) was being seen as another attempt to trample upon KMF, especially when the political narrative is being built around the merger of Amul and KMF.



Sources said that Amul, through its online offer, could be targeting the North Indian population, but the KMF is confident of meeting the challenge. While KMF markets its Nandini-toned milk at ₹39 a litre, Amul prices its toned milk at ₹54 a litre. Amul is expected to procure milk from Andhra Pradesh to supply in Bengaluru.

Though there is no agreement between the two major milk cooperatives in the country, they have so far not clashed in the home turfs. KMF sources said it could create unhealthy competition though it has only entered the online marketing space now.

Centre foresees 'stagnation' in milk production

APR 6, 2023

<https://dairynews7x7.com/lumpy-skin-disease-increase-in-fodder-cost-centre-foresees-stagnation-in-milk-production/>



The Centre is foreseeing "stagnation" in milk production and a possible scarcity in the availability of ghee and butter as an impact of the Lumpy Skin Disease (LSD) that took

the lives of about 1.89 lakh cattle recently. Union Secretary, Department of Animal Husbandry & Dairying Rajesh Kumar Singh said all options, including import of certain milk products, would be considered by the government if the situation remained unchanged. He said increase in the prices of fodder and its scarcity was another reason for the "price inflation" in milk and its products. The last time when the country imported milk products was in 2011.

Mr. Singh said there was an impact of LSD and it was felt to the extent that the production was "a

little stagnant". "Normally, milk production is growing at 6% per year. This year, it is either stagnant or has grown at 1 or 2%. The data from cooperative sector shows the production has grown at 2%. But, if we take the data of private sector, we assume that the production is stagnant," he told reporters here on Wednesday.

The demand of milk, however, has grown up by about 8 to 10%. The demand was suppressed during the COVID-19 lockdowns. "People did not invest in this sector during the period. As a result there is price inflation in milk. Milk supplies are not seriously constrained, but in the case of ghee and butter we may face some constraints. Stocks are little lower than they were in last year. We will take a call if there is a need for an intervention. We hope to keep it under control, but if required we will intervene," he said.

He said increase in the prices of fodder was a reason for the stagnation in production and for price rise. "Fodder crop cultivation area is around 4% for the last five decades. But our dairy sector is growing at a rate of 6%. Seasonal and regional scarcity results in price rise. We will even out this once investment comes both by farmers and in-

dustries in this sector. As of now, there is a structural deficiency in fodder. It will take some time to address this issue," he said.

He said the Centre would look at the stock position of southern States and take a decision on import. "Hopefully, we may not have to take that call. In 2011, the country had imported milk products. We want to ensure that farmers are protected, but consumers also don't face too much of a burden. We will intervene if it is required. The intervention will be through the public sector such as the National Dairy Development Board," he said adding that import was a possibility. "We do have adequate skimmed milk powder. For fats, we are slightly restrained. Import is last resort," he said.

On the current situation of LSD, he said the deaths had stopped. "1,89,000 livestock have died due to the pandemic. Nine crore, almost one-third, of the cattle have been vaccinated. There is a chance of recurrence after the monsoon. We have issued an advisory to States to ensure vaccination," he said. "The only way to protect us from future pandemics is through a holistic approach called 'One Health', which focuses on the health of people, animals and the environment," Mr. Singh said.

Amul has been consistently growing at 15-18% in last decade

APR 6, 2023

<https://dairynews7x7.com/we-have-been-consistently-growing-at-about-15-18-over-the-last-decade-jayen-mehta-amul/>



The kind of outlook that we have for adding more products in our portfolio, working on developing the organic products

business and a lot of other opportunities in expanding the cooperative network across the country, all this will help in maintaining, in fact, expediting the growth rate in the times to come," says Jayen Mehta, MD, Amul.

Let us get a sense as to what kind of growth you are pencilling in, because it has been 18% growth for FY23. What has really driven this? Has it been volume or value? And do you think that this 18% growth is here to stay?

It is a pretty good time for the dairy industry in

general and the cooperatives in particular. As you rightly mentioned, Amul GCF turnover this year grew by 18.5%, at about Rs 55,000 crores and the Amul brand turnover is about Rs 72,000 crores, making it the largest FMCG brand in the country. This has been driven by both value and volume and we have been consistently growing at about 15-18% over the last decade. So, for sure this volume is going to continue for a long period of time. The good part has been the return in demand post-COVID and that has been aiding the growth in all the consumer products that we work with.

And more importantly, the kind of outlook that we have for adding more products in our portfolio, working on developing the organic products business and a lot of other opportunities in expanding the cooperative network across the country, all this will help in maintaining, in fact, expediting the growth rate in the times to come. You have recently taken charge as well as the new MD after Mr RS Sodhi. Just wanted to understand what direction do you wish to steer Amul in for say the next decade?

See Amul is a 76-year-old brand. GCF, our organisation, is completing 50 years this year, and I have been here for the last 32 years. So, practically, this is an engine powered by 36 lakh farmers and the kind of volume and the distribution network that we have, I mean, the only direction we can move forward is one and that is upward. Having said that, as I mentioned, there have been positive times for the cooperative sector. The kind of support the government is giving to cooperatives across the country by recognising that cooperative is now a tool of development for upliftment of the people in the marginal section of the society. On one side, the government has already announced that they want to set up 200,000 more dairy cooperative societies across India in addition to the 2 lakh current societies that we currently have. So, what happened in the last 50 years is going to happen in the next five years, which means more milk will

flow into the organised sector and that will bring in more business opportunities for all the brands associated with cooperatives across the country. More importantly, we are promoting two new multi-state cooperatives, one for exports and other for organics, which means all cooperatives in the country will get an international market access for their products. Amul, of course, is exporting to more than 50 countries, but here we are looking at large number of cooperatives across the country finding international market for their products. And the second is the organic initiative, where we will connect with organic producers and we have a brand for promoting organic products. So, these are the two great business opportunities that we are working with in addition to developing our dairy business.

I wanted to get your take regarding the prices, because the retail milk prices have soared, what, 15% in the last one year, the highest that we have seen in a decade. Where do you see the prices trending from here on because there have been a slew of price hikes taken by yourself as well.

I think the point you made is right, but you do not look at just one year, you look at four-year period. Because from 2019 onwards, we had two years of COVID in which there was no price increase taken by anyone and then we had to take care of the increased inflation for our producers, increased cost of feed and fodder and the other issues related to milk production. So, the last one year was a bit abnormal, but if you look at in three to four years perspective, the price increase for milk for the consumers has been more or less in line with the inflation.

Having said that, the producers also have to be compensated for the increased cost and that is why we had to take very-very calibrated measures in increasing the price of dairy products. But now the situation is pretty good across the country and when the flush season in north ends, the flush season in south starts. So, we will see increased supplies of milk coming from the

southern part of the country and obviously the next flush season for the north and west is also going to be superb.

India likely to allow limited import of butter, ghee

April 05, 2023

<https://www.thehindubusinessline.com/economy/agri-business/india-likely-to-allow-limited-import-of-butter-ghee/article66703078.ece>

The Indian government is considering to allow import of some dairy products such as butter and ghee in limited quantity without any subsidy to improve domestic supply amid apprehensions of a stagnant production of milk with demand surging by 8-10 per cent.

Addressing a press conference on Wednesday, Animal Husbandry and Dairy Secretary Rajesh Kumar Singh said the Government may intervene to import dairy products such as butter and ghee, if required, after assessing the stock position of milk in the southern states. However, sources said the plan is at an advanced stage to improve supply during the summer.

“There will not be any subsidy and the selling prices of the imported products will not be cheaper than domestically produced items as the Government will protect farmers’ interest. It will be imported by the National Dairy Development Board (NDDB) and cooperatives will sell through their own networks,” said a top official. India last imported dairy products in 2011. Milk output in India grew 6.25 per cent to 221 million tonnes (mt) in 2021-22 from 208 mt in the previous year, as per official data.

Singh said milk production remained “either stagnant or grew by 1-2 per cent” in 2022-23 (April-March) against 8-10 per cent growth in domestic demand due to post-pandemic health factors. The cooperatives, which have 30 per cent share in the entire milk sector, reported 1-2

per cent growth in production while private and unorganised sectors data point to stagnant production.

“There is no constraint in milk supply as such in the country. There is an adequate inventory of skimmed milk powder (SMP), too. But in the case of dairy products, especially fats, butter, ghee, etc stocks are lower than the previous year,” Singh said. Import, if allowed, may not be cheaper at this point in time as international prices in recent months are ruling firm, he said.

The shortage will be less in North India where the lean season has been postponed with temperature cooling down due to untimely rains in the last few days, the secretary said.

There are several factors that are contributing to price rise and including high fodder costs and lower investment in the dairy sector due to Covid. As 1.89 lakh cattle died last year due to the lumpy skin disease (LSD), it has resulted in stagnant production of milk, he said.

“The impact of LSD on cattle can be felt to the extent that the total milk production is a little stagnant. Normally, milk production has been growing at 6 per cent annually. However, this year (2022-23), it will be either stagnant or grow at 1-2 per cent,” Singh said. He also said there is a problem in fodder supply as the crop area has remained stagnant at 4 per cent of cultivable area in the last four decades.

R S Sodhi to 'advise' Reliance to scale heights in retail business

APR 5, 2023

<https://dairynews7x7.com/an-advisory-role-r-s-sodhi-to-advise-reliance-to-scale-heights-in-retail-business/>



After retiring from 'Amul', country's largest dairy brand, its former Managing Director R S Sodhi will now advise Mukesh Ambani-led Reliance Group on developing its consumer business that has a focus on fresh products, including vegetables and fruits under the group's subsidiary Reliance Consumer Products Limited (RCPL).

Reliance Group did not respond to the queries sent by businessline, while when contacted, Sodhi declined to comment on the matter.

However, sources aware of the matter informed that Sodhi would be in an advisory role at the Isha Ambani-led Reliance Retail Ventures.

Notably, Sodhi had retired from Gujarat Cooperative Milk Marketing Federation Limited (GCMMF) in January this year after helming the affairs at the Amul marketer for 12 years with a total of four decades of association with the dairy major.

Under his leadership at Amul, the dairy major had ventured into multiple non-dairy segments taking on the global majors in various categories, including beverages, cookies, flour, edible oils, and chocolates. This had put the dairy major in direct competition with Cola brands like Coke and Pepsi, FMCG majors ITC and Britannia, Fortune brand in grocery, and Cadbury in chocolate categories.

Reliance, on the other hand, already faces stiff competition with American major, Amazon, and Walmart-funded Flipkart besides the domestic players in the retail space.

Sodhi currently chairs the Indian Dairy Association (IDA), a national body of the dairy industry in India, with his appointment in 2022 for a term of three years.

A rural management graduate who joined Amul as a sales officer in 1982, Sodhi has been vocal against the multinational companies exploiting Indian consumers and influencing the markets. Under his tenure of over a decade at Amul, the dairy major clocked annual average growth of over 14.5 per cent as its turnover increased from about ₹800 crore in FY10 to over ₹47,000 crore in FY22.

AnimStok.com launch online trade services in animal science

APR 5, 2023

<https://dairynews7x7.com/animstok-com-to-launch-online-trade-services-in-animal-science-value-chain/>



AnimStok.com, an online marketplace in the entire animal science economy — dairy, livestock, poultry, and fisheries — will likely start commercial operation in two

weeks. It will offer services in B2B, B2C and C2C segments.

"We incorporated Animpet Ecomm in April 2021 and registered it as a 360-degree start-up after nine months. Now that our pilot has been completed, we are ready for the commercial launch," said Karishma Dagar, Co-founder of the company.

Multiple segments

She said starting from livestock animals to their products and by-products and from feed to animal healthcare products, all would be available on the platform. Asked how would they manage every segment under one platform, she said although the requirements of B2B, B2C, and C2C segments vary, all were interrelated. Though challenges would be there, Dagar said the company is confident in finding a solution through technology.

“Results of the trial run (pilot) were highly encouraging as enquiries and lead generation from interested stakeholders both in India and abroad were beyond our expectation. Since the expansion of the concept and the platform will require substantial financial support, it will be our next stage focus,” said Dagar.

She said as dairy farms/firms and meat processors have established a network in trading animals, AnimStok.com plans to rope in stakeholders by extending opportunities to them without disrupting the network.

The start-up also plans to have at least one representative in each district of the country to manage the services. However, the company has left the responsibility of quality assessment of

the products as well as logistics to the buyers and sellers. “We will not be directly involved in logistics and it will be the seller’s responsibility to ensure the products reach the buyer’s place, though we have made arrangement to provide through a third-party vendor if anyone requires it,” she said.

AnimStok.com has already on board nearly 25,000 vendors who offer several thousand products and services, she said. Once the commercial operation starts, the company plans to build a team of 12,000 by end of the current fiscal depending on the growth. “Customisation of the platform in line with rules and regulations of overseas markets in Asia, Australia, and Europe could see more addition in manpower,” she said. After the commercial launch, AnimStok.com will target to take on board 10 million products (one product by two companies to be counted as two products) in the first year itself along with a listing of one million vendors.

Target set

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India may import butter and ghee through NDDB

APR 5, 2023

<https://dairynews7x7.com/india-may-import-butter-and-ghee-through-nddb/>



The Indian government is considering to allow import of some dairy products such as butter and ghee in limited quantity without any subsidy to improve domestic supply

amid apprehensions of a stagnant production of milk with demand surging by 8-10 per cent.

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cheaper than domestically produced items as the Government will protect farmers' interest. It will be imported by the National Dairy Development Board (NDDB) and cooperatives will sell through their own networks," said a top official.

Output stagnant

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unorganised sectors data point to stagnant production.

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LSD impact

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"The impact of LSD on cattle can be felt to the extent that the total milk production is a little stagnant. Normally, milk production has been growing at 6 per cent annually. However, this year (2022-23), it will be either stagnant or grow at 1-2 per cent," Singh said. He also said there is a problem in fodder supply as the crop area has remained stagnant at 4 per cent of cultivable area in the last four decades.

The Road to India's Dairy Excellence Dreams

APR 4, 2023

<https://dairynews7x7.com/the-road-to-indias-dairy-excellence-dreams/>



While the country moves forward to achieve dairy excellence, the industry cannot forget that it will be built on the back of millions of dairy farmers and the milch animals they consider as a part of their families. To develop long-lasting and sustainable progress in the dairy industry, we will need to invest in better partnerships with dairy farmers and increase the yield of dairy animals evenly across the country. Only by building a strong base with our milk provider that can assure the industry with sufficient quality and quantity of milk, can they then plan for increasing infrastructure, processing, and exporting of dairy products. It is not a linear, one-time process but it is a continuous cycle of each uplifting the other. The recently concluded 49th Dairy Industry Conference at Gandhinagar was a congregation and a simultaneous celebration of the Indian Dairy Industry's best and brightest. After 27 years, Gujarat hosted the annual gathering, which took place from March 16–18, 2023. The conference was bookended by an inauguration by Shri Parshottam Rupala, Minister of Fisheries, Animal Husbandry and Dairying, and the Indian Dairy Summit in the presence of Union Home and Cooperation Minister Shri Amit Shah. These highest-level policy makers along with the Dairy Industry's top executives celebrated the achievements and laid down the ambitions for dairy's future. It was apt to the conference's central theme: 'India: Dairy To The World: opportunities and Challenges'.

India just celebrated 75 years of independence, and a story of India's development would be lacking without mentioning its dairy industry. The White Revolution, led by Dr Verghese Kurien and many others, pulled our country out of a milk deficit in the 1970s to become the world's largest milk producer for several years in a row. To say that dairy farming has increased dramatically in India would be an understatement. In rural India, it has evolved from a simple supplement to agriculture to a tool for empowerment. India currently produces 23% of the world's milk, and Shri Amit Shah presented a goal of India producing 33% of the milk in the next 10 years. It certainly is not a challenging goal. In the last 10 years, while the world's milk production has grown at a rate of around 1-2%, India's milk production has grown at a rate of 5%. The quantity of production is hardly a challenge, but the quality is.

Most of the milk is still sold in unorganized markets where there is very little control or opportunity for further processing and quality standardization. The production by the masses is a hallmark of Indian dairy. Through the cooperative system and the Anand pattern, we have managed to harness the power of small farmers and channel it into the 14,899 billion dollar (IMAARC group report Jan 2023) industry it is today. But very little of it is exported or even properly processed. If we have set the goal of becoming a dairy to the whole world, merely increasing production will not cut it. We must become equally proficient in milk storage, milk transport, milk processing, and milk marketing. The value-added profile of milk products needs to expand and improve.

Our 220 million metric tons of milk production amount to an average of around 58 crore liters of milk per day. Our current milk processing capacity is around 11 crore liters per day, clearly

and vastly insufficient even if utilized 100%. But clearly, the rest of the milk is not consumed raw; it is just processed in the unorganized sector. Around 70% of the milk that is brought for processing and not self-consumed is processed in unorganized markets like local sweet shops, festival requirements, and household production. It is largely unmapped and deregulated, and while it mostly suits the needs of the vast rural and semi-urban Indian population, it has proven to pose health and sanitary concerns.

Similar evidence of the inefficiency of milk utilization is our low dairy export. India's share in the world dairy trade is negligible. A 2018 NITI Ayog Working Group report says that milk production in India has, since the 1990s, surpassed the overall demand, and the trend continues to this day. Currently, India primarily exports butter, ghee, and milk powder to the Middle East, Bangladesh, and Malaysia. While the leading importer countries are Germany, China, the Netherlands, and France and half of the dairy trade volume is taken up by a variety of cheese products. India does not have a natural advantage for cheese production, but we have our traditional milk products which can be promoted for the Indian Diaspora spread across the world. Promoting our traditional dairy sweets and products would require a heavy investment into improving their shelf life and creating high-level quality standards for them. The process will naturally require strengthening of the backward linkage as well. The quality process will also need to be coupled with strong brand creation for global recognition.

Clearly, the road ahead points towards increased formalization and standardization of the currently unorganized dairy market. Usually, the industrialization of any product leads to the exploitation of its grassroot workers and producers. In worse cases, it leads to monopolies of companies and erodes the bargaining power of the disenfranchised agricultural input providers. But in the case of milk, we have seen, through its strong

cooperative network, that it need not be the norm. We have witnessed the growth of the milk industry that occurred side by side with the increased prosperity of rural milk providers.

During the opening ceremony of the Dairy Industry Conference, Dr. R S Sodhi, president of the Indian Dairy Association, talked about how Gujarat's dairy industry has changed since the last time the conference was held there 27 years ago. While Gujarat is neither the top milk producer nor has the greatest number of milch animals, it has the most dairy farmers in the organised sector, attached to cooperatives and member producer companies. It has enabled Gujarat to be the state with the largest amount of marketable milk procured. 40% of the entire milk procured by cooperatives and member producer companies in the country comes from Gujarat. Gujarat's cooperatives also own 30% of the entire country's cold storage capacity.

This success has been clearly achieved through the implementation of innovative techniques and technology in the dairy sector, as well as the establishment of strong partnerships between farmers and cooperatives. The cooperative's principle of not refusing any milk poured by the member gives the farmer assurance of a steady source of livelihood while the competitive prices offered for milk based on better fat content also provide them incentives to invest in improving the quality of the milk. Increasing quantity as well through increasing breed and feed efficiency cannot be achieved without strong institutional and knowledge support which Gujarat's dairy farmers receive through their cooperatives.

Gujarat's cooperative success has been endorsed for decades now. It has been replicated across the states and across the sectors with moderate success. The principles for achieving commercial success while increasing farmers' welfare are there and so is the evidence proving the principles in practice. Gujarat's cooperatives need not remain the exception that proves the

rule of agricultural exploitation. We have replaced our objectives from upward, unchecked growth with actual sustainable development. While the country moves forward to achieve dairy excellence, the industry cannot forget that it will be built on the back of millions of dairy farmers and the milch animals they consider as a part of their families. To develop long-lasting and sustainable progress in the dairy industry, we will need to invest in better partnerships with dairy farmers and increase the yield of dairy animals evenly across the country. Only by building a strong base with our milk provider that can assure the industry with sufficient quality and

quantity of milk, can they then plan for increasing infrastructure, processing, and exporting of dairy products. It is not a linear, one-time process but it is a continuous cycle of each uplifting the other.

The 49th Dairy Industry Conference concluded with myriads of talks about the opportunities and challenges that lie ahead for dairy. Various technological innovations, new markets, policy supports, and research outcomes were discussed among industrialists, academicians, and policy makers. However, we must also keep in mind to include the dairy farmers in this process and take them together with us on the road to India's dairy excellence.

In Jan 23 milk and cream imports jumped 1,024 % \$4.87 millions

APR 4, 2023

<https://dairynews7x7.com/in-jan-23-milk-and-cream-imports-jumped-1024-yoy-to-4-87-million/>



Milk prices, which have been on the up-trend in the country, could soon hit an all-time high, forcing the world's biggest producer to step up imports to boost supplies and ease cost of living pressures.

Farmers are wrestling with a rare double whammy: a lethal condition called lumpy skin disease in their cows and a drawdown in market-ready cattle stock after the coronavirus pandemic slowed breeding.

Milk prices have already jumped more than 15 per cent to Rs 56 (\$0.68) a litre over the past year – the fastest rise in a decade – making it difficult for the government to bring retail inflation below the RBI's target.

The soaring prices of milk and other basic goods is expected to become a political issue heading into state elections later this year.

“Any upside risk coming from higher milk prices is going to pose an additional challenge,” said Upasna Bhardwaj, chief economist at Kotak Mahindra Bank.

“Since milk has a weightage of 6.6 per cent in the consumer price index, any spike could have a reasonable implication on headline inflation,” she said.

A 39 per cent jump in exports of dairy products in 2022, followed by lower milk supplies, has already cut inventories of butter and skimmed milk powder (SMP) in India, even as rising incomes lift demand for protein-rich dairy products, a key source of calcium, vitamins and protein for a large vegetarian population.

Industry officials estimate demand for dairy products to rise 7 per cent this year.

But milk production is likely to have risen just 1 per cent in the fiscal year to March 2023, well below the average annual rate of 5.6 per cent in

the past decade, said a senior official of the government-backed National Dairy Development Board (NDDB). The official declined to be named as he was not authorised to speak to the media.

Imbalances

Ramavatar Sharma, a 57-year-old farmer from Khejri Bujurg village in Rajasthan, a major milk-producing state, is keen to cash in on higher milk prices, but is struggling to find affordable cattle. "Cattle prices have doubled as there are fewer cows in the market," said Sharma, who has been raising cattle since childhood.

That contrasts with recent years when prices dived in the wake of the coronavirus pandemic. While cows were cheaper, coronavirus lockdowns weighed on milk consumption.

Those losses prevented farmers from increasing herds, which restricted milk stock even during the so-called flush season, which runs from October to February, when dairies build supply for the lean season.

Farmers and dairy managers say they now have to wait until the next flush season in October to ramp up market-ready cattle stocks and dairy products inventory.

"There is no way we can raise milk production in 2023," said Santosh Sharma, general manager of Saras Dairy, a leading supplier in Rajasthan.

Devendra Shah, chairman of Parag Milk Foods in Maharashtra, said the rare surge in milk prices during the flush season has created unusual market pressure, especially in the peak summer months.

"We will witness further rises in milk prices during summer," Shah said.

Those pressures mean India will rely more on imported SMP, farmers and dairy officials said, further tightening global supplies and setting off a rally in international prices.

SMP imports are likely to hit an all-time high in the fiscal year that started April, surpassing record purchases in 2011-12, dairy industry officials said.

To ease the burden, the government could allow limited duty-free imports of SMP and butter, although it would need to manage volumes to avoid crashing prices, the NDDB official said.

In January, milk and cream imports jumped 1,024 per cent from the last year to \$4.87 million, even with import taxes, as dairies increased purchases from France, Germany and Poland.

The temporary removal of those duties would mean imports rise even further, the NDDB official said.

Long-term effects

Lumpy skin disease, which causes blisters and reduces milk production in cows, has infected millions of cattle and killed more than 184,000 in India, including around 76,000 in Rajasthan, according to government data.

Farmers in Rajasthan who managed to protect their cattle through vaccinations, now complain about lower incomes as the disease has left them with low-yielding cattle.

"Even the cows that survived after spending a lot of money on medicines and vaccination are now producing less milk than earlier," Sharma said, pointing to one of his cows with lacerations caused by the disease.

Cattle breeding suffered during pandemic lockdowns due to a shortage of the village-level veterinarians needed to conduct artificial insemination.

The supply problems are already squeezing consumers.

"Just to ensure that our children get milk, we have stopped adding milk to our tea," said Satyendra Yadav, a Mumbai construction worker. "But any further price rises will make milk out of our reach."

New dairy plants to boost UP's milk production

APR 4, 2023

<https://dairynews7x7.com/new-dairy-plants-to-boost-ups-milk-production/>



Chief Minister Yogi Adityanath reviewed the working of the animal husbandry department to work out ways in which UP's milk production can be increased. The state government is working on setting up new dairy plants in Kanpur, Moradabad, Gorakhpur, Azamgarh and Prayagraj districts with the help of the private sector. The CM also focused on the need to work on breed improvement programmes to get a better yield of milk per animal.

During the meeting, the CM emphasised on the need to create more milk committees in all districts where he said the role of women could be important. Talking about the impact of the Nand Baba Milk Mission scheme, implemented to provide milk producers the facility of selling their milk at a reasonable price in villages through milk co-operative societies, the CM said that more milk producers should be involved in the scheme.

"E-commerce portal paragdairy.com is proving useful for the online sale of milk and milk products. Online milk and milk products are being sold through Parag Mitra in urban areas and women self-help groups in rural areas. So far, 71,068 consumers, 89 women self-help groups and 215 Parag Mitras have been added through the e-commerce portal. Trade of about Rs 6

crore has been done through e-commerce portal. Necessary efforts should be made to make it stronger," the CM said.

He said there is a need to increase programmes for cattle breed improvement and the large cow-shelters in development blocks could be useful for this work. He directed the department to hold weekly reviews on animal husbandry, milk production, sale, breed improvement etc.

Recently, UP slipped to the second position in milk production in the country, having been replaced by Rajasthan.

The state has 11.33 lakh cattle sheltered in 6,719 cattle protection sites. A special campaign was run from January 20 to March 31 under which 1.23 lakh cattle were taken to shelters. Most of these are located in Sambhal, Mathura, Mirzapur, Shahjahanpur, Sant Kabir Nagar, Amroha, Gautam Buddha Nagar, Ghaziabad and Farrukhabad districts.

Insisting on the correct usage of funds meant for the destitute cattle, the CM said that after the cattle verification drive from the 25th to 30th of every month, a report should be sent to the district administration by the animal husbandry officer and ADO (panchayat) and block development officer at the block level. A report will then be sent to the government by the chief animal husbandry officer and chief development officer by the 5th of the next month. "So far, 274 large cow protection centres have become functional. In the next six months, the remaining 75 large cattle breeding sites should be prepared. Caretakers should be posted at cow shelters. Cows should be taken for a walk from time to time. In case of illness or death of cattle, the caretaker will ensure all necessary arrangements," he said.

India's milk imports soar as disease hits local cattle stock

April 4, 2023 12:21 PM GMT+5:30

<https://www.reuters.com/world/india/indias-milk-imports-soar-disease-hits-local-cattle-stock-2023-04-04/>

KHEJRI BUJURG, India, April 4 (Reuters) - Buying milk is getting expensive in India and the price could soon hit an all-time high, forcing the world's biggest producer to step up imports to boost supplies and ease cost of living pressures.

Farmers are wrestling with a rare double whammy: a lethal condition called lumpy skin disease in their cows and a drawdown in market-ready cattle stock after the coronavirus pandemic slowed breeding.

Milk prices have already jumped more than 15% to 56 rupees (\$0.68) a litre over the past year - the fastest rise in a decade - making it difficult for the government to bring retail inflation below the central bank's target.

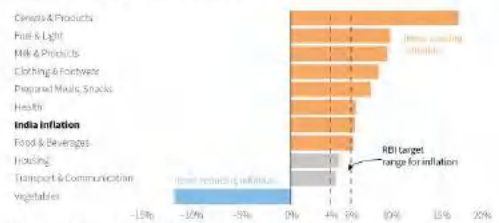
The soaring prices of milk and other basic goods is expected to become a political issue heading into state elections later this year.

"Any upside risk coming from higher milk prices is going to pose an additional challenge," said Upasna Bhardwaj, chief economist at India's Kotak Mahindra Bank.

"Since milk has a weightage of 6.6% in the consumer price index, any spike could have a reasonable implication on headline inflation," she said.

Components of India's retail inflation

Rise in prices of food items including cereals, milk and its products among others kept India's inflation in February above the central bank's target range of 4-6%.



A 39% jump in exports of dairy products in 2022, followed by lower milk supplies, has already cut inventories of butter and skimmed milk powder (SMP) in India, even as rising incomes lift demand for protein-rich dairy products, a key source of calcium, vitamins and protein for a large vegetarian population.

Industry officials estimate demand for dairy products to rise 7% this year.

But milk production is likely to have risen just 1% in the fiscal year to March 2023, well below the average annual rate of 5.6% in the past decade, said a senior official of the government-backed National Dairy Development Board (NDDB). The official declined to be named as he was not authorised to speak to the media.

IMBALANCES

Ramavatar Sharma, a 57-year-old farmer from Khejri Bujurg village in Rajasthan, a major milk-producing state, is keen to cash in on higher milk prices but is struggling to find affordable cattle.

The carbohydrate-protein mix in Indian food habits

APR 3, 2023

<https://dairynews7x7.com/diet-against-diabetes-the-carbohydrate-protein-mix-in-indian-food-habits/>



India is often referred to as the diabetes capital of the world. How did it earn this dubious distinction, accounting for 17 per cent (approximately 420 million) of the world's population afflicted by abnormal metabolism of carbohydrates and elevated blood glucose levels?

Is India's diabetes epidemic driven by genetic or external factors? While the former does play a significant role, the latter, which manifests in lifestyle changes and dietary habits, is responsible for the spurt in Type 2 Diabetes (T2D) in the last two decades.

A recent study published in *The Journal of Nutrition* by a team from the Madras Diabetes Research Foundation (MDRF) has further narrowed down the causative factors. Their research, which incorporates findings and reviews from their earlier studies, pinpoints consumption of excessive carbohydrates from refined grains, deficiency in quality proteins, excess of unhealthy fats, low dietary fibre and reduced physical activity as key drivers of the T2D epidemic.

The researchers, while looking at south Indian diets, studied the dietary profile of 2,042 adults in Chennai and found food consumption heavily tilted towards carbohydrates. In fact, as much as 64 per cent of daily calories came from carbohydrates (mostly refined white rice), 24 per cent from fats, and only 12 per cent from proteins. The intake of micronutrient and fibre-rich fruits and vegetables was only 265 gm per day against the recommended 500 gm (350 gm vegetables and 250 gm fruits).

Carbohydrates in the form of cereals dominate diets across the country. While white rice is the staple in the south, east and northeast, wheat

flour (atta) is consumed in the north, west and central regions of India. According to 'What India Eats', a 2020 study by Indian Council of Medical Research(ICMR) and National Institute of Nutrition (NIN), 97 per cent of adults in rural India and 67 per cent in urban areas consumed more than the recommended intake of cereals. In contrast, the share of energy from pulses, legumes, and animal foods was only 11 per cent. Only 9 per cent of adults in rural areas and 17 per cent in urban areas consumed sufficient vegetables. High-salt, high-fat, and energy-dense foods such as chips, chocolates, biscuits, and juices contributed to 11 per cent and 4 per cent of the total energy intake in urban and rural areas, respectively.

At-risk cases

The research cites a recent study by ICMR-India diabetes (INDIAB) that used mathematical modelling to determine that the 'optimal macronutrient distribution' for the prevention of T2D was 49–57 per cent carbohydrates (preferably complex carbohydrates), 16–20 per cent protein, 20–26 per cent fats, and 4–6 per cent dietary fibre for adults with pre-diabetes who are at risk of becoming diabetic.

Type 1 diabetes, a genetic condition in which the immune system attacks and destroys insulin-producing cells in the pancreas, sets in early in life and is managed by providing patients with regular doses of insulin. T2D is a lifestyle disease in which the body either fails to make sufficient insulin or does not utilise the insulin produced. T2D is controlled by switching to healthier diets, exercise, medication and, when required, by administering insulin.

Crucially, Type 1 diabetes accounts for about 8 per cent of diabetes cases, with Type 2 making up the rest. According to the MDRF study, during 1990-2016 the number of diabetes cases in India grew from 26 million to 65 million. Estimates

from 2022 put this figure at 80 million, which is expected to rise to 135 million by 2045 if corrective steps are not taken.

The MDRF team's research among adults in Chennai found that the highest intake of carbohydrates (587 gm per day) was associated with a five-fold increased risk of T2D when compared with the lowest intake (294 gm per day). The rising prices of pulses, legumes and animal products has resulted in lower protein intake and over-dependence on cheaper refined cereals.

A switchover to complex carbohydrates — whole wheat, brown rice, millets, and so on; a larger intake of proteins and fibre; and a reduction in consumption of saturated fats, trans fats, added salt and sugar have been recommended. But, unfortunately, healthy eating has become the privilege of the rich and health food an indulgence beyond the means of the common populace.

Foreign Trade Policy 2023: EPCG obligation to for dairy exempted

APR 2, 2023

<https://dairynews7x7.com/foreign-trade-policy-2023-epcg-obligation-to-for-dairy-exempted/>



Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal today launched the Foreign Trade Policy 2023 saying that it is dynamic and has been kept open ended to accommodate the emerging needs of the time. He stated that the policy had been under discussion for a long time and has been formulated after multiple stakeholder consultations. India's overall exports, including services and merchandise exports, has already crossed US\$ 750 Billion and is expected to cross US\$ 760 Billion this year, he said.

The Minister referred to the interaction that Prime Minister, Shri Narendra Modi with the exporters on 06th August, 2021 and encouraged them to increase exports and get more deeply involved in the global value chain. He lauded the

vision and guidance of the Prime Minister who believed that given the size of the Indian economy and manufacturing & service sector base, the potential for the country to grow is manifold. He said that this vision is at the core of the policy. The Minister noted that the remarkable achievement in the overall export figure of crossing US\$ 760 Billion in these challenging times across the world has been the result of enthusiasm and encouragement pumped in by the Prime Minister. He said that this achievement is in sync with the target set in the roadmap in 2021 after the interaction with the Prime Minister.

He stressed that every opportunity for export must be captured and utilised effectively. He also mentioned that in the next 5 months during India's G20 presidency there should be a massive concentrated outreach with the world both sector-wise and country-wise.

The release of the policy was also attended by Union Minister of State for Commerce & Industry, Smt. Anupriya Patel, Commerce Secretary, Shri Sunil Barthwal and Member Customs, Central Board of Indirect Taxes and Customs, Shri Rajiv Talwar. Director General of Foreign Trade, Shri Santosh Kumar Sarangi gave a detailed presentation on the policy.

The Key Approach to the policy is based on these 4 pillars: (i) Incentive to Remission, (ii) Export promotion through collaboration – Exporters, States, Districts, Indian Missions, (iii) Ease of doing business, reduction in transaction cost and e-initiatives and (iv) Emerging Areas – E-Commerce Developing Districts as Export Hubs and streamlining SCOMET policy.

Foreign Trade Policy (2023) is a policy document which is based on continuity of time-tested schemes facilitating exports as well as a document which is nimble and responsive to the requirements of trade. It is based on principles of 'trust' and 'partnership' with exporters. In the FTP 2015-20, changes were done subsequent to the initial release even without announcement of a new FTP responding dynamically to the emerging situations. Hereafter, the revisions of the FTP shall be done as and when required. Incorporating feedback from Trade and Industry would also be continuous to streamline processes and update FTP, from time to time.

The FTP 2023 aims at process re-engineering and automation to facilitate ease of doing business for exporters. It also focuses on emerging areas like dual use high end technology items under SCOMET, facilitating e-commerce export, collaborating with States and Districts for export promotion.

The new FTP is introducing a one-time Amnesty Scheme for exporters to close the old pending authorizations and start afresh.

The FTP 2023 encourages recognition of new towns through "Towns of Export Excellence Scheme" and exporters through "Status Holder Scheme". The FTP 2023 is facilitating exports by streamlining the popular Advance Authorization and EPCG schemes, and enabling merchanting trade from India.

Process Re-Engineering and Automation

Greater faith is being reposed on exporters through automated IT systems with risk management system for various approvals in the new FTP. The policy emphasizes export promotion

and development, moving away from an incentive regime to a regime which is facilitating, based on technology interface and principles of collaboration. Considering the effectiveness of some of the ongoing schemes like Advance Authorisation, EPCG etc. under FTP 2015-20, they will be continued along with substantial process re-engineering and technology enablement for facilitating the exporters. FTP 2023 codifies implementation mechanisms in a paperless, online environment, building on earlier 'ease of doing business' initiatives. Reduction in fee structures and IT-based schemes will make it easier for MSMEs and others to access export benefits.

Duty exemption schemes for export production will now be implemented through Regional Offices in a rule-based IT system environment, eliminating the need for manual interface. During the FY23-24, all processes under the Advance and EPCG Schemes, including issue, re-validation, and EO extension, will be covered in a phased manner. Cases identified under risk management framework will be scrutinized manually, while majority of the applicants are expected to be covered under the 'automatic' route initially.

Towns of Export Excellence

Four new towns, namely Faridabad, Mirzapur, Moradabad, and Varanasi, have been designated as Towns of Export Excellence (TEE) in addition to the existing 39 towns. The TEEs will have priority access to export promotion funds under the MAI scheme and will be able to avail Common Service Provider (CSP) benefits for export fulfillment under the EPCG Scheme. This addition is expected to boost the exports of handlooms, handicrafts, and carpets.

Recognition of Exporters

Exporter firms recognized with 'status' based on export performance will now be partners in capacity-building initiatives on a best-endeavor basis. Similar to the 'each one teach one' initiative, 2-star and above status holders would be encouraged to provide trade-related training based

on a model curriculum to interested individuals. This will help India build a skilled manpower pool capable of servicing a \$5 Trillion economy before 2030. Status recognition norms have been recalibrated to enable more exporting firms to achieve 4 and 5-star ratings, leading to better branding opportunities in export markets.

Promoting export from the districts

The FTP aims at building partnerships with State governments and taking forward the Districts as Export Hubs (DEH) initiative to promote exports at the district level and accelerate the development of grassroots trade ecosystem. Efforts to identify export worthy products & services and resolve concerns at the district level will be made through an institutional mechanism – State Export Promotion Committee and District Export Promotion Committee at the State and District level, respectively. District specific export action plans to be prepared for each district outlining the district specific strategy to promote export of identified products and services.

Streamlining SCOMET Policy

India is placing more emphasis on the “export control” regime as its integration with export control regime countries strengthens. There is a wider outreach and understanding of SCOMET (Special Chemicals, Organisms, Materials, Equipment and Technologies) among stakeholders, and the policy regime is being made more robust to implement international treaties and agreements entered into by India. A robust export control system in India would provide access of dual-use High end goods and technologies to Indian exporters while facilitating exports of controlled items/technologies under SCOMET from India.

Facilitating E-Commerce Exports

E-commerce exports are a promising category that requires distinct policy interventions from traditional offline trade. Various estimates suggest e-commerce export potential in the range of \$200 to \$300 billion by 2030. FTP 2023 outlines the intent and roadmap for establishing e-com-

merce hubs and related elements such as payment reconciliation, book-keeping, returns policy, and export entitlements. As a starting point, the consignment wise cap on E-Commerce exports through courier has been raised from ₹5Lakh to ₹10 Lakh in the FTP 2023. Depending on the feedback of exporters, this cap will be further revised or eventually removed. Integration of Courier and Postal exports with ICEGATE will enable exporters to claim benefits under FTP. The comprehensive e-commerce policy addressing the export/import ecosystem would be elaborated soon, based on the recommendations of the working committee on e-commerce exports and inter-ministerial deliberations. Extensive outreach and training activities will be taken up to build capacity of artisans, weavers, garment manufacturers, gems and jewellery designers to onboard them on E-Commerce platforms and facilitate higher exports.

Facilitation under Export Promotion of Capital Goods (EPCG) Scheme

The EPCG Scheme, which allows import of capital goods at zero Customs duty for export production, is being further rationalized. Some key changes being added are:

Prime Minister Mega Integrated Textile Region and Apparel Parks (PM MITRA) scheme has been added as an additional scheme eligible to claim benefits under CSP (Common Service Provider) Scheme of Export Promotion capital Goods Scheme (EPCG).

Dairy sector to be exempted from maintaining Average Export Obligation – to support dairy sector to upgrade the technology.

Battery Electric Vehicles (BEV) of all types, Vertical Farming equipment, Wastewater Treatment and Recycling, Rainwater harvesting system and Rainwater Filters, and Green Hydrogen are added to Green Technology products – will now be eligible for reduced Export Obligation requirement under EPCG Scheme

Facilitation under Advance authorization Scheme

Advance authorisation Scheme accessed by DTA units provides duty-free import of raw materials for manufacturing export items and is placed at a similar footing to EOU and SEZ Scheme. However, the DTA unit has the flexibility to work both for domestic as well as export production. Based on interactions with industry and Export Promotion councils, certain facilitation provisions have been added in the present FTP such as Special Advance Authorisation Scheme extended to export of Apparel and Clothing sector under para 4.07 of HBP on self-declaration basis to facilitate prompt execution of export orders – Norms would be fixed within fixed timeframe. Benefits of Self-Ratification Scheme for fixation of Input-Output Norms extended to 2 star and above status holders in addition to Authorised Economic Operators at present.

Merchanting trade

To develop India into a merchanting trade hub, the FTP 2023 has introduced provisions for merchanting trade. Merchanting trade of restricted and prohibited items under export policy would now be possible. Merchanting trade involves shipment of goods from one foreign country to another foreign country without touching Indian ports, involving an Indian intermediary. This will be subject to compliance with RBI guidelines, and won't be applicable for goods/items classified in the CITES and SCOMET list. In course of

time, this will allow Indian entrepreneurs to convert certain places like GIFT city etc. into major merchanting hubs as seen in places like Dubai, Singapore and Hong Kong.

Amnesty Scheme

Finally, the government is strongly committed to reducing litigation and fostering trust-based relationships to help alleviate the issues faced by exporters. In line with "Vivaad se Vishwaas" initiative, which sought to settle tax disputes amicably, the government is introducing a special one-time Amnesty Scheme under the FTP 2023 to address default on Export Obligations. This scheme is intended to provide relief to exporters who have been unable to meet their obligations under EPCG and Advance Authorizations, and who are burdened by high duty and interest costs associated with pending cases. All pending cases of the default in meeting Export Obligation (EO) of authorizations mentioned can be regularized on payment of all customs duties that were exempted in proportion to unfulfilled Export Obligation. The interest payable is capped at 100% of these exempted duties under this scheme. However, no interest is payable on the portion of Additional Customs Duty and Special Additional Customs Duty and this is likely to provide relief to exporters as interest burden will come down substantially. It is hoped that this amnesty will give these exporters a fresh start and an opportunity to come into compliance.

Amul group's turnover crosses Rs 72,000 crore in 2022-23

APR 2, 2023

<https://dairynews7x7.com/amul-groups-turnover-crosses-rs-72000-crore-in-2022-23/>



The group turnover of Gujarat Co-operative Milk Marketing Federation Ltd — the umbrella body of milk cooperatives that markets Amul brand of milk and dairy products — crossed Rs 72,000 crore for the year 2022-23. On a day when GCMMF hiked the prices of milk across the state, the body in a statement said the demand for branded consumer products led to the 18 per cent annual growth in turnover, where sales of fresh products grew by 21 per cent, ice-cream sales grew by 41 per cent and consumer products, including cheese, butter, milk beverages, panned, cream, buttermilk and dahi grew between 20 and 40 per cent.

Shamal Patel, Chairman, GCMMF, said, “Based on estimated growth in market demand for Amul products and our future marketing efforts, GCMMF plans will achieve sales turnover of Rs

1,00,000 crore by 2025 and further grow with a Compound Annual Growth Rate of more than 20% over the next seven years because of higher milk procurement, continuous expansion in terms of adding new markets, launching of new products, and adding new milk processing capacities across India.”

With a focus on increasing distribution across 400 towns, GCMMF is increasing its existing network of 82 branch and warehouse infrastructure to more than 100 in 2023-24. The 18 member Unions of GCMMF with farmer member strength of more than 36 lakh across 18,600 villages of Gujarat are procuring on an average 270 lakh litre of milk per day. To meet milk and milk product demand in major metros of India, the member unions of GCMMF have set up a network of 98 dairy plants.

In order to cater to evolving international taste buds of consumers, GCMMF launched its first international ice cream lounge in Pune wherein 13 special flavours of ice cream can be experienced, each flavour representing a country of its origin. This model will be replicated across all major cities and airports, the company added in the release.

Dairy deficit: Schools, homes and businesses left wanting

Apr 02, 2023

<https://www.deccanherald.com/specials/dairy-deficit-schools-homes-and-businesses-left-wanting-1205801.html>



Two friends, aged 11 and 12, wait eagerly each morning to receive a glass of milk when they reach their government school in Badami taluk, Karnataka. Since January, their wait and that of their schoolmates has been endless, and their cups have remained empty. In these three months, students have also been unable to muster the courage to ask their teachers why they are not receiving milk. “What if they scold us, or take offence?” asks Ranjith*, a student.

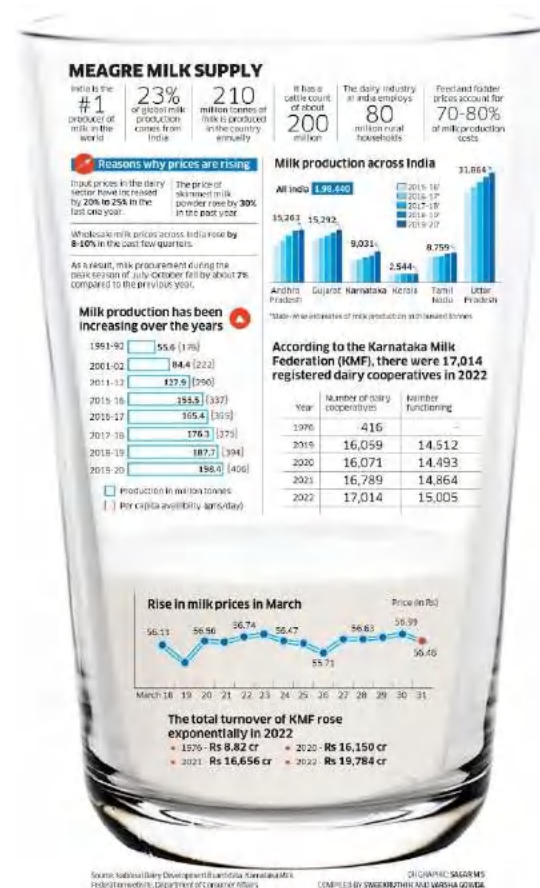
Government and aided schools in over a third of Karnataka's districts have not received milk supply for the past three months under the Ksheera Bhagya scheme. The plight of the schoolchildren will not change anytime soon, as they have now entered their summer vacations, unsure if they will return in June to their regular, eagerly awaited daily glass of milk. Several schools have reported a drop in attendance following the milk shortage.

This disruption is particularly a matter of concern as milk remains central to the public nutrition programme. “In Kalyana Karnataka, malnutrition is a pressing problem. In previous years, the nutrition programme emphasised the importance of consuming milk along with the mid-day meal. Ironically, this very necessity is not available,” says Shantappa Yaligi, a primary school teacher from Gurumitkal taluk in Yadgir.

Several studies had predicted that Karnataka would experience an acute shortage of milk after 2021, as production would not catch up to increasing consumption.

In the country, milk production has been on the rise. At a recently held dairy industry conference in Gandhinagar, Union Home Minister Amit Shah said that the sector had progressed at an annual rate of 6.6% in the last decade. According to Food and Agriculture Organisation data, India contributed about a quarter of global milk production in 2021-22.

Despite these encouraging numbers, a majority of states have been facing a severe shortage of milk. The reasons are manifold. According to experts, the sector has not recovered from the slump caused by Covid-19 in 2020.



This health crisis was followed by Lumpy Skin Disease (LSD) in cattle and a rise in inflation rates, forcing dairy firms to increase milk prices multiple times in the last year.

Rising input costs of feed, healthcare and maintenance of cattle have culminated in the saturation of markets like Gujarat — which accounts for nearly 30% of the country's total milk procurement. Farmers in Gujarat complain that their profit margin has dipped significantly over the last couple of years.

"The milk situation is no doubt a little tight in the country. Due to Covid-19 outbreak and LSD, there was also a delay in artificial insemination of the cows," says R S Sodhi, president of the Indian Dairy Association. Sodhi recently retired as managing director of Amul.

The country, he says, is facing a crisis there is a wide gap between the demand and supply of dairy products.

The severe shortfall of the commodity is also sweeping through Karnataka, Kerala and Tamil Nadu.

State wise milk price rise over the last three years

State/UT	2019-20		2020-21		2021-22	
	Tone Milk	Full Cream Milk	Tone Milk	Full Cream Milk	Tone Milk	Full Cream Milk
Andhra Pradesh	41	53	41	53	41	53
Bihar	37	48	39	50	41	52
Chhattisgarh	NR	NR	NR	NR	45	NR
Goa	NR	NR	NR	NR	44	57
Gujarat	42	52	44	56	44	56
Haryana	42	52	46	56	46	56
Himachal Pradesh	NR	NR	NR	NR	48	59
Jammu & Kashmir	NR	NR	NR	NR	46	56
Jharkhand	NR	NR	NR	NR	44	NR
Karnataka	35	44	37	46	37	46
Kerala	42	NR	46	NR	46	NR
Madhya Pradesh	38	48	42	52	44	54
Maharashtra	37	46	37	46	38	47
Manipur	NR	NR	NR	NR	40	NR
Meghalaya	NR	NR	NR	NR	56	NR
Odisha	34	NR	40	NR	40	46
Punjab	42	52	46	56	46	56
Rajasthan	40	50	44	56	42	52
Tamil Nadu	37	45	43	51	43	51
Telangana	42	56	48	62	48	61
Uttar Pradesh	42	52	46	56	46	56
West Bengal	34	50	34	50	32	50

NR= non reporting
Certain non-reporting states have been excluded

(Price in Rs)

Among other causes, low procurement rates have also impacted the gross production of milk. Angered by the lack of competitive pricing, dairy farmers in Tamil Nadu have been emptying canisters of milk on the streets in protest over the last few weeks.

The total production of milk in Tamil Nadu is about 2.30 crore litres per day. Currently, the state has a daily deficit of 9 to 10 lakh litres. Aavin, the government-run milk union federation, procures around 30 lakh litres per day. It utilises around 0.5% to 2% of its total procurement to produce by-products

In Kerala, "there is a decline of around nearly 10% in procurement this summer," says Kerala Co-operative Milk Marketing Federation (Milma) chairman K S Mani. Milma has a membership of about 10 lakh dairy farmers but only around 3 lakh farmers regularly supply milk.

"The remuneration given to farmers in the south is quite less compared to Gujarat and Rajasthan. Although there is a government subsidy for such farmers, cooperatives should increase prices to encourage farmers to produce more milk like private players," says Sodhi.

Despite being the second-highest producer of milk, Karnataka provides the lowest procurement rates to farmers. "While farmers in neighbouring Tamil Nadu and Andhra Pradesh get Rs 38 to Rs 40 per litre of milk through unions, our farmers get only Rs 33, including incentives. This is the lowest in the country," says an office bearer in Bengaluru Milk Union Limited (BAMUL).

The Karnataka Milk Federation (KMF) is India's second-highest milk procurer. Through its 14 milk unions and 14,000 plus milk co-operative units in over 22,000 villages, the KMF procures, on average, 84 lakh litres of milk daily.

During the peak season, milk procurement can reach nearly 92 lakh litres daily. However, during the lean period (during summer), procurement plummets to 75 lakh litres a day. This year the

procurement has reduced further to 70 lakh litres a day.

According to a market research study, major dairies, including KMF, Tirumala Dairy, Dodla Dairy and Heritage Dairy transacted Rs 79,870 crore in 2021 in Karnataka. By 2027, this market could grow to Rs 1,886.7 crore.

This booming market is not a source of hope for farmers and milk society members in the state. Instead, they see a bleak future ahead. Troubled by rising input costs, a section of small and marginal farmers are quitting dairy farming, as they feel it is not profitable.

For a litre of milk, KMF pays a farmer Rs 27.9. The state government pays an additional Rs 5 as an incentive for cattle feed.

However, a farmer shells out anywhere between Rs 30,000 and Rs 50,000 to purchase a cow, according to Prakash K Morab, a farmer at Hebballi village in Dharwad district. He has been supplying milk to KMF for the last 13 years.

Each cow requires 50 kg of feed per week to stay healthy. The feed bags, which KMF supplies to farmers, cost Rs 1,020 four months ago. However, each bag now costs Rs 1,230.

After investments in maintenance, feed, vaccination and labour, "one can save only Rs 800 to Rs 900 a week. Instead, if we work as labourers, we get Rs 500 to Rs 700 daily," he says.

Morab had four cows in 2019 but had to sell one in 2020 to recover from the financial crunch caused by the twin blows of Covid-19 and LSD. Another cow eventually succumbed to LSD.

"Dairy farming is like a gamble. Cows are prone to diseases like foot and mouth disease, bovine mastitis, bovine brucellosis and other ailments. Treating them is a costly affair. For such less revenue, one has to take a high risk," says Raju Navlekar, a farmer based in Dharwad.

On top of these troubles, farmers accuse the government and KMF of clearing bills late. The KMF clears bills once every 25 days, according to Nirmala Hunasikatti, secretary of KMF Hebballi society. Several farmers also complain that the incentive price of Rs 5 per litre is cleared once every two to three months. Troubled by the delay, a few farmers have decided to supply milk to private dairies.

For instance, in Hebballi, out of 400 dairy farmers, only 135 supply milk to KMF. The rest supply to the private Navalur Dairy.

Cadbury Dairy Milk cheers for all sports during the IPL season

April 01, 2023

<https://brandequity.economictimes.indiatimes.com/news/advertising/cadbury-dairy-milk-cheers-for-all-sports-during-the-ipl-season/99164452>

Chocolate brand Cadbury Dairy Milk has launched its latest campaign, #CheerForAllSports. The multichannel campaign aims to bring India together to cheer for the Indian athletes across other sports who will be playing during the same time as IPL.

The idea #CheerForAllSports is also being manifested at the back of a tech-enabled engagement wherein the special INR 100 pack of Cadbury Dairy Milk comes with a QR code. This code,

when scanned, will lead to a microsite with a calendar of other sporting events during the same period as the upcoming IPL season.

Nitin Saini, vice president of marketing at Mondelez India said, "This year, we are taking the idea of generosity a step forward to other sports with Cadbury Dairy Milk #CheerForAllSports campaign. We hope that our campaign inspires consumers to participate in the

happiness of talented Indian athletes, evoking a sense of acchai and mithaas around all of us.”

Sukesh Nayak , chief creative officer of Ogilvy India, said, “The biggest challenge was to conceptualize an entire ecosystem that would revolutionize how every Indian could easily cheer for and lend their support to all sports.”

Nayak added, “#CheerForAllSports will help curate the season's sporting calendar on an immersive and experiential microsite where you can watch live games along with Yuvi and Bhaji, and most importantly, brings all of these fans right

into the stadium to create a thundering cheer for our unsung heroes.”

Shekhar Banerjee , chief client officer, and office head West, Wavemaker India said, “We are trying to achieve something ingenious. We will be leveraging the scale of IPL to get the cricket-cheering audiences to #CheerForAllSports. For this we have partnered with Star Sports, Jio Cinema and some of the popular sports celebrities in India. We are excited about how our online platform will enable participation and support cricket audiences to virtually cheer for the Indian team participating in other sports.”

Modernisation. Five ways cloud technology can help the dairy industry scale in 2023

April 01, 2023

<https://www.thehindubusinessline.com/economy/agri-business/five-ways-cloud-technology-can-help-the-dairy-industry-scale-in-2023/article66687036.ece>

However, the industry continues to face several challenges, such as low productivity, poor milk quality, and inefficient supply chain management. Additionally, despite a growing number of innovative technologies being available, around 80 per cent of the farms still manage their operations manually, often using pen and paper. According to the Associated Commerce and Industry of India (Assocham) and MRSS, about 3 per cent of the milk produced annually is ultimately wasted due to a lack of supply chain management. This volume of wastage, coupled with the increased demand for dairy products could easily hamper India's plan to produce about 300 million tonnes of milk by 2024. However, if the industry chooses to integrate modern technology fully into its operations, such as affordable and user-friendly SaaS solutions, Artificial Intelligence (AI), and the Internet of Things (IoT), the cloud is set to revolutionise the Indian dairy sector. In terms of enhancing the consumer experience and improving business

functionality, it is undeniable that cloud technology will be a crucial factor in the modernisation process.

Let us understand the value cloud technology brings to the dairy industry and how it benefits in enhancing efficiencies and productivity.

While a lot is being done towards cattle management and their health and hygiene, there is no real-time visibility into the entire life cycle of a bottle/pouch of milk, a can of yoghurt, paneer, or other dairy items that leaves the facility to reach a grocery store or the customer's doorstep. Farmers do not have visibility into returns or even spoilage. As a result, cloud-based software solutions play a key role in supply chain management by providing real-time data analytics. The software solution enables dairy farmers and processors to quickly and accurately analyse data from various sources, such as sensors and equipment, to optimise their operations, increase efficiency, and improve product quality that can help make informed decisions about their operations.

For instance, dairy companies can use this data analytics to determine the optimal time to collect milk from farmers, the most efficient processing methods, and the best distribution channels. As a result, businesses can save time by speeding up the overall process at a much lower cost.

Tracking and traceability

Modern technological solutions are proving to be instrumental in the development of new-age farms and dairies in India. As a result, dairy farms and businesses are rapidly embracing innovative technology to keep up with the growing demand and product quality. With easy tracking and traceability offered by cloud technology, the dairy industry can monitor its products' life cycle - from production to last-mile delivery. This is particularly important for ensuring food safety and compliance with regulatory requirements.

In this method, dairy companies can quickly identify any errors or issues that may arise during transportation or storage. This can help them take corrective action to prevent spoilage or contamination, thereby protecting their reputation and ensuring consumer safety. Moreover, the adoption of these solutions has significantly reduced IT infrastructure costs, enabling dairy farmers to concentrate on enhancing productivity and efficiency.

Automated inventory management

The new cloud-based software solutions can also help automate inventory management for dairy companies. It helps them manage their stocks more efficiently, reduce wastage, and minimise the risk of stockouts. But how?

The cloud-based inventory management software helps dairy companies automate their inventory management processes by providing real-time tracking, streamlining data collection, automating replenishment, better forecasting, and providing easy mobile access. This helps in reducing the amount of time and resources that dairy companies spend on such tasks. It is also a

great tool to free up employee focus on other critical aspects of the business.

Cold chain upkeep

The dairy industry relies on maintaining the cold chain to ensure their products are safe for consumption. Cloud technology can help dairy companies monitor the temperature of their products during transportation and storage.

The cloud solution can help them detect any temperature deviations that may occur and take corrective action quickly to prevent spoilage. As a result, by maintaining the cold chain, dairy companies can ensure the quality and safety of their products and avoid costly recalls.

Optimisation of distribution routes

Cloud solutions can help dairy companies optimise their distribution routes. By analysing data on demand and supply, dairy farms can identify the most efficient routes for their products. This technology can further help reduce transportation costs, minimise delivery times, and improve customer satisfaction. By optimising distribution routes, dairy companies can also reduce their carbon footprint and contribute to sustainability efforts.

Achieving Cloud Tech

Technology adoption in the dairy industry, just like all other industries, has helped evolve its business dynamics. In the Indian context, companies that have adopted cloud solutions have witnessed significant growth. It has helped them reduce manual labour and allowed people to focus on more important aspects of the business, become creative, and experiment with newer ways of working. It is time that more farms and companies come forward to adopt cloud solutions so that the Indian dairy industry can continue to hold its position as the world's foremost milk producer and deliver premium-quality products that align with customer expectations.

The author is CEO & Co-Founder of Mr. Milkman by Ever

Global News

How milk tamed the Third Pole-3,500-year history of dairy

APR 14, 2023

<https://dairynews7x7.com/how-milk-tamed-the-third-pole-research-reveals-a-3500-year-history-of-dairy-consumption-on-the-tibetan-plateau/>



It's not called the Third Pole for nothing. The Tibetan Plateau forms the major portion of a vast upland area of ice and glaciers that covers some 100,000 square kilometres of Earth's surface.

It is a cold, arid and unforgiving landscape that couldn't be more different from the warm plains and valleys that gave rise to our species.

Yet, for thousands of years the Tibetan Plateau has been occupied by Homo sapiens. It has seen the establishment of agricultural societies, and the growth of religions, kingdoms and even empire.

How humans managed not just to subsist but to thrive in this high-altitude landscape is a question that has challenged researchers for decades – and one that has captivated us too.

We know part of the answer lies in Tibetan genes, and a unique adaptation that enables people living in the region to use oxygen more efficiently, avoiding the potentially lethal effects of hypoxia (the condition that arises from a lack of oxygen).

But just as important as avoiding hypoxia was finding enough food in the plateau's unpredictable, freezing and hyper-arid environment.

Our research, published today in Science Advances, set out to look more closely at early Tibetan diets. To do this, we examined ancient dental plaque, a rich source of dietary information.

Our results show one food in particular may have been crucial to sustained human occupation and expansion across the Tibetan Plateau: milk.



Modern pastures on the highland Tibetan Plateau. Li Tang, Author provided

The benefits of not brushing

Without dentists, ancient people often accumulated thick layers of plaque – also known as calculus – on their teeth. Using a new method called palaeoproteomics, scientists can investigate the food proteins that became trapped and preserved in ancient people's dental plaque.

Palaeoproteomics allows us to look at types of food, such as milk, that aren't visible through traditional archaeological approaches, and to identify specific individuals who were consuming them.

Our study analysed all available human skeletal remains on the plateau: a total of 40 individuals, dating to between 3500 and 1200 years ago, from 15 widely dispersed sites.



One of the individuals we studied was a woman, aged 40-55, buried at the Ounie site. Hers were the highest altitude (4654 masl) remains studied, dated to around 601-758 CE. Li Tang and Zujun Chen, Author provided

Our work yielded fascinating results. Preserved in the teeth of many of these people were fragments of proteins derived from milk products. The protein sequences showed the milk originated from domestic herd animals: sheep, goat and probably yak.

We could see dairy foods were consumed by a wide swathe of Tibetan Plateau society, including adults and children, elites and everyday people. Dairy was even present in the earliest Tibetan Plateau skeletons we looked at.

In fact, we found dairy was being consumed as far back as 3,500 years ago – pushing evidence for dairying on the plateau back 2,000 years earlier than records in historical sources, such as the 8th- and 9th-century Tongdian encyclopedia.

Evidence for dairying now corresponds with the earliest evidence for domesticated herd animals on the Tibetan Plateau, which suggests dairying and pastoralism spread together in this region.

Pushing beyond the cultivation boundary

Our results showed another interesting pattern: all the milk peptides we identified came from ancient individuals in the highest altitude parts of the plateau. These were the most inhospitable areas, where growing crops was difficult.

In the southern-central and southeastern valleys, where farmable land was available, we did not recover any dairy proteins from people's calculus.

Dairy, it seems, was vital to human occupation of the parts of the plateau that lay beyond the

reach of even frost-tolerant crops. This is a vast area, as less than 1% of the Tibetan Plateau supports crop cultivation.

In the lower-lying areas, long-term habitation has been sustained by cultivating plant foods. But across most of the plateau, the primary mode of subsistence has been pastoralism.

Dairy-free? Not an option

While dairy would eventually become central to Tibetan cuisine and culture, our results suggest it was initially adopted out of necessity. It allowed people in the Tibetan Plateau's most extreme environments to turn the energy locked inside alpine meadow grasses into a protein-rich, nutritional food that was endlessly renewable – because animals weren't killed to acquire it.



Today, dairy is an important part of modern Tibetan food and culture. Li Tang, Author provided Dairying opened up the Tibetan Plateau to the spread and sustained growth of human populations, which ultimately enabled the emergence of substantial cultural complexity.

In one of Earth's most inhospitable environments, then, it would appear dairy-free was not an option.

Future work on the plateau will be vital to understanding how the human adoption of pastoralism and dairying reshaped Tibet's landscapes. And just as critically, it will shed light on what human-induced climate change means for the future of the ecosystems present-day herders rely on.



Modern Tibetan pastoralists make butter from yak milk. Li Tang, Author provided

Over 18000 cows die in Texas dairy farm blaze – Reuters

APR 14, 2023

<https://dairynews7x7.com/over-18000-cows-die-in-texas-dairy-farm-blaze-reuters/>



More than 18,000 cows died after an explosion and fire at a family dairy farm in west Texas, marking the deadliest such barn blaze on record in the United States.

Firefighters rescued one employee from the South Fork Dairy near Dimmitt on Monday as flames raced through a building and into holding pens, according to images and statements from the Castro County Sheriff's Office.



Smoke rises at the Southfork Dairy Farms, after an explosion and a fire killed around 18,000 cows, near Dimmitt, Texas, U.S., April 11, 2023, in this picture obtained from social media.

The cause of the fire was under investigation and it was not immediately possible to contact members of the family who own the farm in one of Texas' biggest milk production counties.

The blaze prompted calls from the Animal Welfare Institute (AWI), among the oldest U.S. animal protection groups, for federal laws to prevent barn fires which kill hundreds of thousands of farm animals each year.

There are no federal regulations protecting animals from the fires and only a few states, Texas not among them, have adopted fire protection codes for such buildings, according to an AWI statement.

The blaze was the most devastating U.S. barn fire involving cattle since the AWI began tracking such incidents in 2013. Around 6.5 million farm animals have died in such fires in the last decade, most of them poultry.

Britain's Tesco cuts price of milk for first time since 2020

APR 13, 2023

<https://dairynews7x7.com/britains-tesco-cuts-price-of-milk-for-first-time-since-2020/>



Britain's biggest supermarket group Tesco has cut the price of milk for the first time since May 2020, a possible early sign that a surge in food inflation may abate in the coming months.

In March, grocery inflation rose to a record 17.5%, according to market researcher Kantar, with prices rising fastest for products such as milk, cheese and eggs. Overall UK inflation for food and non-alcoholic drinks was 18% in February, the highest since 1977, according to official data.

Tesco, which has a 27% share of Britain's grocery market, said on Wednesday it was reducing the price of a four-pint carton of milk from 1.65 pounds (\$2.05) to 1.55 pounds, two pints from

1.30 pounds to 1.25 pounds and a pint from 95 pence to 90 pence.

"We've seen some cost price deflation for milk across the market in recent times, and we want to take this opportunity to pass that reduction on to customers," Tesco UK CEO Jason Tarry said.

He said the price cut would not affect the price Tesco pays its milk farmers.

Tesco also said it was "locking in" prices on over 1,000 everyday products until July 5, including Yorkshire Tea, McCain oven chips, Shredded Wheat, Kenco instant coffee and Aquafresh toothpaste.

Overall UK consumer price inflation ran at 10.4% in February, official data showed, pushed up by higher food and drink prices in pubs and restaurants.

The Bank of England forecasts it will fall sharply during the current quarter, dropping to below 4% by the end of this year.

Tesco will report full year results on Thursday. (\$1 = 0.8053 pounds)

Will China continue the downtrend in dairy demand?

APR 13, 2023

<https://dairynews7x7.com/will-china-continue-the-downtrend-in-dairy-demand/>

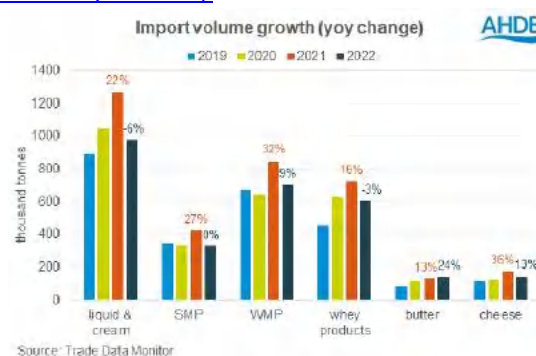


China plays a vital role in setting price direction on global dairy markets. During recent times, they have been buying less amid high imports in 2021 and comfortable domestic milk supplies.

Farmgate milk prices have been declining in recent months in response to weaker global market prices. While milk production has improved, the reduction in demand has been more instrumental in driving down market prices. So what is the outlook for China's import demand this year? Historically there has been a strong relationship between China's economic growth (as measured by GDP per capita) and its level of dairy imports. So much so, that comparing the two trends can give an indication of expected imports and potential risks around stock building.

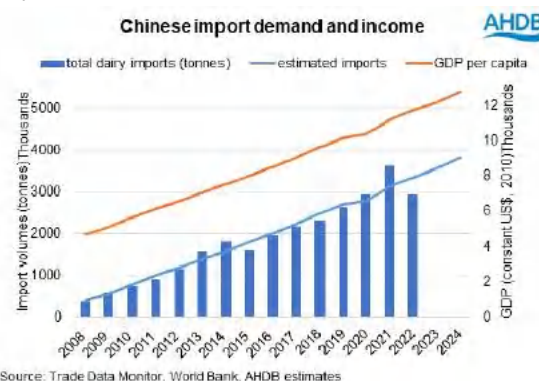
Following heightened import volumes in 2021 to ensure food security, imports fell by around 19% in 2022. The drop was in part a response to the high stock levels, but will also have been impacted by China's zero-Covid policy, low GDP growth, and lower consumer spending on the back of high prices.

All products saw lower imports in 2022, although for most, import volumes were similar or slightly above 2020 levels. Butter was an exception showing marginal increase compared to previous year. The products recording the largest year on year decline in 2022 were liquid milk & cream and whey products.



Is the downtrend likely to continue?

Based on predicted economic growth^[1] of 4.5% for 2023 and 2024, import volumes would be expected to increase by around 6.7% per year. While imports in the first two months remain below previous year levels, it is expected that demand will recover through the year, pulling up import demand.



There are of course, other factors which could impact on import volumes going forward. As stocks dissipate through the year, imports are likely to improve. In addition, as consumers return to pre-Covid habits, per capita consumption may return to growth helping to bolster import requirements. However, the upside could be curtailed if milk production shows good growth and consumer spending is weak.

New consumer CEOs are about to clean up

April 12, 2023

<https://www.thehindubusinessline.com/companies/new-consumer-ceos-are-about-to-clean-up/article66727713.ece>

The consumer-goods sector is undergoing its biggest management shakeup in decades — one that could transform the makers of everything from vaseline to vodka.

During the past six months or so, there's been a raft of leadership changes at some of the world's biggest brand manufacturers. But not all opportunities are created equal. For all its recent turbulence, Unilever Plc's new chief executive officer stands the best chance of creating value.

The revolving doors swung open last September, when Reckitt Benckiser Group Plc CEO Laxman Narasimhan quit to join Starbucks Corp. The maker of Nurofen painkillers and Dettol disinfectant is still searching for a replacement.

Just a few weeks later, Unilever announced that Alan Jope, the boss who had been under pressure after last year's botched £50 billion (\$62.4 billion) bid for GSK Plc's consumer arm (now listed as Haleon Plc), would retire this year.

He will be succeeded in July by Hein Schumacher, who joins from Dutch dairy cooperative Royal FrieslandCampina. Meanwhile, Unilever chairman Nils Andersen has been on the board since 2015 and is approaching the point where he would no longer be considered independent under UK governance rules. That could mean a change of chairman once Schumacher is settled in.

More recently, Cees 't Hart, who has successfully steered Carlsberg A/S for the past eight years, decided to retire and will be succeeded by 45-year-old Jacob Aarup-Andersen, who has led ISS A/S for the past three years. And two weeks ago, Diageo Plc announced that Ivan Menezes would retire after 10 years as CEO to be succeeded by Chief Operating Officer Debra Crew.

Of all the newcomers, Schumacher at Unilever looks best placed to succeed. Despite the company's scale and that it generates 60 per cent of

its sales from emerging markets, Unilever underperformed during Jope's tenure.

But this masks the work he did to simplify the company's structure, moving from a regional focus to five businesses organised around product categories. With each division fully responsible for their strategy and performance globally, the company now has a better chance of tackling its historic underperformance.

If Unilever proves to be too cumbersome and improvement fails to materialise, there is another obvious route: a breakup. In simple terms, this would be a split between Unilever's food and non-food operations. But with the five business units, Unilever could be sliced and diced in different ways, and much of the groundwork for separation has already been done.

There are also some obvious levers to pull at Reckitt Benckiser. Former CEO Narasimhan made progress cleaning up the mess left by his predecessor, Rakesh Kapoor. But a new CEO can still add some shine.

First, he or she should sell what is left of the disastrous \$17 billion acquisition of Mead Johnson six years ago. It put the rump of the baby-milk business on the market last year but didn't strike a deal. Then there's the bigger prize once the new leader gets settled in— a deal with Haleon. Of course, navigating either Unilever or Reckitt won't be straightforward. At Unilever, Schumacher has activist investor Nelson Peltz, who joined the board last year, to contend with. Reckitt, meanwhile, has some of the highest margins in the sector, so it's hard to see how much more can be squeezed out.

But taking the top jobs at these companies still looks better than leading Diageo or Carlsberg. Both outgoing CEOs did a good job.

For example, Diageo's Menezes, alongside chairman Javier Ferran, did many of the things an activist investor would do, such as tidying up the portfolio, cutting costs and returning cash to shareholders. The main task for the incoming leaders will be protecting legacies without leaving any nasty spillages in the drinks aisle.

There is one big strategic move Diageo's Crew could make: Sell Guinness. But it's hard to see this happening without having something to spend the proceeds on.

Perhaps if LVMH Moet Hennessy Louis Vuitton SE were to bid for Chanel or Cartier-owner Cie Financiere Richemont SA, then it might look to sell its 66 per cent stake in Moet Hennessy. Diageo, which owns 34 per cent, could sell Guinness to help it buy out LVMH. But that's a lot of ifs and could.

Amid the merry-go-round, there's one bastion of stability: CEO Mark Schneider of Nestle SA. He

took the helm at the beginning of 2017 and has so far achieved a remarkable turnaround, re-shaping the portfolio and energizing the world's biggest food-maker. But cracks are emerging.

He said in November that 2020's almost \$2 billion deal to buy the shares in Aimmune Therapeutics that Nestle didn't already own hadn't lived up to expectations. He is now exploring options for Aimmune, the developer of the Palforzia peanut allergy treatment. And investors have begun to ask questions about the level of sales growth, margins and investment.

After such a phenomenal run, could he be tempted to get out at the top? Schneider insisted in November that he was fully committed and would be at Nestle for the long-term. He might want to do a big deal, perhaps in medical nutrition or vitamins and supplements.

For now at least, Nestle's continuity stands out against the rest of the sector's musical chairs.

As Dairy Semen Sales Drop, Beef-on-Dairy Continues to Rise

April 6, 2023

<https://www.dairyherd.com/news/business/dairy-semen-sales-drop-beef-dairy-continues-rise>



The U.S. bovine semen industry reports a decline of 5% in total unit sales, reaching 69 million total units reported for all categories combined. As reported by the National Association of Animal Breeders (NAAB), this represents a 3.4 million unit decrease from 2021.

"After successfully managing two years of disruptions to the supply chain and public health challenges, the impact of the global economic downturn has reached the genetics industry resulting in a decline in total dairy and beef units sold," Jay Weiker, president of NAAB says.

Breaking this down further:

Total dairy unit sales for domestic and export were nearly the same as in 2021 at 49.4 million units.

Beef sales experienced a significant decline of 15% representing 3.3 million fewer units sold.

Beef-on-dairy semen sales increased by around 718k units both in the U.S. and for export.

Beef-on-beef sales saw a decline of 4 million units.

NAAB says that the cost of raising a heifer to the age of first calving has also increased significantly, so a calculated number of replacement heifers are produced to meet expected future needs and beef semen is used on the remainder of the herd.

Lyle Kruse, Vice President of U.S. Market Development for Select Sires, says these numbers are a combination of several factors that include:

Producers are breeding more to dairy animals to beef

Breeding fewer heifers

Having less inventory of cattle (cows/heifers) on hand

Using more sexed semen to target replacement needs, along with moderate but continued improvements in CR on sexed semen

Improvements in reproductive efficiency in both cows and heifers

“With tight margins and escalating costs of production, most of the dairy owners I work with are continually pushing to increase how many beef-on-dairy calves they make – the income from these calves is definitely a motivator for extra cash flow,” Kruse shares.

Producer Perspective

Carlson Dairy located in Pennock, Minn., culling determinations have changed, especially as they have strategically dialed into their breeding program.

“We used to cull a lot more, but that has really changed,” one of the owners, Carl Carlson shares.

Before cows were culled for mastitis or low production and now cows are only leaving for low production. Carlson’s culling rate hovers between 31-32%.

“We want to keep older lactation cows in the herd longer because obviously we’re getting more milk out of them.”

Understanding their ultimate goals, the Carlson’s began utilizing beef-on-dairy a couple of years ago on both heifers and mature cows.

“Right away we went with using beef, as well as some conventional semen,” Carlson shares.

“And now we’re all strictly using either beef or sexed.”

The Carlson family milks 2,000 cows and basically raises all replacements on the home site, except 15% that are raised by a nearby family member. In addition, they farm 2,500 acres, of which they raise 1,000 acres of alfalfa and 1,500 acres of corn. All of which goes back to helping the dairy to feed cattle.

Before breeding to beef, Carlson was raising excess heifers that they then would later sell as bred heifers, but that changed when the market changed. Rising inflation costs swallowed up the costs of raising heifers and selling bred heifers later didn’t always guarantee a returned profit.

Bid to supply 1,800 litre tainted milk foiled

April 06, 2023

<https://www.thenews.com.pk/print/1057757-bid-to-supply-1-800-litre-tainted-milk-foiled>

LAHORE: Punjab Food Authority (PFA) on Wednesday foiled an attempt to supply a consignment of 1,800 litre adulterated milk in the provincial metropolis carried from Basirpur. Acting on the tipoff of the vigilance cell,

a dairy safety team stopped a milk carrier vehicle by placing a picket in Walton, and on search recovered 45 maunds of chemically contaminated milk from it.

Tetra Pak highlights recycling initiatives in honor of Earth Day

APR 6, 2023

<https://dairynews7x7.com/tetra-pak-highlights-recycling-initiatives-in-honor-of-earth-day/>



In 2022, Tetra Pak put nearly 30 million euros into projects worldwide, with plans to go further and invest up to 40 million euros annually over the next years, in line with its targets on collection and recycling of beverage cartons. Tetra Pak is highlighting some of its recent recycling initiatives that are helping to keep valuable materials in use and out of landfills in honor of Earth day on April 22.

Tetra Pak's recent collaborations are focused on creating additional recycling capacity, increasing collection rates and ensuring that materials from post-consumer beverage cartons can re-enter the economy.

"We need to move away from a linear 'take-make-waste' model towards a more connected circular economy. But being part of a circular solution can't be driven singlehandedly by one individual or entity – scientists, policy makers, recyclers and industry players and citizens must work together," said Markus Pfanner, vice president, Sustainability Operations at Tetra Pak. Paper-based beverage cartons are recyclable where adequate collection, sorting and recycling infrastructures are in place. Tetra Pak estimates

that, globally, 1.2 million tons of beverage cartons have been collected and sent for recycling in 2021. But the picture is very fragmented across the globe and long-lasting change can only happen through collective action, transformational innovation and bold investments.

In 2022, Tetra Pak put nearly 30 million euros into projects worldwide, with plans to go further and invest up to 40 million euros annually over the next years, in line with its targets on collection and recycling of beverage cartons.

The company's goals also include realizing the national recyclability criteria for its packages in all countries where it operates, and fulfilling the Ellen MacArthur Foundation's Global Commitment, a common vision of a circular economy for plastics.

Three principles are guiding our circularity agenda: designing out waste and pollution, keeping products and materials in use, and regenerating natural systems. These hero initiatives showcase how innovation and a clear drive to change the status quo are key to keep quality materials in circulation and minimise the use of new ones," said Christine Levêque, vice president, Collection and Recycling, Tetra Pak. "None of these developments could be realized without our 70 experts around the globe, who are collaborating every day with recyclers, local authorities and food and beverage manufacturers to drive the transformation needed to scale up collection and recycling."

Ukraine's Dairy Sector Still Devastated by Russian Invasion

April 5, 2023

<https://www.dairyherd.com/news/business/ukraines-dairy-sector-still-devastated-russian-invasion>

More than a year after Russia invaded Ukraine, the war continues to have

devastating consequences on Ukrainian society and businesses, including dairy. On March 6,

Ukraine's economy ministry lowered the country's forecast for 2023 gross domestic product (GDP) from 3.2% to 1%.

According to the Kyiv School of Economics, the damage from Russia's war on the Ukraine has caused \$143.8 billion in economic damage. The severe damage caused to Ukraine's infrastructure system, including transportation and energy, has rippled through most business sectors, including dairy, according to Monica Ganley, analyst with the Daily Dairy Report and principal of Quarterra, a consulting firm in Buenos Aires.

"Dairy farms, especially those in the north and northeastern parts of Ukraine, have suffered extreme damage from the war," Ganley said.

According to a recent report from USDA's Foreign Agricultural Service, Ukraine's dairy herd declined by more than 100,000 head, or 6.3%, to 1.49 million between January 2022 and January 2023. While the Russian invasion has accelerated contraction of the Ukraine's dairy herd, the country's dairy sector has been under pressure for decades. Since January 2021, the national herd has fallen by 232,000 cows.

"Many of Ukraine's dairy producers run small operations, and without deep financial resources, they are heavily dependent on a continuous income stream from the sale of their milk," Ganley noted. "When the war began in early 2022, many

dairy processors were forced to shutter their operations and ceased paying producers. Without milk checks coming in, producers whittled down their herds."

As Ukraine pushed Russian advances back toward the border, some of the infrastructure damage was repaired, and processors began to rebuild their operations. By late last year, many processors were, once again, open to taking in more milk. Ukrainian producers, however, have been reluctant to rebuild their herds because they are still operating in an environment of persistent uncertainty, she added.

"Dairy producers in Ukraine also cut back their operations due to labor shortages," Ganley noted. "Many dairy workers left to fight on the front lines, and the exodus of 3 million people seeking refuge in nearby countries and elsewhere resulted in a shortage of available labor across the value chain."

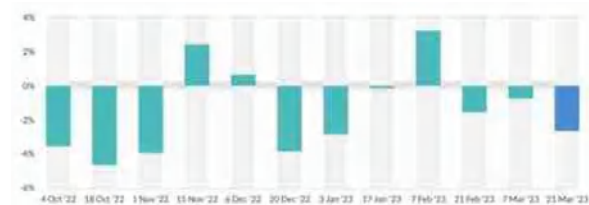
Curfews and logistical challenges created by road closures further exacerbated labor shortages, which created hiring challenges and new traffic patterns for agricultural goods.

"The Russian invasion of Ukraine has been devastating in many ways and the country's dairy sector has been just another casualty of the conflict," Ganley said. "It will likely to years for the sector to rebuild."

Global Dairy prices down-Indian dairy products get uncompetitive

APR 5, 2023

<https://dairynews7x7.com/global-dairy-price-index-crashed-by-4-6-indian-dairy-products-uncompetitive/>



The index of prices for the Global Dairy Trading platform fell 4.7% in Tuesday's trading session. It's the fourth drop in a

row and the sixth drop in the last eight trading sessions.

Anhydrous milk fat had the largest price loss, down 7.2% at \$4,736 per metric ton or \$2.14 per pound.

Whole milk powder was down 5.2% to \$3,053 per metric ton or \$1.38 per pound.

Butter was down 3.3% at \$4,595 per ton or \$1.38 per pound.

Buttermilk powder prices fell 3.3% to \$2,529 per ton or \$1.14 per pound.

Skim milk powder was down 2.5% at \$2,579 per ton or \$1.16 per pound.

The only product gaining in value Tuesday was Cheddar cheese, as prices were up 3.8% to \$4,167 per ton or \$1.89 per pound.

Lactose and sweet whey powder had no market activity.

With Skimmed milk powder priced at around Rs 210 per kgs and Butter and ghee at around Rs 380 and 390 per kgs, the Indian commodity prices look very highly priced and thus uncompetitive.

There were 138 participating bidders with 117 winning bidders as 23,828 metric tons of dairy products were sold Tuesday.

Plastic pollution. 'Biotransform' plastic back to earth

APR 3, 2023

<https://dairynews7x7.com/plastic-pollution-biotransform-plastic-back-to-earth/>



How long will your plastic grocery bag take to disintegrate fully? Two hundred years? Five hundred? Try asking Polymateria CEO Niall Dunne and you'll get his honest answer: No one knows for sure. "We know that plastics break down into micro plastic and nano plastic very quickly. Do nano plastics last in our biological cycles for 500 years... 1,000 years? We don't have that data. We know it's bad and that it lasts for multiple generations."

Polymateria has created a new technology called biotransformation, which, it says, can tackle the global plastic pollution pandemic. While products that use this technology can, and should be recycled, they will fully biodegrade on land within two years, leaving no microplastics or toxins behind.

Dunne explains: "Plastics is everyone's material and remains very affordable compared to alternatives like glass, aluminium and paper. Pure economics dictates that 3-4 billion people around the world use plastics."

Bespoke degradation

Polymateria's technology allows for a bespoke — or customised — approach to plastics, depending on the end use.

For example, the company's formulation for bread packaging material can hasten the biodegradation process. For more rigid containers that are reused, the activation could start later.

The reason all plastic becomes macro plastic, and then nano plastic is because the hard crystalline region of the polymer structure is impossible to degrade. So, the Polymateria team looked at the crystallinity.

"We focused on how you ultimately need to transform the plastic into a wax-like state, regardless of the environmental conditions you're in."

The technology has to work irrespective of whether it is dark, cold, warm or hot outside; whether humidity is high or low. "Once the time is up, the polymer is transformed into a wax by destroying the crystallinity."

The mechanisms that enable this process include Norrish chemistry — an intrinsic part of keto-aldehydes reactions.

Dunne explains that these are "very high-energy reactions that are essential to break apart the carbon-carbon bonds."

The breakage of these bonds is key. “This is where a lot of other technologies failed because they ended up with just oxidative chemistry that you and I can achieve; we can just add salt to plastic to create an oxidising effect; but it leaves the crystallinity and those carbon-carbon bonds intact, which is why you’re just risking exacerbating the creation of microplastics.”

Once these bonds are broken, the reaction gives rise to a spectrum of organic compounds that bacteria, microbes and fungi can feed on.

The industry also has independent data to validate the process.

“There’s a network of ISO-accredited laboratories under the International Laboratory Accreditation Cooperation scheme. AIMPLAS in Spain is one of the most recognised, whereby the technology has been tested under mesophilic or ambient conditions, directly correlated to the real world.”

At the recent Asian Polymer Association Conference in Goa, Polymateria announced it had been able to get rigid polypropylene containers back to nature as quickly as in 230 days.

“That’s your carbon becoming greater than 90 per cent carbon dioxide, with only water or biomass left.”

For the packaging major Toppan, Polymateria was able to demonstrate biodegradation of biaxially oriented polypropylene (BOPP) film in 176

days, leaving behind no microplastics or toxic residue.

Food safety

Now, a consumer is bound to ask whether the formulation added to food packaging material may end up contaminating the food?

Says Dunne, “It is important that the plastics we treat have to return to nature without any environment issues. We have to show nil acute or chronic effects.”

He says it’s not just Polymateria’s technology, but the actual packaging that also matters.

“Product stewardship is a big part of how we work across the value chain to make sure these norms are complied with.”

From the packaging company to the brand, to make sure that all inks, all materials, all additives used in the manufacturing process are taken into account.

“We have independent data, as per OECD (Organisation for Economic Co-operation and Development) standards, comprising acute and chronic ecotoxicity tests to show no impact to nature; as well as pass the FDA test for food contact in the US, and its equivalent in Europe, to show that the materials are recognised as safe. From a formulation perspective, there’s no toxic substance, there’s nothing nasty. It’s all natural ingredients including oils and rubbers; multiple materials that we use in different permutations and combinations.”

8 milkmen held for adulteration

April 01, 2023

<https://www.thenews.com.pk/print/1056111-8-milkmen-held-for-adulteration>

PESHAWAR: District administration Peshawar arrested eight milkmen and sealed four shops for milk adulteration on Friday.

On the directives of the Deputy Commissioner (DC) Peshawar Shah Fahad, the Additional Assistant Commissioner (AAC) Tania Shaheen along with the Veterinary Supervisor of Livestock Department analyzed the sample of milk from 18

shops on Warsak Road by the modern mobile milk testing laboratory.

The administration sealed four shops and arrested eight milkmen after proving adulteration of water in their product while more than 210 litres of adulterated and substandard milk was discarded.

Meat, dairy demand remains strong amid price volatility

April 01, 2023 at 1:00 pm CDT

<https://www.agrinenews-pubs.com/business/2023/04/01/meat-dairy-demand-remains-strong-amid-price-volatility/>



DENVER — The high food price environment forced many consumers to reevaluate their spending in recent years. But it hasn't chased them from the meat or dairy aisle.

Sales of red meat, poultry and dairy products remain strong as consumers around the world look to get the most nutrition out of each food dollar, according to industry experts.

In fact, U.S. beef and dairy exports set new records in 2022 while pork exports were the third-largest on record, according to the U.S. Meat Export Federation and the U.S. Dairy Export Council.

"2022 was a groundbreaking year for U.S. beef's international presence, with global demand stronger than I've ever seen in all my years in the industry," said Dan Halstrom, president and CEO of USMEF.

Beef exports set records for both volume, at 1.47 million metric tons, and value, at \$11.68 billion, in 2022, up nearly 40% from the five-year average.

Meanwhile, U.S. dairy exports surged to a record \$9.6 billion last year. Cheese sales alone almost topped 1 billion pounds.

"We all know about inflation. The question is, will consumers continue to buy dairy products," said Mike Hutjens, University of Illinois Extension dairy specialist and professor emeritus.

"The last half of 2022, dairy consumption only went down about 2%. Some people were surprised it didn't go down more as the cost of those products was up about 22%," he noted.

"It shows consumers, even though they paid more for dairy products, are still willing to buy just about what they did in previous years."

The U.S. Department of Agriculture predicts the all-milk price could decline from an average of \$25.55 per hundredweight in 2022 to \$21.60 this year, which could ease inflationary pressure on dairy items.

But lower milk prices could also result in a smaller dairy herd. Dairy cow slaughter was up 8% during a recent four-week stretch, according to the CME Group's Daily Livestock Report.

So, why have sales of dairy products remained so strong amid the price volatility?

"Dairy is a great bang for the buck," said Molly Pelzer, CEO of the Midwest Dairy Association. "Consumers are looking at their (food) dollar differently and they understand two things about dairy — it's delicious and nutritious."

As for U.S. pork exports, sales reached 2.67 million metric ton last year valued at \$7.68 billion, down 5% from the 2021 record. But pork sales to Mexico surged 10% to a record \$2.03 billion.

"The Mexican market has been a star performer for U.S. pork for many years, but the 2022 results were truly remarkable," Halstrom said.

At the local level, operators of many meat-processing companies continue to report phenomenal demand for services as consumer interest in local freezer beef, pork and other products continues to grow.

"I have a standing waiting list so even when there's a cancellation, we get the spots filled," Cassie Rea, manager of Farmhouse Meat Co. in Carthage, told FarmWeek.

Meanwhile, as many consumers look to maximize their protein purchases at the meat counter, their appetite for alternatives fizzled in 2022.

The Washington Post reported retail sales of plant-based and high-tech meat substitutions dropped more than 10% in the past year following steady growth in the early stages of the COVID pandemic.

Prices, nutrition and value for the dollar are among the reasons consumers decided to stick with the real thing when it comes to meat purchases.

The cost of plant-based meat is still about two times higher than beef while alternative chicken is about four times as high, the Post reported.

While investment in alternative proteins continues, JBS SA announced plans last fall to shutter its two-year-old Planterra Foods U.S. plant-based meat operation. McDonald's also recently discarded plans to roll out a McPlant burger nationwide.

Overall, an Elanco Animal Health executive projects sales of plant-based meat will remain about 1% of the market through 2027 while meat demand continues to grow.

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Ph.: +01 120-4370845, 4320845
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