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Dairy Pulse 181st Edition (1st to 15th, May 2023)



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Dairy Pulse 181st Edition (1st to 15th May, 2023)

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Indian News

Lumpy is back in Rajasthan and the dairy dept gearing up to fight

MAY 15, 2023

<https://dairynews7x7.com/lumpy-is-back-in-rajasthan-and-the-dairy-dept-gearing-up-to-fight/>



The lumpy skin disease is back in the state, and the animal husbandry department is gearing up to fight it after a few cases were reported from various districts.

It broke out in July last year and relented by September.

This viral disease, according to figures from non-government organisations, killed more than 76,000 bovines.

Department Secretary Krishna Kunal has directed starting the vaccination of cattle in the affected districts and coordinating with other departments. He said there would be awareness campaigns for farmers and cattle rearers.

Cattle rearers are coming in large numbers to inflation relief camps to take advantage of various public welfare schemes of the government. The secretary has asked officers to tap them there to make them aware of the preventive measures.

Rajasthan Cooperative Dairy Federation Managing Director Sushma Arora has given similar orders. Cattle rearers should be told to maintain cleanliness. She said this disease did not spread to people from cattle but to other animals.

A control room has been set up in Jaipur and in all the districts.

In inflation-relief camps, or “Mehangai Rahat” camps, a scheme of Rajasthan Chief Minister Ashok Gehlot, launched on April 24 and slated to continue till June 30, those in cattle rearing are being provided insurance cover of Rs 40,000 each for two milch cows under the Mukhyamantri Kamdhenu Pashu Bima Yojana.

The state government started this scheme after many cows and bulls died last year.

A sum of Rs 750 crore will be spent annually, and more than two million cattle rearers will benefit.

The scheme is free for rearers with an annual income up to Rs 8 lakh a year, while those earning more have to pay Rs 200 per animal per annum. Last year due to this disease, milk production dipped by 15-20 per cent in the state.

Animal husbandry is a significant economic activity of the rural people, especially in the arid and semi-arid regions of Rajasthan. About 10 per cent of the state’s gross domestic product is contributed by the livestock sector alone.

According to the livestock census of 2012, the livestock population was 57.73 million, which include cattle, buffaloes, sheep, goats, pigs, camels, horses, and donkeys.

Rajasthan has about 7 per cent of the country’s cattle population and contributes over 12.72 per cent of milk production.

Does India have room for a dairy behemoth ?

MAY 15, 2023

<https://dairynews7x7.com/does-india-have-room-for-a-dairy-behemoth/>



On an October morning in 1964, Lal Bahadur Shastri, then Prime Minister of India, was engrossed in a conversation. He was looking to clear his doubts after spending the night at a farmer's house in Anand, Gujarat. Shastri, after he was informed about the stellar performance of a local dairy cooperative, was keen to understand why it succeeded while scores of others across India failed. But after speaking to the residents of Ajarpura village in Anand district, Shastri was puzzled. The soil, rainfall and climate of Anand was nothing out of ordinary. "I had expected to see the entire landscape green, with cattle grazing contentedly, but the whole place is brown, just like the rest of India... I looked at your farmers. They are good people—farmers are always good people—but they are not as hardworking as the farmers of Punjab. I cannot find a single reason why Anand is such a great success. Now, can you tell me what is the secret?" Shastri asked Verghese Kurien, then general manager of the Kaira District Co-operative Milk Producers' Union, and the architect of India's White Revolution, the world's largest dairy development programme that began in 1970. Anand was earlier a part of Kaira district. Kurien told Shastri that his observations were correct except for one difference. Anand dairy was owned by farmers and elected farmer representatives managed it. And Kurien was an employee of farmers who hired his services as a professional manager. An excited Shastri then remarked that there is no special reason to have Anand only in Gujarat. "From tomorrow, you shall make it your business to work not just for

Anand, not just for Gujarat, but for the whole of India... please replicate Anand throughout India," Shastri told Kurien. , Kurien recounts the incident fondly, including the bureaucratic hurdles he faced in Delhi while putting the plan in motion. Questions were also raised from within the Kaira milk union. "By creating more Anands, aren't you creating more competition for us?" Kurien's reply was prescient. One dairy for a country as large as India would not be enough to fulfil its needs, he told the union's board. And crucially, Kurien added that "one Amul was only one stick—it could be broken—a hundred Amuls together would be very difficult to break. Therefore, it would be in Amul's interest to help create more of it." Kaira Union introduced the brand Amul for marketing its product range in 1955. In the decades that followed, India built one of the most formidable dairy cooperative movements globally. Per capita milk availability grew over four-fold, from 107 gm per day in 1970s to 427 gm in 2021, despite a growing population. Farmer members of cooperatives receive between 75-85% of what the consumer pays for dairy products. This compares with 25-50% share in other farm products. Produced by over 80 million rural families, milk is the largest farm product valued at close to 10 trillion annually, as per official estimates. India is also the largest producer of milk in the world—accounting for a fifth of global output—even though productivity per animal is low. Since Operation Flood was launched in 1970, successful dairy cooperatives emerged in different states. Amul is now a household name across India with annual group revenue of 72,000 crore in 2022-23. It is also the largest fast-moving consumer goods (FMCG) brand, surpassing the turnover of giants like Hindustan Unilever by a wide margin (Besides Amul, there's Nandini in Karnataka (the second largest dairy cooperative with a turnover of 25,000

crore), Aavin in Tamil Nadu, Milma in Kerala, Gokul in Maharashtra, Verka in Punjab, Saras in Rajasthan, and Sudha in Bihar (the largest cooperative in eastern India). Yet, many are struggling financially. A 2020 research paper on farm value chains published by the Indian Council for Research on International Economic Relations (ICRIER), Delhi, found that 95 of the 175 milk unions it studied were in loss. The bulk of loss-making cooperatives—55 out of 95 unions—were from Uttar Pradesh, the largest milk producing state. The authors of the report noted that there has been no attempt to restructure these cooperatives to make them efficient and accountable to farmers. This led to a collapse of cooperatives in states like Uttar Pradesh. Successful ones like the Gujarat Cooperative Milk Marketing Federation (GCMMF)—which now markets its products under the Amul brand and comprises of 18 milk unions from the state including Kaira—entered other states but did not follow the Anand model. Since farmers from other states cannot be members of GCMMF, it behaved like a benevolent private sector entity outside Gujarat. In this backdrop, union home and cooperation minister Amit Shah's remarks on 30 December last year created a furore. While inaugurating a dairy project in Mandya, Karnataka, the minister said that Amul and Nandini will jointly set up dairies in every village in the state in three years. The brand Nandini is owned by the Karnataka Milk Federation, which comprises of 16 milk unions from the state. Opposition political parties took this as an indication of a merger in future—despite a quick denial issued by the state chief minister. Nonetheless, a political slugfest continued ahead of state elections, held on 10 May. The incumbent Bharatiya Janata Party (BJP) lost out to the Congress whose leaders were often seen frequenting Nandini milk parlours during election campaigning. An ongoing process of amending the Multi-State Cooperative Societies Act, 2002, introduced in the Parliament in December 2022,

on how board members can be elected by a process managed by a central election authority, added to the confusion. The apprehension: it will be easier to merge state cooperatives once the amendments are through. In March this year, Amit Shah revealed the government's plan to establish rural dairies in 200,000 panchayats across states—paving the way for White Revolution 2.0. But the shape and form these rural dairies will take remains unclear. So far, a multi-state cooperative focusing on exports—which will be linked to these newly created rural dairies—has been set up. Experts and industry insiders spoke to are reading these developments as a pivot towards more central control of cooperatives, a strategy which can pay rich political dividends to the ruling BJP, by nurturing a vote bank of farmer-members across states. A pan-India mega brand may also dilute the spirit of decentralization and deviate from Kurien's idea of hundreds of Amul-like brands across India, some feared. Mint sent a list of queries to the cooperation ministry but did not receive a response. Jayen Mehta, managing director of Amul, said in a written response that there are no plans to merge Amul with any other dairy cooperative. But Amul, together with six other national-level organizations, will be promoting a bunch of multi-state cooperatives focusing on exports, seeds and organic produce. "This will usher in a new era of cooperation across the country for benefit of millions of producers organized under such cooperatives," Mehta said. Whether or not India changes track on how milk cooperatives are managed, there is another sore point looking for a policy fix: what happens when a cooperative brand becomes too big? Should it be allowed to capture markets in other states and compete with smaller brands? The question took a controversial turn recently, when Amul announced it will enter Nandini's turf in Bengaluru. "If it is possible to transform Amul into a multi-state cooperative which allows for membership from other states, then there is a

better case for it to be going elsewhere... otherwise, it is becoming a huge corporation with a national presence, benefiting only the Gujarat farmers," said C Shambu Prasad, professor at the Institute of Rural Management, Anand. And if public sector banks can merge, why not cooperatives to create a national brand, Prasad asks. "For farmers, the entry of Amul or Mother Dairy is usually good from an economic perspective—it ensures better prices wherever the cooperative structure is weak. But if that is the model we want to follow, the whole cooperative movement (designed on Anand) goes for a toss," said T. Nanda Kumar, former head of the National Dairy Development Board (which owns the Mother Dairy brand), and lead author of the dairy sector report quoted earlier. The original idea was that village and district level milk unions will join hands to form a state level federation which will market dairy products under a common brand. Value added products like butter and cheese sold under the brand name ensured higher margins and better returns to farmers, as liquid milk is a low-margin product. "There is no problem when Amul enters a milk deficit state to sell its surplus milk. But, for instance, in Maharashtra where the state dairy brand did not take off, multiple players including Amul and private dairies procuring milk resulted in low milk prices for farmers, compared to Gujarat, where Amul is a strong institution with a strong purchase mechanism," Kumar said. "So, can a national level cooperative ensure a strong purchase mechanism for farmers? Kurien did not believe so and hence pushed for state-level federations. The question to ask is, do we allow brands like Amul or Nandini to fight it out with smaller ones like Sudha or Aavin? Or should the centre help states create strong local brands?" The counter-argument, Kumar added, is why should one object to Amul entering another state as it may increase competition, transparency and efficiency in the dairy value chain. "I have no problem with that argument. But I am not sure if it can be used as an

excuse to create a multi-state cooperative." Jayen Mehta from Amul denied any threat to cooperative brands from each other. "The presence of more than one cooperative in a state is beneficial to farmers because they would otherwise be at the mercy of private and multi-national players dictating prices," Mehta said. The new cooperation ministry (set up in July 2021), added Mehta, will help usher in the next White Revolution by setting up cooperative societies in 200,000 of the 500,000 uncovered villages. One India-one brand is a thought process aligned with present-day political realities, said a former dairy cooperative executive who did not want to be named. "But creating a national level mega brand runs the risk of political and bureaucratic capture." Multinational dairy giants were unable to crack India's dairy market due to the strength of successful cooperatives. This could change too, if the existing structure is upended, the person quoted above added. 5,000 crore turnover, it lacks the muscle to compete with an Amul. "Amul offers our farmers 25-50 paise more (per litre) to capture the liquid milk supply in some area. We spend money and effort to develop the dairy sector in Bihar while Amul is only interested in gaining market share. This unfair competition will ultimately hurt farmers. Also, this is a wastage of state funds used to support local dairies (for fodder, artificial insemination, and veterinary services)," said Sanjay Kumar, chairman of Sudha dairy. "We have not received any proposal on creation of a multi-state cooperative. But I see no reason in dismantling a system where it is working well," Kumar added. It seems practically impossible to merge strong local brands into a national one as states would object vigorously, said Ajay Vir Jakhar, former head of the Punjab Farmers Commission. "But I consider Amul to be a state-sponsored monopoly. It went to states (outside Gujarat) and destroyed local cooperatives by predatory pricing. And then walked out on farmers when there was a supply glut and prices crashed. We saw that in Punjab."

One can count some benefits of a multi-state cooperative giant at a national level—like advantages of scale, regional balancing (of supply and demand) and logistics—but these do not add up to much, said M.S. Sriram, professor of public policy at Indian Institute of Management, Bangalore. “Larger a cooperative becomes, the lesser

is its accountability to members... and it becomes more vulnerable to a technocratic capture with a select few taking all decisions. A successful cooperative is difficult to build, but it is easy to destroy.”

Who moved our Ghee? It has all but vanished from store shelves

MAY 15, 2023

<https://dairynews7x7.com/who-moved-our-ghee-it-has-all-but-vanished-from-store-shelves/>



There has been a ghee shortage in the market since Diwali season 2022. Top brands have been running out of stock at shop shelves and on online portals regularly. With the lean season in milk underway (April to August or the summer-monsoon months when production of milk falls in relation to demand), it seems that this demand-supply mismatch of ghee will persist for a couple of months. Delve deeper, and one finds not just a milk-fat shortage, but a milk shortfall. Post-2014, India has averaged a 6% growth rate in milk production annually. While actual data is not out yet, indications appear that this growth in 2022-23 has fallen to 1-2%. At the heart of the matter is a rise in cattle-feed prices in the country without a commensurate increase in milk prices. This is making dairy farming unviable for dairy farmers and reducing growth in milk production. Cattle-feed cost is an expense for dairy farmers, while milk prices multiplied by production is their income. An important value component of cattle feed is oil meal, which is the residue left after oil has been crushed out of oilseeds. To understand

inflation in oil meal prices, we can take inflation in vegetable oil prices as a proxy, as it's a by-product of vegetable oil production. A comparison of the Food and Agriculture Organization (FAO) food price index for dairy and vegetable oils can give a picture of what has happened. In layman terms, this explains why in 2021 there was an increase in mustard oil prices whereas ghee prices stayed firm. Even the Economic Survey of India 2022-23 reported, while inflation in milk and products was 2.8%, for oils and fats it was 27.4%. One can see this dichotomy while observing the market operating price (MOP) of mustard oil and Amul Ghee maximum retail price (MRP). Thus, dairy farmers faced a situation in 2021-22, where prices of their raw material—cattle feed—were increasing but the revenues they were earning did not grow in that proportion, and even reduced for some. This pincer grip had made dairying financially unviable and would have led many to reduce their herd size, and further served as a deterrent to those planning to enter this sector or buy cattle. So, what explains this situation? Note that milk prices in India are not regulated by the government. There is no minimum support price (MSP) for it, as with farm staples. One must dig deeper to figure this out. India produces 221 million metric tonnes (MMT) of milk annually. Of this, 46% is consumed at source and the remaining 54% is the marketable surplus—around 120MMT. Of

the marketable surplus, 60% is procured by the unorganized sector, which becomes a price taker. The remaining 40% is procured by the organized sector—48MMT. Half of this goes to the private sector—24MMT, which is procured by as many as 700 companies across India that are to an extent also price takers. The remaining 24MMT is procured by the cooperative sector, which has some 25 organizations across the country. Gujarat Cooperative Milk Marketing Federation Ltd (GCMMF), the marketer of Amul, procures 270 lakh kg per day (LKPD) milk, which is around 10MMT or 20% of all organized procurement and 40% of total cooperative procurement (24MMT), making it the lodestar for the country's cooperative sector. In turn, the cooperative sector becomes the lodestar for private dairies. Thus, GCMMF is undoubtedly the price maker in the market. GCMMF's ability to procure such huge volumes of milk comes from its ability to market and distribute milk and products made of it. At an annual turnover of 72,000 crore, the GCMMF group is not just the biggest food product organization in the country, but its biggest fast-moving consumer goods (FMCG) organization. For perspective, Hindustan Unilever Ltd's turnover is 58,154 crore and ITC's non-cigarette FMCG business turnover in 2021-22 was 16,023 crore. These numbers make GCMMF the marketing engine for the dairy sector in India. Unfortunately, GCMMF by not increasing its MRPs and

procurement prices in 2021 and 2022 in relation to inflation of cattle feed prices, has led not just itself but the entire country's dairy sector into a quagmire. For the first time since Operation Flood concluded in 1996, we are experiencing a milk and fat shortage. This mismanagement, whether attributable to political compulsions or managerial incompetence, is unforgiveable. It can be called Operation Anti Milk Flood. This also is a reason why Verghese Kurien, who pioneered the country's cooperative movement. had created 25 different state federations. So that the mismanagement of any one does not lead to negative repercussions on the whole sector. In the context of the recent Amul-Nandini controversy, with talk around of their possible merger, that is why they should remain separate. This is risk reduction through hedging at its best. It's just that the founding fathers of Operation Flood did not foresee that mismanagement could happen so close at home. As far as the government's approach goes, rather than focusing on Amul now, other state federations need to be strengthened in the next 5-10 years and made bigger, so that GCMMF's share of the country's marketable milk surplus stays within 5%. May the new management of GCMMF overcome its forced legacy errors and get back to hitting Anand aces.

Megmilk and Agrocorp announce joint venture

MAY 15, 2023

<https://dairynews7x7.com/megmilk-and-agrocorp-announce-joint-venture/>



Megmilk Snow Brand Company Limited has announced a partnership with Agrocorp International Pte Limited, a Singapore-based global agricultural commodities company. The joint venture will manufacture and market plant-based food ingredients.

In its 'Medium-Term Management Plan 2025', Megmilk had identified entering the plant-based food sector as an important new business area. Agrocorp too has been looking to further expand its downstream business capacity in plant protein extraction, following its first facility in Saskatchewan, Canada.

This partnership will seek to leverage the strengths of both companies, with the joint venture company established in Singapore and a wholly owned subsidiary in Malaysia, where a factory will be set up to manufacture plant protein and starch isolates. The venture aims to

meet the rising demand for plant-based foods and beverages. The companies plan to infuse capital of \$21 million (approximately ¥2.8 billion) in the joint venture, out of which Agrocorp will invest 51%, while Megmilk will invest 49%.

"We are excited to partner with Megmilk Snow Brand, one of the largest dairy companies in Japan, to further our capabilities downstream in the plant protein extraction business," Vishal Vijay, director of strategic investments, Agrocorp International, said. "This is our second major investment in protein extraction after our first facility in Saskatchewan, Canada, and we hope to be able to service the growing demand in Asia for plant-based food," he added.

A global agri-commodity firm specialising in the sale of staple food products such as wheat, pulses and sugar to leading food manufacturers in the Asia Pacific and Middle East regions, Agrocorp International has also recently launched its plant-based ingredients business. Headquartered in Shinjuku-ku, Tokyo, Masatoshi Sato is the current representative director and president of Megmilk Snow Brand.

Milk and milk products' inflation eased marginally to 8.85% in April

MAY 13, 2023

<https://dairynews7x7.com/retail-inflation-eases-to-4-7-in-april/>



India's retail inflation slid to an 18-month low of 4.7% in April, staying below the Reserve Bank of India's 6% tolerance threshold for price rise for the second successive month, aided

by the base effects from last April when it had hit an eight-year high of 7.8%.

Price rise faced by urban consumers cooled to 4.85% in April from 5.9% in March, while it moderated from 5.5% to 4.7% for their rural counterparts. Inflation as per the Consumer Food Price Index eased to 3.84% last month from 4.8% in March.

Economists emphasised that the base effects from April 2022 were visible in cooling inflation

across all broad segments. However, higher inflation in pulses and personal care products as well as persistent sharp upticks in prices of items like cereals and milk pose a worry even as vegetable prices are expected to see a seasonal surge.

On a sequential basis, the Consumer Price Index (CPI) grew 0.5% over while food prices rose 0.6% from March levels, double the month-on-month rise from February to March, when the headline retail inflation on a year-on-year basis was pegged at 5.66%.

While vegetable prices continued to fall year-on-year, dropping 6.5% in April, they were up 1.8% over March 2023 prices. Edible oils and fats' prices witnessed deflation for the third successive month, falling a sharp 12.33% from April 2022, when the immediate aftermath of the Russia-Ukraine conflict had led to a global supply shock.

"The 4.7% inflation print in April not only benefited from the high base but also the cooler than normal temperatures last month, which delayed the seasonal rise in prices of perishable items and helped keep prices of some vegetables under check," said Aditi Nayar, chief economist at ICRA.

Milk and milk products' inflation eased only marginally from 9.3% in March to 8.85% in April, as was the case for cereals (down from 15.3% in March to 13.7% in April), and spices that cooled slightly from 18.2% to 17.4% in April.

"The sequential price momentum in items like milk and pulses remains a concern," said CARE Ratings chief economist Rajani Sinha, who expects retail inflation to remain below 5% till June and average 5.1% for 2023-24. "Weather-related disruptions could be the main threat to food inflation and the overall CPI inflation," she reckoned.

Bank of Baroda chief economist Madan Sabnavis said price pressures are visible in pulses as well, whose inflation rose to 5.3% in April from 4.3% in March.

"As traders wait for the new crop in October, there will be pressure on prices and inflation will be on the higher side till then. The monsoon prospects are critical here as pulses are vulnerable given limited access to irrigation," he noted.

There was a consensus among economists that the central bank would continue its pause on interest rate hikes, emboldened by the moderation in headline inflation, but rate cuts remain unlikely amid worries about the monsoon and the Kharif crop.

"With a dip in the CPI inflation below 5% and surprisingly subdued industrial output growth (at a five-month low of 1.1% in March, we foresee a high likelihood of a pause from the RBI's Monetary Policy Committee in its next meeting. However, a pivot to rate cuts appears quite distant," Ms. Nayar said.

While fuel and light inflation fell sharply from 8.9% in March to 5.5% in April, clothing and footwear price rise eased slightly from 8.2% to 7.5% in April. Inflation in personal care and effects sped to 9% in April from 8.25% in March, and education inched up from 5.42% to 5.7% in April. The pace of price rise in health costs and household goods and services remained elevated at 6.3% and 6.5%, respectively, in April.

Industrial output skids

Industrial output growth dropped to a five-month low of 1.1% in March 2023 moderating sharply from 5.8% in February, with electricity, consumer durables and non-durables recording a contraction from a year ago, and manufacturing growing just 0.5%

Mining output grew 6.8% in March, while capital goods and infrastructure/goods production rose 8.1% and 5.4%, respectively. Primary goods' output growth, however, more than halved from 6.9% in February to 3.3% in March. Intermediate goods grew at a tepid 1.1% pace, but this constituted a three-month high after a growth of 0.5% in January and 0.7% in February.

Electricity generation contracted 1.6% in March, marking the first decline in at least a year. The

dip in power output follows three months of 10%-plus growth from November 2022 and an 8.2% uptick this February.

For the full year 2022-23, India's industrial production was up 5.1%, compared to a 11.4% rise in 2021-22. Electricity generation rose 8.9% in the year with mining and manufacturing, rising 5.8% and 4.5%, respectively.

Consumer durables' output shrank for the fourth month in a row, with the decline widening to a three-month low of 8.4%. Consumer durables production had dropped 11.2% in December, 8.2% in January and 4.07% in February.

Overall consumer durables as well as consumer non-durables' output grew just 0.5% in 2022-23. The latter saw the first contraction in production in March over a five-month span, dipping 3.1%. Both these segments had registered declines in

March 2022 as well, with durables shrinking 3.1% and non-durables dropping 4.4%.

Split by end-use, capital goods grew the fastest in 2022-23 at 12.9%, followed by infrastructure/construction goods (8%) and primary goods (7.4%). Intermediate goods rose 3.7%, compared to 15.4% in 2021-22.

"The Index of Industrial Production or IIP growth of 1.1% in March is a major disappointment as we had expected a better number of 3.5%," said Madan Sabnavis, chief economist at Bank of Baroda. "The usual year-end phenomenon of production being ramped up in March did not happen this time. The IIP numbers also don't gel with the Purchasing Managers' Index (PMI) indicators, so we need to view the PMI readings with caution," he emphasised.

Cross-border sale: NDDB calls milk coop feds' meet to sort issue

MAY 12, 2023

<https://dairynews7x7.com/cross-border-sale-nddb-calls-milk-coop-federations-meet-to-sort-issue/>



Earlier, KCMMF, known by the brand Milma, had voiced serious concern over Karnataka Milk Federation (KMF) foraying into parts of Kerala to sell its Nandini brand of liquid milk

The National Dairy Development Board (NDDB) will be holding a meeting of the chairman and managing directors of co-operative dairy federations of the country this month to sort out the sensitive issue of cross-border marketing of liquid milk.

The meeting has been called by NDDB Chairman Meenesh C Shah, in response to serious objections raised by K S Mani, Chairman of Kerala Co-operative Milk Marketing Federation (KCMMF)

over the issue at a meeting of the National Co-operative Dairy Federation of India (NCDFI) held in Varanasi recently, KCMMF said in a statement here on Thursday.

Earlier, KCMMF, known by the brand Milma, had voiced serious concern over Karnataka Milk Federation (KMF) foraying into parts of Kerala to sell its Nandini brand of liquid milk.

Making a strong pitch at the NCDFI meet, Mani said, "This is a complex and multifaceted issue, as co-operative dairies have different priorities and interests". He further pointed out that by working together co-operative dairies could find solutions that benefit all stakeholders and ensure the delivery of high-quality milk to consumers," according to the statement.

Mani emphasised that the co-operative dairies should approach this issue collaboratively and diplomatically, which would uphold the values of the co-operative movement, it added.

Responding to Mani's strong position on the matter, the NDDB chairman said that a meeting of the chairman and MDs of all co-operative dairy federations would be called this month itself to take up the issue and explore possible solutions to ensure that the interests of all member-cooperatives are considered, the statement said.

While raising concerns over cross-border marketing, Milma had earlier pointed out that the input cost in Kerala was much higher compared to most other states.

"Also, in Karnataka, the government provides subsidy to KMF, which is the prime reason for the cost difference between Nandini and Milma milk. Instead of passing on this benefit to farmers, KMF is utilising this advantage to sell its Nandini brand of milk at a lower price," it added.

Tapping the nascent market for donkey milk

MAY 11, 2023

<https://dairynews7x7.com/tapping-the-nascent-market-for-donkey-milk/>



Adjacent to the NHAI toll plaza in Kuderu mandal's Jallipalli lies a sprawling 10-acre enclosure on which roam 28 donkeys, belonging to couple Tejaswini and Venkatesh.

Tejaswini, an engineering diploma holder, and Venkatesh, once a successful railway contractor, gave up their professions and invested ₹45 lakh into their business idea — establishing a farm to raise 'Halari' donkeys, a special breed known for its unique milk.

Ms. Tejaswini and Mr. Venkatesh are among a growing number of entrepreneurs to invest in donkey farms. In an interaction with The Hindu, the couple revealed interesting insights into the popularisation of the concept.

Huge demand for Halari

"Similar projects have come up in Nellore, East Godavari, West Godavari and in a few places in North Andhra. The investments are being driven by a growing interest in donkey milk, which is

highly regarded for its supposedly wide range of health benefits. A litre of the donkey milk sells for close to ₹2,000," Mr. Venkatesh says.

The 'Halari' breed enjoys a lot of demand due to its quality of milk, explains Mr. Venkatesh. "A Halari donkey aged between five and seven years commands a price of up to ₹1.50 lakh. We rear 28 donkeys, each of which produces nearly two litres of milk a day.

However, local demand is yet to pick up and we are trying to sell the milk to a procurer in Tamil Nadu, who has promised ₹1,200 to ₹1,500 a litre. Locally, a very small quantity of milk is sold via word of mouth as the Food Safety and Standards Authority is yet to certify donkey milk for commercial sale," Mr. Venkatesh says.

"We spend close to ₹1.50 lakh a month on the maintenance of the animals, under the supervision of a man from Gujarat who is an expert in the field and advises donkey-rearers all over the country," Ms. Tejaswini says.

Some have experimented with infusing this milk into other dairy products. While donkey's milk does not have a distinct taste, it might become a new rage in the State similar to the demand for emu milk witnessed a few years ago, Animal Husbandry officials say.

Illegal slaughter

However, there are concerns about illegal slaughter of donkeys for their meat which threaten to disrupt the donkey milk industry. "Awareness needs to be generated against the indiscriminate slaughter of donkeys," say Priya Pandey and Sarita Negi, representatives of Brookes India, which is the only credible NGO conducting countrywide campaigns on the issue.

"There is a huge demand for the gelatin that is extracted from donkey skins which is used in beauty products. As a result, the donkey population in China has fallen from 11 million in 1990 to three million today. Now, they are sourcing donkeys from across the world," say Ms. Sarita and Ms. Priya.

Assam will also start paying Rs 5/liter milk subsidy to farmers

MAY 11, 2023

<https://dairynews7x7.com/assam-to-launch-its-own-dairy-brand/>



To improve quality control and boost incentives for milk farmers, Assam is planning to launch a single brand name for milk, akin to Gujarat's 'Amul' and Karnataka's 'Nandini'.

Chief Minister Himanta Biswa Sarma made the statement on the eve of the competition of two years with him in power in the state.

Speaking to the media, Sarma stated that the state government would pay an additional ₹5 per litre of milk sold to dairy cooperatives over

market rates. The procedure will reportedly begin on June 1, 2023.

This action is intended to incentivise milk farmers around the state and increase milk production.

Furthermore, to maintain quality control, all milk produced in the state will be sold under a single brand name. This will not only increase milk quality but will also establish a strong brand for Assam's dairy industry.

The concept of a single milk brand name in Assam was inspired by successful models such as 'Amul' in Gujarat and 'Nandini' in Karnataka, as per media reports. These brands have not only been hugely successful in their particular areas, but they have also become household names across the country.

45% rise in milk production in Tamil Nadu in last 10 years

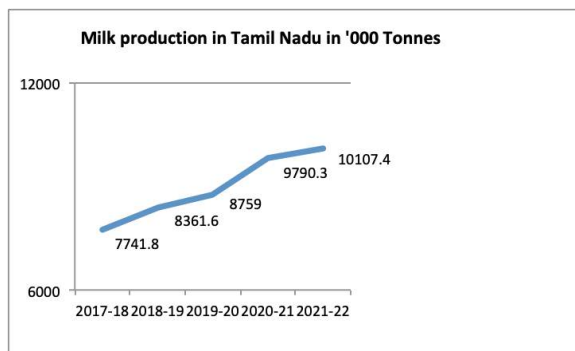
MAY 10, 2023

<https://dairynews7x7.com/45-rise-in-milk-production-in-tamil-nadu-in-last-10-years/>



Milk production rose 45% over the past decade in Tamil Nadu, with the number of milch cows also rising 12%. On the market front, Tamil Nadu's ecosystem allows private players to thrive unlike some states where the cooperative federations have a monopoly.

The Tamil Nadu Co-operative Milk Producers' Federation Limited, popularly known as 'Aavin', and private dairies together buy about 90 lakh litres a day, with Aavin alone accounting for 35 lakh litres. While most of it (60%) is sold as milk, curd (13.3%) and ghee (10.5%) show significant sales.



The western region, particularly Coimbatore and Erode districts, is where the big dairies are. Milky Mist Dairy Food Pvt Ltd has set up the largest paneer manufacturing plant in the country, with a capacity of 60 tonnes a day, in Erode district. Its CEO K Rathnam says the total size of the dairy market in Tamil Nadu was more than Rs one lakh crore in CY2022, and is growing at a CAGR of 13.8%. The company recently forayed into ice-cream and set up capacity to manufacture 2.2 lakh litres a day.

Aavin, which is the state's largest dairy, offers 200 products including butter, cookies, chocolates, noodles and sweets. It is planning to increase daily milk handling capacity from the current 45-50 lakh to 70 lakh litres and add 10 new plants by CY2024. Aavin managing director N Subbaiyan says its products are also being exported to Singapore, Hong Kong and the UAE. "We continue to introduce new dairy products in the market," he adds. With a turnover of about Rs 7,000 crore

Dodla Dairy Limited, which has been operating in the state for the past 25 years and has three plants – at Dharmapuri, Vedasundur and Batlagundu – is looking to expand further through acquisition or greenfield projects. Already, Tamil Nadu accounts for 25% of the turnover of the company, which operates in 11 states. Its managing director, Dodla Sunil Reddy, says Tamil Nadu is a vibrant dairy market.

Shashi Kumar, CEO, Akshayakalpa Organic, a certified organic dairy, which established a model organic dairy farm in Chengalpet district earlier this year, says, they currently produce milk and curd but will foray into ghee and butter in a couple of years. "The existing dairies have demonstrated that Tamil Nadu is an excellent market. But the challenge is to tap the potential in several districts, besides Krishnagiri and Dharmapuri, and build a procuring ecosystem," he says.

According to the National Dairy Development Board, the volume of milk production in the state has increased from nearly seven million tonnes in 2011-12 to more than 10 million tonnes in 2021-22. Data sourced from the Tamil Nadu animal husbandry department states that the population of milch cows stood at 45 lakh in 2019, an increase from around 40 lakh in 2012.

On the flip side, the 'Basic Animal Husbandry Statistics 2022' released by the Union ministry of

fisheries, animal husbandry and dairying show that Tamil Nadu accounts for just 4.5% of the total milk production in the country. It was 11th among the top 15 major milk producing states in 2021-22.

R S Sodhi, president of the Indian Dairy Association, says commercial dairy farming has to be promoted among the rural masses to enhance milk production in Tamil Nadu.

Hatsun Agro reports a 16% drop in Q4 net profit, revenue up 10%

MAY 10, 2023

<https://dairynews7x7.com/hatsun-agro-reports-a-16-drop-in-q4-net-profit-revenue-up-10/>



Hatsun Agro Products Ltd, a leading Chennai-based dairy company, reported a 16 per cent drop in net profit to ₹25 crore for the fourth quarter ended March 31, 2023 as against ₹30 crore for the corresponding quarter previous year. Revenue was up 10 per cent to ₹1,791 crore (₹1,627 crore). Cost of

materials consumed during the quarter increased by 18 per cent to ₹1,298 crore (₹1,099 crore).

For the year ended March 31, 2023 the company's net profit declined by 24 per cent to ₹166 crore as against ₹218 crore in the previous fiscal. Revenue increased by 13 per cent to ₹7,257 crore (₹6,380 crore), according to a financial statement provided by the company to the Bombay Stock Exchange on Tuesday night.

On the BSE, the company's share price on Tuesday closed at ₹870.35, up by ₹7.50.

DS Group forays into chocolate segment

MAY 10, 2023

<https://dairynews7x7.com/ds-group-forays-into-chocolate-segment/>



FMCG company Dharampal Satyapal Group (DS Group) has forayed into chocolates to add to its portfolio of confectionaries, beverages, spices, mouth fresheners and hospitality.

According to Rajiv Kumar, vice-president of DS Group, they have a premium chocolate brand

and are preparing to enter the mass segment chocolate industry soon, giving them a presence across the board in the chocolate business.

The company has diversified from tobacco into other products and at present only 10% of the revenues come from tobacco products, Khanna said. The DS group was in talks with Swiss chocolate maker Laderach since 2019, but Covid disruptions delayed the process. Talks resumed post-Covid, resulting in an agreement in March 2023 to be the exclusive franchise partner of Laderach in India, Kumar sai

The company has diversified away from tobacco and now generates only 10% of its income from tobacco goods. Since 2019, the DS Group has been in talks with Swiss chocolate maker Laderach, but Covid interruptions have slowed the process. After Covid, talks resumed, resulting in an agreement in March 2023 to be Laderach's exclusive franchise partner in India, Kumar said. Laderach will be sold in India in price ranges ranging from Rs 1,050 to Rs 12,940 depending on taste and package size. However, Kumar is confident of a developing market for these premium chocolates in the country. The brand has been exposed to Indians travelling to Singapore, Dubai, and other nations.

"The ultra-rich grew by 11 times in the last decade. Tastes are changing, the market is moving to premium chocolates and they want the world's best chocolates. They can now get fresh chocolates here instead of carrying them from outside," Kumar said.

These chocolates would be available at the company-owned boutique which would be located in premium locations. The first store will open in Delhi in two to three months. It would be a steady expansion, with 5-7 locations across the country opening within the next one to two

years. It would be a gradual ramp up and in the next one to two years have 5-7 stores across the country. A shop-in-shop concept will also be added later. DS is setting up cold chains to distribute chocolates across the country to maintain a temperature of 18-20 degrees. The company has already started selling online on the company's own e-commerce platform which has started receiving bulk orders for corporate gifting, marriages and baby showers with luxury chocolates replacing Indian sweets.

DS Group would soon start an advertising and marketing campaign across media. They would be focused on creating awareness and brand equity for the first two to three years and would not be looking at either the top line or bottom line.

According to Kumar India's per capita consumption of chocolates was 140 grams while globally it was 900 grams per person while European consumption per person per annum was 8-12 kg. He is confident that the brand will do well in India both in terms of top line and bottom line. The IMARC Group has estimated the Indian chocolate market was worth \$ 2.4 billion in 2022 and was expected to reach \$ 4.1 billion by 2028.

Procurement prices likely to soften in the next 5-6 months: Kesavan

MAY 10, 2023

<https://dairynews7x7.com/procurement-prices-likely-to-soften-in-the-next-5-6-months-heritage-foods-ceo-srideep-kesavan/>



Heritage Foods Ltd has said it is confident of achieving the target of becoming a ₹6,000 crore revenue company in the next three years.

"We set out a target to become a ₹6,000 crore revenue company about five years ago. But unfortunately, we were hit by the pandemic. That affected not just our business but many businesses across the country. There was a couple of years of slowdown after that," Srideep Kesavan, Chief Executive Officer of Heritage Foods, told businessline on the sidelines of the Food Conclave held here recently.

The 30-year-old dairy firm, which has a presence in 11 States, registered an income of ₹2,423

crore for the ninth-month period ended December 31, 2022, as against ₹2,681 crore for the full year 2021-22. In FY19-20, the company registered an income of ₹2,726 crore.

Kesavan said, "After the slowdown, for the last six-seven quarters, we have been consistently registering revenue of growth of 20 per cent. We have kept that momentum. The top line is growing robustly and we will be able to achieve ₹6,000 crore turnover within three years."

Procurement costs

Asked for his comments on the spiralling cost of procurement and how it is impacting the company, Kesavan said, "We started seeing the increase in December 2021. From the beginning of 2022, there has been no stopping at all. Prices have been going up almost every month. In the last financial year alone, the procurement costs have gone up for us by at least 15 per cent."

He added, "For the last one month or so the momentum of increase in prices has slowed down." Kesavan further pointed out that they are "hopeful the current momentum of milk production in the rural areas continues." He said, "We are confident that in the next five to six months, we will

see the prices soften and it will be good for all dairy companies."

Milk and non-milk revenue break up

Replying to a question on the revenue contribution from product segments, Kesavan said milk contributed about 63 per cent, a couple of percentage points from the animal feed business, and 34-35 per cent from value-added products. "We break up the value-added product segment into fats (butter and ghee) and other value-added products because of the margin profile of the former. We will be close to about 30 per cent of value-added products and about 4 to 5 per cent of fats," he said.

Asked whether more and more dairy companies expanding to their non-core areas would pressure on the margins, Kesavan said, "Heritage has been operating in multiple States for a long time. Many of our non-core markets are as profitable as our core markets. It is a matter of finding the right business model. I really do not see any challenge because operating in a different State would have a different profitability offering compared to the home State."

Amul Is Eyeing Every Item In Your Kitchen

MAY 9, 2023

<https://dairynews7x7.com/amul-is-eyeing-every-item-in-your-kitchen/>



With consistent growth in its group turnover over the years through its dairy and value-added dairy products, Amul now seeks to go all out in India's booming FMCG space as it believes it is the right inflexion point to tap into other non-dairy food categories. Above Amul's big diversification bet

is the success of the cooperative societies model, and the government aims to replicate its success in other cooperative societies in the country.

In an exclusive interview with BW Businessworld, Jayen Mehta, MD, Amul opens up on the enormous untapped potential in India's dairy sector, newer growth avenues for Amul through non-dairy food categories and the tailwinds of growth for the cooperative societies by the government.

Excerpts:

With a group turnover of Rs 72,000 crore in FY23 and as Amul targets Rs 1 lakh crore by 2025, how

do you envision sustaining this growth momentum?

The turnover growth we achieved in the last financial year is just the beginning. The way in which the Indian market is unfolding, we see an excellent opportunity in both the dairy and non-dairy food space.

Milk is the largest agricultural crop in India, and the value of milk output in the country is about Rs 9-10 lakh crore. It is important to look at the volume part where India's total milk production is about 60 crore litres per day.

One-third of this milk is retained by the farmer in the village and the household itself, and this does not come into the market. What comes into the market is close to 12 to 14 crore litres per day, which is where the market is changing.

Amul currently handles close to three crore litres of milk a day, about 25 per cent of the total organised milk sector. But now, the way in which consumer behaviour is shifting, even if 5 per cent of Indians shift from loose and unpackaged to packaged and branded milk, you can add one more Amul every year in the Indian market.

Post-Covid, the Indian consumer started realising that health is vital. This behaviour is seen more in the food segment, where we sense an opportunity.

We saw some hike in milk prices recently, how were your margins affected? Are more price hikes on cards?

We did take price hikes last year. If you take the four-year period because two years prior to the previous year was the Covid year in which the producers were severely affected. More importantly, the input costs also increased, so we had to find a way to compensate the producers. Inflation to the consumer becomes income to the producer because if you spend Rs 100 on Amul products, Rs 80-85 goes back to the producer. This is where the tightrope walking must be done. We cannot say we can have an unhappy customer because our business depends on the consumers, but we have to keep producers also

interested in this business. Over a four-year period, we took only six increases in the price of our largest selling toned milk, so we are still way below inflation over a long period.

How do you plan to turn Amul into an FMCG behemoth. What is the multi-category plan in this segment considering the competition from the likes of ITC, Nestle, Britannia?

This is a great inflexion point for us to get into this space, and we are tapping several categories. The first is the organic segment. Today, consumers want to consume food which is free from chemicals, pesticides, etc. There is a need to democratise organics because, currently, consumers are paying a huge premium for this.

We are one of the promoters of the new multi-state cooperatives on organics. We have started working with the farmer groups interested in shifting to organics. We have set up labs to see that all our agricultural products are free from chemicals or pesticides.

We have already launched 8-10 products in this category, like Basmati Rice and different types of pulses and atta. We shall be soon launching organic sugar, tea and jaggery. Practically, every item you consume in your kitchen will be Amul branded, either organic or dairy.

We also got into oils under the Janmay brand; we have an oil-crushing plant in North Gujarat. So, we have a bouquet of products and a back-end farmer link. You will see Amul unfold on a big scale in this space very soon.

What about the beverages segment since this is one segment which will see intensified competition after Reliance's acquisition of Campa Cola?

We have more than 120 stock keeping units (SKUs) in beverages, right from flavoured milk, coffees, carbonated drinks, protein nature products, Lassis and buttermilk. 'Amul Kool' is one of the biggest brands in the beverage space and market leader. In each of the categories, we have robust expansion plans. For milk, we have 98 dairy plants, packing and selling milk and fresh products ranging from a new range of protein

and probiotics to single-species drinks such as camel and buffalo milk. It is a strong portfolio which is very focused.



The Amul Team with the Seltzer Beverage / Photo Credit: Ritesh Sharma

Amul's diversification beyond dairy products in the past failed to capture much of the market share? What have been the lessons from that experience?

The reason for our diversification, for example, in chocolates, was again the farmers' interest. Multinational chocolate companies exploited the cocoa bean producers in South India. Amul entered this space, CAMPCO in South India was formed, and we started buying from them. The success is not just the sales of our products or market share.

Because of our intervention in this category, the cocoa bean producers got a reasonable price, and this is where the overall result must be seen. Today, we are the largest brand of dark chocolates in India. We expanded our capacity by five times in 2018, it runs at 100 per cent capacity, and we plan to double it.

In the beverages space, we launched 'Seltzer' for the first time in the country, dairy-based products, real fruit-based products and, more importantly, a cola without caffeine or phosphoric acid. These are the concepts which we brought in the country. We are not directly pitching ourselves to the Cokes and Pepsis because the products differ. The benefit we give to our consumers is a guilt-free indulgence, and they have been catching on very well.

In the frozen portfolio, the pizzas helped us understand that consumers want ready-to-eat

stuff. We now have frozen parathas and French Fries. We set up a plant to manufacture French Fries, which sources potatoes from the farmers. The plant was commissioned six months back and is running at full capacity, and we are expanding its capacity by four times.

So, all diversifications come with a learning, but more importantly, the connection with the farmers is important to us.

The government identifies the cooperative segment as a tool of growth and development. How do you see the Amul experience getting replicated as new cooperative societies come up?

With the formation of a new ministry of dairying a couple of years back to the new ministry of cooperation, the era of cooperatives has returned to the country. There were times when the cooperatives were left to fight the competition not only from the national companies but thanks to liberalisation even from global companies. In her budget speech this year, the union finance minister discussed using cooperatives as a developmental tool.

I mentioned new multi-state cooperatives on organics. There are new multi-state cooperatives on export and seeds, which we are promoting. Amul, NDDB, IFFCO, KRIBHKO, NCDC, NAFED and National Consumer Forum are incubating and promoting these three new multi-state cooperatives, which will benefit many farmers across the country.

Second, out of seven lakh villages in India, there are two lakh villages where there are dairy cooperatives. The new ministry of cooperation has now given a new task of setting up two lakh dairy cooperatives in the balance five lakh villages. You can imagine more milk and farmers coming into the organised sector. The White Revolution 2.0 has just begun. Cooperatives will become a differentiating force for the betterment of our country and will make India a very strong economy in years to come.



Dairy Farmers at a Milk Collection Centre in Shekhadi Village, Gujarat / Photo Credit: Ritesh Sharma

Tell us about the sustainability aspects being adopted by Amul in the whole value chain?

In India, we have demonstrated that cow is not a problem but a solution. We have started working

on what is called the circular economy. The cow's dung is collected and converted into biogas; that biogas goes to light up stoves in your home. The slurry left behind after the production of this gas is a good fertiliser that goes into the field and supports the farmer to do organic farming.

So, you kill many birds with one stone. You import less fuel and save foreign exchange, import fewer fertilisers and care for the environment. You are supporting the production of food without chemicals and pesticides. This is what we are working on, and India will be a classic case to the world in which this circular economy will help all of us in a tremendous way.

A1 & A2 Milk: What's The Difference Between the Two?

MAY 9, 2023

<https://dairynews7x7.com/a1-a2-milk-whats-the-difference-between-the-two-does-it-even-matter/>



There has never been any doubt about the great love we Indians have for all things dairy – from milk to all the products it churn out – yoghurt, buttermilk, butter, cottage cheese... in all its sweet and sour ways.

There's no doubt about the importance of dairy in our diet, and the goodness it bestows to our body, for both children and adults alike. However, there are also those who have completely eliminated milk from their diet.

I prefer taking the middle path. While I believe that milk can and should be had by everyone who can handle it (digest it) simply because it is one of the most nutrient-dense food sources

available (relative to the calories it provides), and also because it makes scoring important nutrients like protein and calcium easier.

That said I do not believe in forcing it on anyone. To each their own is my diktat. But if you decide to partake dairy then equipping oneself with right knowledge to be able to decide which milk is right for you and your family is paramount.

The above mentioned factors are extremely important and must be ascertained first. Then only one must/can get embroiled in the important (and trending) debate that is on right now — the difference between A1 and A2 milk.

Let me try to explain the difference as simply as possible.

What's The Source: A1vs A2?

A1 milk is more commonly available and is obtained from cow breeds originated in the USA, North Europe, Australia like Jersey, Holstein Friesian, Ayrshire, and British Short horn. These, also

called hybrid cows yield a large quantity of milk and produce 15-20 litres of milk per day.

A2 milk is obtained by cows that are not genetically mutated. A2 cows are Gir, Red Sindhi, Sahiwal, Kankrej and they naturally produce 3-9 litres of milk per day.

Lactose & the 'A' Factor

Lactose, the carbohydrate component of the milk (that causes trouble to those who are lactose intolerant and have weaker gut like tummy disturbances, bloating, gas etc) is of similar composition in both.

The most important differentiating factor between A1 and A2 is their protein component – casein.

Almost 80 percent of the total protein content in the milk is found in the form of different types of casein, and the most abundant type is beta-casein.

This is present in thirteen different forms, and A1 and A2 are the most abundant variants. Regular milk contains both A1 and A2 beta-casein, but A2 milk contains only A2 beta-casein.

The two proteins are almost identical — they each contain 209 amino acids (the building blocks of any protein).

A1 milk releases histidine, which leads to the formation of histamine (which may cause allergic reactions in some people). A2 casein, proline, on the other hand has been found to be compatible to our body and leads to no adverse effects and so is fats gaining the reputation of being more tummy-friendly.

The Final Word

When choosing your milk one must consider all factors and opt for the one with least red flags. It is important to check if the milk you are buying ticks the factors mentioned in the first point (source), as that criteria is of utmost importance. Whether the milk is A1 or A2 milk, it might be full of (or devoid of) antibiotics, adulterants, pesticides, stress hormones etc, so ascertain that first, and make your voice based on that too.

A2 milk definitely sounds better on paper but it tends to be expensive so make a judicious choice after weighing all the factors and information available.

Also the proof of the pudding is in trying, so instead of depending on marketing hype, take your call after using both types of milk and noticing what they do to your body.

Aavin plans schemes to bring down milk production cost

MAY 8, 2023

<https://dairynews7x7.com/aavin-plans-schemes-to-bring-down-milk-production-cost/>



Dairy, which has been a second source of income for thousands of rural farmers in the state, faced an unprecedented situation in 2022-23. A section of dairy farmers associated with Aavin diverted their produce to private milk companies for a higher price.

As a result, Aavin's milk procurement declined by eight to nine lakh litres per day, affecting supply in Chennai and other parts of the state. This served as a wake-up call for Aavin to strengthen its milk supplier network without increasing procurement price.

While Aavin procures cow's milk at Rs 35 per litre and buffalo milk at Rs 44 per litre, private companies offer Rs 6 to Rs 8 more per litre. Farmers incur an expense of Rs 55 a litre for producing cow's milk, milk producers association sources said.

Aavin claimed the increase in milk demand was due to outbreak of lumpy skin disease in Karnataka, Andhra Pradesh, Maharashtra, and other states, which affected milk production. Nevertheless, the federation of district milk producers union has decided to reinforce its milk supply network and implement programmes to lower milk production cost.

Minister for Milk and Dairy Development S M Nasar said Aavin has started administrative work to purchase two lakh crossbred milch cows. "A tripartite agreement will be signed between the farmer, Aavin and bank. Priority will be given to farmers who regularly supply milk to Aavin and those who own up to three cows. Aavin will also facilitate loans for farmers to purchase cows that can yield up to 10 litres milk per day,"

A buffalo calf rearing programme will also be launched to support farmers. "We will be providing free fodder and mineral mixture to buffalo calves from the age of six months to 32 months, as rearing buffalo calves is more expensive due to high feed requirements. The initiative will bring down Aavin's reliance on butter to increase fat content in milk and also boost buffalo milk production," Nasar said.

Aavin sources said a scheme for oestrus synchronisation will be introduced to assist farmers who are unable to afford the expenses associated with infertility in cows. "Farmers often sell cows that are facing infertility issues to meat traders at a very low price. Under the new initiative, around 20,000 cows will be treated annually to address fertility issues. This service will also be available to only those who supply milk to Aavin," an official said.

Currently, cattle feed is being provided to milk suppliers at a subsidised rate of Rs 21 per kg. "Expensive nutritious fodder pellets produced by the agriculture department and quality fodder seeds and slips will be supplied to milk producers," the official added.

Aavin has also decided to provide a 50% subsidy in insurance premium to five lakh dairy farmers

under National Livestock Mission. In the previous year, 1.2 lakh farmers were provided subsidy. "Aavin milk suppliers will have to pay 1.5% of the coverage amount towards premium, while those who opt for individual insurance will pay 6% of coverage amount. This will bring down input cost of milk production substantially," Nasar said.

M G Rajendran, general secretary, TN Milk Producers Welfare Association, said, "The old cow-calf rearing scheme has been reintroduced for buffalo. Unlike milch cows, buffalo will not get pregnant easily and farmers will have to spend more money on maintenance. The outbreak of lumpy skin disease has affected lakhs of milch cows across the country. While purchasing new cows, Aavin should take precautionary steps," Rajendran said.

395 milk producers' cooperative societies newly registered, 116 revived: Minister

Deepavali sale of Aavin sweets and milk products stood at Rs 116 crore last year. The products are being exported to various countries and sale is being promoted using various methods such as using push carts across the state, Minister for Milk and Dairy Development S M Nasar tells TNIE. In a bid to prevent malpractice, Aavin is implementing digitisation of its milk cards and primary cooperative societies.

Aavin's market share is less than 20 % and much lower than state-owned federations like Amul or Nandini...

Last year, 395 milk producers' co-operative societies were newly registered and 116 were revived. We have taken steps to incentivise milk supply to Aavin societies. This includes our decision to purchase two lakh crossbred jersey cows from other states by facilitating loans to dairy farmers through NABARD. We have initiated infrastructure augmentation projects to increase milk handling capacity of our dairies up to 60 lakh litres a day.

During 2021-22, Aavin invalidated 80,000 fraud-

ulent milk cards. However, there have been misuse of milk cards in Tambaram and other regions in 2022-23.

Milk cards are meant solely for domestic consumers. Aavin's decision to insist for a copy of ration card or Aadhaar to renew milk card for full cream milk (orange) which is cheaper by Rs 14 litre has helped to eliminate bogus cards. As a result, sale of 85 lakh litres of milk per month in commercial market at subsidised prices has ended. Aavin has decided to introduce e-milk cards that will be linked to the beneficiary's proof of identity. Consumers will be able to recharge e-milk cards online.

Reduction in milk prices by Rs 3 per litre has resulted in a loss of earnings for Aavin.

As a service-oriented sector, our goal is not to operate for commercial gain. During Deepavali season, Aavin sweets and other milk products

generated sale of Rs 56 crore in 2020, which increased to `116 crore in 2022. This was primarily due to the introduction of 17 new Aavin milk products. Apart from exporting Aavin products to foreign countries, we have also provided 33 Aavin push carts to women to promote women entrepreneurship. We plan to extend the sale of ice creams through push carts across the state.

Aavin terminated 201 staff directly appointed in eight district milk producers' unions during the AIADMK regime. An internal committee report recommended action against the officials involved in the recruitment.

Multiple cases have been filed in the high court challenging the decision of Aavin. Based on the outcome, we will take action. Direct recruitment for district unions and Aavin has been handed over to TNPSC.

Amul, Nandini, Aavin... and politicisation of milk cooperatives

MAY 8, 2023

<https://dairynews7x7.com/amul-nandini-aavin-and-politicisation-of-milk-cooperatives/>



In a country where cows are worshipped, the White Revolution is a forgotten spectacle. When Gujarat-born Amul, perceived to have been mollycoddled by the grand old party aeons ago but now backed by double-engine governments, makes a beeline for Karnataka, political parties are caught in the crossfire of canards.

It is a perfect turf for regional parochialism: how can Amul "take over" Nandini, owned by the second-largest federation of milk cooperatives in India, the Karnataka Milk Federation? What is laid bare in election-bound Karnataka's ongoing po-

litical potpourri is nothing but the long-kept secret of dairy cooperatives. Their apolitical attire is off.

The world's biggest dairy development programme of the 1970s is fast fading into oblivion. The politicisation of milk cooperatives is near complete, with patronage being thrust on them. There is a collective amnesia in the air. Milk may be a lifeline for 8 crore-plus rural households across the country, mostly small and marginal farmers and the landless. They make a compelling vote bank, while the cash-churning dairies are an essential honeycomb for the political bees. The cries of "Holy cow!" are no longer there.

What Amul, Nandini, Milma, Aavin, and the like did to their respective states and rural economy is part of folklore. Dairy cooperatives broke

global records to make India the largest producer of milk and steadily augment per-capita consumption here. In regions where cooperatives were actively procuring milk, private dairies were forced to do so at a higher price. And wherever they were not, private players had a rock-roll. Dairy farmers remained loyal to their state-run cooperatives, thanks to the cost-plus price they got in return.

For many years, Amul, owned by the Gujarat Cooperative Milk Marketing Federation (GCMMF), stayed away from political masters, despite its proximity to the leaders during the freedom struggle and post-independence. Verghese Kuriyen, the father of the White Revolution, and his mentor, Tribhuvandas Patel, were bluntly vocal about it. In his biography 'I too had a dream', Kuriyen was quoted as saying: "So clear and unshakable were his (Patel's) priorities that if any politician even tried to put as much as a finger on the farmers' milk cooperatives, he would have cut off their entire hand."

That is an old story. Over the past decade, the BJP has ousted the Congress and conquered one by one all 18 cooperatives in Gujarat, the last one being the oldest union, Kaira Cooperative, founded by Tribhuvandas Patel himself, a few months ago. Of course, Amul, which initially faced opposition from BJP-ruled states, saw its fortunes soar. Clad in new colours, it happily rode into neighbouring states. It soon became

India's largest dairy company, surpassing the likes of Nestle and HUL.

In Tamil Nadu, Aavin is a relatively small yet important player. A bulk of the market is in the hands of private players such as Arockya and Tirumala. The ubiquity of Aavin has helped farmers fetch a higher procurement price Rs 35 and Rs 44 for one-litre milk from cows and buffaloes, respectively. Of course, in times of high inflation, dairy farmers are seeking better remuneration. Aavin milk is available across the state at a discount, especially for monthly cardholders. It is in the process of buying two lakh crossbred jersey milch cows to strengthen its network of dedicated milk suppliers.

In the 1970s, when Amul started buying cocoa directly from farmers in Kerala to feed its chocolate and ice cream businesses, the prices rose three times in the southern state as it broke a private monopoly. In the case of milk procurement, there is an unwritten code to respect cooperative federalism. For instance, Nandini and Amul may not procure directly from farmers in TN, but there is nothing wrong with purchasing milk in bulk from Aavin whenever the local cooperatives procure more than what they can process. Every cooperative should be allowed to invest and thrive, with more procurement centres and bigger processing capacities. That will be a boon for the rural economy.

WestBridge closes in on Milky Mist funding at Rs 7000 cr valuation

MAY 8, 2023

<https://dairynews7x7.com/westbridge-closes-in-on-milky-mist-funding-at-rs-7000-cr-valuation/>

WESTBRIDGE | CAPITAL

Milky Mist[®]

India-focused investment fund WestBridge Capital is in the final stage of closing a deal to acquire a minority stake worth Rs 800 crore in Tamil Nadu-based dairy products brand Milky Mist.

Deal Details: WestBridge is likely to have valued the company at about Rs 7,000 crore, three people in the know told us. The fund which manages more than \$8 billion in assets, had been focusing on investments in the new-age tech space over the past few years. But with a tech turbulent market prevailing, the fund is deploying capital in public markets and scouting for more predictable private businesses.



Milky Mist numbers: Milky Mist posted sales of around Rs 1,450 crore for the year ending March 31, 2023, rising 42% over the previous year. In FY22, the company reported sales of Rs 1,012 crore with a net profit of Rs 32 crore. Industry experts said, the company has been reporting an operating profitability of about 15% over the last three financial years.

Beyond Nandini-Amul debate, dairying is an uphill task for many

MAY 7, 2023

<https://dairynews7x7.com/beyond-nandini-amul-debate-dairying-is-an-uphill-task-for-many/>



If Nanje Gowda, a farmer at Kirugavulu in Mandya district, has sold off all three cows and stopped dairy farming in the last two years, his friends Nanjunde Gowda and Nage Gowda have reduced the number of cows as the rising cost of feed and fodder, coupled with an unattractive remuneration, has hit the dairy industry hard.

Across Southern Karnataka districts of Ramanagara, Tumakuru, Kolar, and Hassan, where dairy farming has provided a source of livelihood and supplemented income over the decades, farmers are now feeling the heat of price rise. Most holdings among farmers in the State has been estimated by the Karnataka Milk Federation (KMF) to be between one and three cows.

“The government increased the price by ₹2 per litre of milk in the retail market recently and passed on the same to farmers. But the cost of feed, which was about ₹800 for a 50-kg bag, increased to over ₹1,100. This would cost around ₹800 two years ago,” said Nagaraju, a resident of Malavalli in Mandya district.

The families of landless labourers owning cows are particularly hit hard as they have to purchase the fodder at a high cost. At Aladahalli in Mandya district, Nage Gowda’s contribution to the local milk society has dropped from more

than 15 litres earlier to about 3 litres as he reduced the number of cows from three to one due to fodder issues. Mr. Nage Gowda said wryly, “A bottle of water is sold at ₹20 while we get ₹29 for a litre of milk. Is this a fair pricing mechanism?”

Varying prices

In Ramanagara, farmers get ₹32.85 per litre of milk while in Mandya it is ₹29 per litre. The procurement price of milk in 15 district unions across the State varies, depending on the financial status of the unions, and from season to season. Besides, ₹5 per litre that is given as incentive from the government has not been released since November 2022, which runs into over ₹600 crore now.

“Erratic release of incentive is another problem though the money is assured. Expecting the money, most of the times we raise hand loans and return it when the incentive comes,” said Nanjamma, a resident of Kempashetty Doddi, near Bidadi in Ramanagara district.

There are about 25 lakh members of the KMF, who benefit from the incentive scheme, and together with their family members are estimated to be over 50 lakh voters in the State, making it among the biggest catchment for political parties. Keeping an eye on the election, Janata Dal

(Secular), BJP, and Congress have all promised to increase the incentive to ₹7 per litre in their manifestos. But many farmers the The Hindu spoke to were unaware of this incentive. Interestingly, despite a high-voltage political battle over the entry of Amul into the Bengaluru market, and suspicions raised by the Opposition Congress and Janata Dal (Secular) over the merger of Nandini with Amul, farmers in rural hinterland either remain unaware of it or are more bogged down by survival issues.

Living with cows

Despite troubled times, why are farmers still holding to dairy farming? According to Mahesh at Anchemuddanhalli in K.R. Pet, with the vagaries of weather and poor pricing mechanism for agricultural produce, agriculture has not been profitable. "With milk unions making payments

every fortnight, there is a steady flow of money. This also supplements income. Having cows is also part of the rural livelihood.... We are used to living with cows."

KMF officials also acknowledge the problems faced by dairy farmers, and the price rise is squeezing them. While the KMF procured a record 94 lakh litres a day during the flush season last year, the procurement dropped to about 64 lakh earlier this March due to the lean season, which are the annual seasonal cycles. They also acknowledged that despite milk procurement going up, many farmers have either quit dairy farming or reduced the number of cows. However, the number of dairy farmers is also increasing beyond the traditional Old Mysore region, and many who can manage big dairies are also slowly increasing.

Nova Dairy Becomes the Only Carbon-Positive Dairy Company

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<https://dairynews7x7.com/nova-dairy-becomes-the-only-carbon-positive-dairy-company-in-india/>



Sterling Agro Industries Ltd.'s flagship dairy brand, Nova Dairy, is now the only dairy business in India that has a positive carbon footprint. The company's production of electricity through wind and solar energy, helps combat the carbon dioxide and carbon monoxide released into the environment by cattle, has helped the company reach this milestone.

At the heart of Nova Dairy's business practices is a commitment to environmental sustainability. In addition to lowering its carbon footprint, the company has improved the environment by using wind energy.

Speaking on the occasion, Mr. Kuldeep Saluja, Managing Director of Sterling Agro Industries Ltd., said, "We are thrilled to announce that Nova Dairy has become the only carbon-positive dairy company in India. Our commitment to sustainability and the environment has always been a top priority. With this achievement, we have taken a significant step towards reducing our carbon footprint and preserving the environment for future generations."

Mr. Saluja further added, "Our focus on sustainability has led us to explore innovative solutions such as wind energy. We are committed to investing in sustainable practices and solutions that will help us reduce our impact on the Nova Dairy's commitment to sustainability and the environment has also resulted in significant cost savings for the company. By using wind energy,

the company has been able to reduce its dependence on traditional energy sources and lower its energy bills.

As a carbon-positive dairy company, Nova Dairy is setting an example for other companies in the

dairy industry to follow. The company's commitment to sustainability and the environment is a testament to its vision of creating a better and more sustainable future for all.

Anicut invests in D2C milk delivery startup Uzhavarbumi

MAY 5, 2023

<https://dairynews7x7.com/anicut-invests-in-d2c-milk-delivery-startup-uzhavarbumi/>



Direct to consumer milk delivery startup Uzhavarbumi has secured an investment of Rs 7 crore from Anicut Capital. The proceeds will be deployed towards technology infra, improving plant and machinery equipment, hiring and expanding its operation across Bengaluru and Hyderabad, Uzhavarbumi said in a press release.

Founded by Vetrivel Palani, Uzhavarbumi promotes direct commerce between farmers and consumers as the company delivers farm-fresh milk to urban areas of Chennai, procuring milk from rural and marginal farmers at a better market price and forming a bridge between the primary producers (farmers) and consumers. This

also empowers farmers with a stable income as Uzhavarbumi procures milk from them throughout the year.

The startup claims that it procures from more than 2,200 farmers and operates 42 hubs across Chennai, delivering dairy products to over 15,000 customers. It claims that it is doing over 15 lakhs home deliveries per year catering to the growing demand for farm-fresh milk.

Uzhavarbumi says to have an eco-friendly approach of using glass bottles for delivery, has been well-received by customers and leads to reduction of 7 tons of plastic usage every year.

It competes with Milk Mantra, Milky Mist, Country Delight, Akshayakalpa, and several other D2C dairy brands which also sell milk-based products. Anicut Capital currently manages two debt funds: Anicut Angel Fund and Grand Anicut Fund 3. Its portfolio companies include brands like Wow! Momo, Bira, Sugar Cosmetics, Earth rhythm, Sharechat, Agnikul and others.

Meet Kishore Indukuri, who earns Rs 17 lakh per day selling milk

MAY 5, 2023

<https://dairynews7x7.com/meet-kishore-indukuri-who-earns-rs-17-lakh-per-day-selling-milk-iitian-had-lost-entire-savings-in-failed-businesses/>



Kishore Indukuri's story is inspirational. He was an Intel employee in the United States with a hefty salary package. He left his comfortable life in America, returned to rural India and built a massive dairy business. Sid Dairy Farm in Hyderabad is among the city's best.

Kishore Indukuri was born in a middle-class household in Hyderabad. His father was an engineer in a private firm. He is originally from Karnataka. He did his graduation in chemistry from IIT Kharagpur. He then did his post graduation from the University of Massachusetts. He went on to complete his PhD from the same institute. He joined Intel Corporation as an engineer in Arizona. He had bought a house in Chandler and was leading a comfortable life. However, he was searching for the missing link in his life. He returned to India and decided to open a business.

He started many businesses which failed. He gave people GRE and TOEFEL tuitions. He grew and sold vegetable. He wasted Rs 1 crore in opening these companies.

However, in 2012, he bought 20 cows and started a dairy farm.

He sold his milk for Rs 15 per litre against the production cost of Rs 30. He would do almost everything — from milking the cows to delivering the product.

He marketed his product as without water, medicines and hormones. He also asked his customers to try the product first and pay later. The strategy worked.

Soon, Indukuri became one of the biggest private milk suppliers in Hyderabad. His company procures pure milk from hundreds of farmers. They have thousands of daily customers.

He runs a farm with more than 100 cattle. He has over 120 employees.

He invested his entire savings in opening the business. He took a loan of Rs 1.3 crore and even purchased a massive farm in Shahbad.

He now runs the business on the subscription model.

The company's 2020-21 revenue was Rs 44 crore in 2020-21. It grew to Rs 64.5 crore in 2021-22 (around Rs 17 lakh per day).

The Significance of Dairy Industry in India's Economic Development

MAY 5, 2023

<https://dairynews7x7.com/k-rathnam-the-significance-of-dairy-industry-in-indias-economic-development/>



India's dairy industry has played a crucial role in the country's economic development. This sector has also demonstrated an important part in achieving food security, reducing poverty, generating employment opportunities, and providing a regular source of income for rural households. Moreover, in developing economies, like India, landless and poor farmers are actively involved in dairying as an essential means of livelihood.

K Rathnam, the CEO of Milky Mist, a well-known expert of dairy industry is very confident about the industry's role in India's economic growth. "The dairy sector plays a vital role in achieving the Sustainable Development Goals (SDGs), especially SDG 1- No poverty, SDG 3- Good health, SDG 5- Gender Equality, SDG 8- Good jobs and economic growth and SDG 10- Reduced inequalities, and it helps in improving lives and transforming the economy.", says Dr. K Rathnam.

The dairy industry is a major source of employment in India, particularly in rural areas. Annually, 8.4 million farmers depend upon the dairy sector for their livelihoods, out of which 71% are women, according to Agricultural Skill Council of India. Furthermore in a year, crop production employs the rural workforce for 90-120 days, but dairy provides alternative employment opportunities throughout the year. Regarding benefits to the farmers, around 60% of the consumer price from milk goes to the farmer, which is highest among major milk producing countries, according to Dairy Report prepared by International Farm Comparison Network in 2018.

Dairy farming has also been a key driver of rural development in India. It provides an additional source of income for farmers, which helps to reduce poverty and improve living standards. The dairy industry also supports the development of rural infrastructure, such as roads and electricity. Allocating Rs 15000 crore towards the Animal Husbandry Infrastructure Development Fund, which aims to facilitate private investments in dairy processing, value addition, and cattle feed infrastructure, is expected to have a twofold effect, as per K Rathnam Milky Mist CEO. Firstly, it will promote the growth of local manufacturing and consumption of domestically produced goods. Secondly, it will accelerate India's journey towards self-sufficiency.

The dairy industry also has a symbiotic relationship with agriculture, meaning they benefit from each other. Dairy farming provides a market for agricultural products such as fodder, which is used as feed for the cattle. As the demand for fodder increases, it leads to a rise in its production, benefiting the agriculture sector. This, in turn, boosts agricultural production, leading to more abundant and cost-effective feedstock for the dairy industry. On the other hand, the dairy industry's waste products, such as manure, are an excellent source of nutrients that can be used as fertilizer in agriculture. Using dairy manure as a fertilizer helps to improve soil fertility, leading to increased agricultural productivity. Therefore, this mutually beneficial association between the dairy industry and agriculture results in a sustainable and integrated agricultural system that supports both sectors.

Dr K Rathnam also believes that India's dairy industry has significant export potential. "Export of dairy products recorded a growth of 19% as its export rose to \$471 Mn in FY2022-23 till now (April-December 2022) from \$395 Mn in April-December 2021 of the last fiscal year.", adds K

Rathnam. India is ranked 1st in milk production contributing 24% of global milk production. Milk production in the country has grown at a compound annual growth rate of about 6.2% to reach 209.96 Mn Tonnes in 2020-21 from 146.31 Mn Tonnes in 2014-15.

The dairy industry also plays a critical role in ensuring food security in India. Milk and dairy products are a major source of nutrition for millions of people, particularly in rural areas. The growth of the dairy industry will ensure that more people have access to nutritious food.

According to Dr. K Rathnam, it is essential for the government to create an appropriate dairy development policy to boost milk production in

promising districts and states. Statistical information reveals that 81% of milk in India is produced by 10 states, while the remaining 19% is produced by other states and union territories. To increase the milk supply and alleviate nutrition-related issues in regions with a shortage of milk, it is crucial to encourage dairy farming among small and landless farmers.

Indian dairy industry has immense potential to contribute to India's economic development. Dr. K Rathnam believes that the industry should be supported through policies and investments that promote growth and innovation. By doing so, the dairy industry can continue to create jobs, boost rural development, and contribute to India's food security and export potential.

Narayan Majumdar -Milkman of the east rearing a Red cow

MAY 4, 2023

<https://dairynews7x7.com/narayan-majumdar-milkman-of-the-east-while-rearing-red-cow/>



In 1975, a farmer's 17-year-old son from West Bengal earned Rs3 a day selling milk at a booth on the campus of the National Dairy Research Institute (NDRI) in Karnal, Haryana. Narayan Majumdar worked part-time to fund his education. Twenty years later, when he founded his dairy company, he went door-to-door on his bicycle in Howrah to collect milk.

Today, Majumdar, also known as the milkman of the East, is owner of the Red Cow Dairy (P) Ltd, one of the largest dairies in eastern India with an annual turnover of Rs842 crore.

Over 3 lakh farmers in Bengal are associated with the Red Cow, which sells 4.5 lakh litres of milk

and milk products every day. Its portfolio includes curd, buttermilk, sweets and cottage cheese among other products.

"Since my college days, I have never missed an opportunity to make money. In Darjeeling, I sold chicken and ginger. On my days off, I would sell ice cream on Bahrain's Arabian Sea beach. Even while working, I started my own business," Majumdar says.

Red Cow currently has 32 chilling plants.
Pic: Red Cow Dairy

"I understand the importance of money," says 65-year-old Majumdar, who has no plans for retirement. He is targeting a turnover of Rs1,000 crore by the end of FY24.

Early Life

Majumdar was raised in a lower-middle class agrarian household in Phulia village of Nadia district. He studied at the local school. In 1975, he got the chance to pursue BSc in Dairy Technology

at NDRI in Karnal, Haryana. The tuition fee was Rs250 which was steep for Majumdar.

“I began working part-time on the institute’s campus just two months into my first year. From 5 am to 7 am daily, I sold milk at a parlour and earned Rs 3 per day,” Majumdar says.

Apart from the monthly salary of Rs90, he received a scholarship from the West Bengal government for Rs100. His father also sent him Rs100 every month. He earned his degree in 1979, but his family had to pay the price for Majumdar’s education by selling an acre of their farmland.

Prudent Outlook

After his course was over, Majumdar was hired as a dairy chemist at Kwality Ice Cream in Kolkata (then Calcutta) at a salary of Rs 612.

But Majumdar found the job boring and quit after three months.

Red Cow offers a wide range of products today. Pic: Red Cow Dairy

The next stop was Himul (Himalayan Co-Operative Milk) in Siliguri. Here he met Dr Jagjit Punjarth, General Manager of Mother Dairy, who asked him to join Mother Dairy in Calcutta.

He started working at Mother Dairy in 1981 and quickly moved up the ranks with quick promotions. In 1985, he left Mother Dairy to work for Danish Dairy Development Corporation in Bahrain. After a three-month stint, Majumdar returned to Kolkata and rejoined Mother Dairy as he wanted to be close to his family.

The Birth of Red Cow

Majumdar says he constantly changed his line of work since he was always looking for something fresh to accomplish. In 1995, he became a consultant general manager at Thacker Dairy Products Pvt. Ltd. in Howrah District.

In 1997, there was a milk shortage at the Thacker Dairy in Howrah district. Milk was essential to the survival of the business. Majumdar proposed to his MD, D N Thacker that milk be purchased from the neighbourhood. The MD agreed.

“So, on June 19, 1997, I began buying milk from the dairy farmers for Thacker Dairy. On the first day, I only managed to obtain 319 litres of milk. In the first week, just five milk farmers consented to sell. It increased to ten producers the following week. They joined after watching the first five. The number of milk producers rose from 5 to 10, and then to 50,” says Majumdar.

The local merchants would cheat the milk farmers through faulty measurements and pay them Rs7 to Rs8 per litre. Majumdar would collect the milk and promptly pay them Rs10-12 per litre.

Narayan Majumda, Founder, Red Cow Dairy. Pic: Partho Burman

“I used to explain everything to the milk farmers, including milk quality. I used a bicycle to collect milk from the neighbourhood.

Pleased with Majumdar’s performance, Thacker installed a chilling plant for Majumdar in 1997. The plant turned profitable in the third month.

Majumdar built up his own chilling plants in 1999 after investing Rs7-10 lakh. He created one at Arambagh’s Muthadanga and another in Howrah’s Udaynarayanpur. In 2000, he finally acquired the chilling facility from Thacker. In the same year, he purchased his first milk tanker with a 5000-litre capacity. In 2000, he turned the proprietorship firm into a partnership corporation by adding his wife Kakali Majumdar as a partner.

But as competition grew, Majumdar realised he had to innovate and add value. In 2007, he tied up with Kolkata Dairy Pvt Ltd. and launched the Red Cow poly pouch. “On the first day, I sold 634 crates or 6340 litres of milk,” recalls Majumdar.

Rasogollas being made at one of the plants. Pic: Red Cow

“To date, we collect milk directly from farmers and ensure stringent quality checks. Taking the milk from the cow to the consumer in the shortest time span is our primary skill,” he says.

On August 25, 2007, Narayan’s son Nandan joined the business. At that time, the company

was selling 32,000 litres of milk each day and curd was their only value-added product.

“My area of expertise is marketing. I desired to carry out marketing for my business. I’m glad my father gave me that chance. At the moment, we have more than 32 chilling plants,” says Nandan who is a postgraduate from BIT International, Mesra.

Today, the Red Cow Dairy operates three production facilities at Jaugram in Purbo Burdwan, Shibaniapur in Howrah and Panchghara in Hooghly. In Jaugram, the most recent plant opened its doors in 2017. The largest factory in the state, it has a capacity of 5 lakh litres. Red Cow Dairy employs more than 1000 people.

Over 3 lakh farmers in 12 Bengal districts are associated with the firm. Each day, 4.5 lakh litres of milk are collected and sold. Additionally, 2000 cans of Rosogolla and Gulab Jamun are produced, along with 50 tonnes of curd and 3 tonnes of ghee. Red Cow Dairy offers lassi, fresh paneer, sterilized canned paneer, and five flavours of milk.

The high shelf life products are delivered outside Bengal to Tamil Nad, Odisha, the North East, Uttar Pradesh, Bihar and Nepal besides other states. In addition to Jharkhand and West Bengal, they have over 450 distributors and clearing and forwarding (C&F) agents throughout the country.

Milking the Village Level Collection Centres

The dairy company buys milk straight from local milk producers in 12 districts. The VSP (Village Service Provider) model is used for procurement. It is then taken to the closest chilling facility.

The milk producers are provided with a variety of inputs, including tips on how to boost the output of their cows and buffaloes.

Red Cow is one of the largest dairies in East India “Farmer payments are always made on schedule and since 1997, it has never been delayed. We ensure that neither the farmers’ payments nor the employees’ wages are delayed by a day,” says Nandan, the director of Red Cow Dairy.

Nandan says all the stakeholders are paid through banks. “There isn’t any exchange of money. We use the VLCC (Village Level Collection Centre) concept, where we select village service providers (VSP) coupling 8 to 10 villages that collect milk from rural primary milk producers. We make the payment directly to the account of the VSP that make the payment to milk producers. The system is monitored by the company through its procurement managers and supervisors.”

He said that competition will always exist in the business. But their USP is product quality. “We put a lot of effort into giving back to society, including farmers. We communicate with the farmers and arrange meetings for them. We have also set up self-help groups for women. Building trust with our affiliated farmers, merchants and distributors is more important than anything else.”

The father and son are concentrating on diversification. This year, they launched another brand, Red Cow Food, through which pasta, vermicelli and macroni have been introduced in market. More products like juices, jam, and pickles are in the works.

Dairy imports to India from New Zealand is a big ask- Earl Rattray

MAY 4, 2023

<https://dairynews7x7.com/dairy-imports-to-india-from-new-zealand-is-a-big-ask-earl-rattray/>



The India New Zealand Business Council (INZBC) plays a critical role in enhancing trade and investment ties between India and New Zealand.

The council has been working hard in the post-pandemic environment to bolster economic relations between the two countries, and further foster a business-friendly environment for companies seeking to establish or expand in both markets.

Earl Rattray has a long-standing dairy industry career, both in farming, and in senior dairy industry leadership roles, including as a founding Director of the Fonterra Co-operative Group, inaugural Chairman of the NZ Dairy Companies' Association, and Chairman of India-based fresh milk company Binsar Farms Ltd.

How would you like to see the New Zealand government change its engagement strategy with India?

Get Prime Ministerial buy-in for prioritising the relationship. Take a whole of government approach to the relationship, every agency working to a coherent plan. Talk less about an FTA, and talk more about what can we do to support India, and become a more welcoming country. An FTA will be the outcome of a good relationship, not the cause of it. Business in India is heavily linked to relationships, rather than being purely transactional. The concept of brotherhood (Bhaichara) is very prevalent in India. This extends to trade.

When we spoke to India's Minister of External Affairs S. Jaishankar last year, he told us India

and NZ were ready for the "next step". What is your view on what that should be?

Work together, be a friend not a threat on trade matters.

What more could be done by way of establishing an organisation within government to support the relationship?

A dedicated and well-resourced organisation looking at India or South Asia, their markets, economy culture and so on. Even getting up to date trade stats with India is a grind – how can that be? It shouldn't be hard to get good up-to-date market intelligence. We know the NZTE team provide a lot, we also know how stretched they are.

What are the most attractive current opportunities for New Zealand business investment in India?

That depends on a number of variables. Have good local knowledge, good on-the-ground partners, know the culture in the region you are targeting, provide a USP which is hard to replicate, have good Governance oversight, and basically anything is possible there. If it's importing, be aware India has a "Make in India" priority. Be prepared to spend 10 years learning.

Do you agree with Chris Luxon that a Free Trade Agreement with India should be a top priority?

INZBC will agree with anyone who wants to take India seriously, but if we reference Australia's recent trade agreement, we know it will be the outcome of many years' work understanding India, working collegially with India and finding where our interests intersect with theirs.

Why in your view does New Zealand not have an FTA with India?

Put simply, optics matter. India is virtually an economic universe of its own. Politically, it is a hard sell, probably impossible just now, for the Indian government to explain to its domestic au-

dience that it has opened up its market of 1.4 billion people to New Zealand and secured access to our distant market of 5 million in return.

It's even harder when our largest export is dairy, and India is the world's largest dairy producing nation, and dairy there is plays such an important role in the rural economy. Everything has its time and place, expecting open access dairy imports for the sensitive categories which balance local milk supply (SMP and Fats) is a big ask.

As the Australians have shown, an FTA with India – if and when it comes – will be the outcome of a stronger relationship, rather than being the initial catalyst of it. Perhaps it's one of those objectives best approached obliquely.

In terms of trade, what does New Zealand want from India that it can't currently get without an FTA?

Lower or no tariffs, we can't be uncompetitive with Australia. Clear rules around customs clearance. Phyto sanitary and Zoo sanitary protocols agreed, alignment of qualification equivalence, people-to-people movements barriers lowered, proactive encouragement of education services, greater visibility of New Zealand in India. Source : Asia Media Center 03rd May 2023 by INZBC chair Earl Rattray on The India-NZ Relationship

Subvention schemes need better targeting in livestock sector

MAY 4, 2023

<https://dairynews7x7.com/subvention-schemes-need-better-targeting-in-livestock-sector/>



Two sectors that gained traction in rural India in the last five decades are dairy and microfinance. Both involved the latent power of women in the rural areas. About 2 crore people depend upon livestock for their livelihoods; it contributed 16% to the income of small farm households and an average of 14% for all rural households. This growth led to increased availability and consumption of milk, eggs and meat. The investment in fixed assets in rural India indicates additional income generating capability as dairy animals and equipment have the highest share in the total investment, followed by cattle sheds.

Microfinance has a big role in these investments. A majority of small farmers and landless labourers have had little credit history, and finding capital from formal sources is difficult for them. As per MFIN Micrometer, loan disbursements by microfinance companies increased 19% to Rs 77,877 crore during the quarter ending December 2022 and the total microfinance loan portfolio rose to Rs 3.21 trillion. Peer guarantee and negligible documentation requirement of the microfinance sector ensure enthusiastic adoption at the bottom of the pyramid. The dairy farmer, being in a position to get regular payment for milk, is able to make timely repayments, making her an ideal borrower.

While the exact share of dairy in microfinance is not known, industry estimates put it at 20% . While initial investment is made in non-descript breeds of milch animals, as the borrower reaches the second or third cycle and is in a position to avail larger loans, she buys crossbred cows, buffaloes, or high-milk-yield cows, which cost

₹50,000-90,000. With a contribution margin of ₹5/litre and lactation days of ~300/year, the net generated income annually would be ₹45,000. For a micro credit borrower who borrows ₹45,000 at 18%, the EMI for two years would be ₹2,496; so, in effect, she is left with ₹1,250 per cow per month. Besides utilising largely under-employed women productively, the sector helps empower them.

The government provides interest subvention for dairy processing and infrastructure through interventions like Dairy-processing & Infrastructure Development Fund (DIDF), Supporting Dairy Cooperatives & Farmer Producer Organizations (SDCFPO), and Animal Husbandry Infrastructure Development Fund (AHIDF). However, these are meant for institutions and industries that are at the second- or third-level of the supply chain. The primary unit in the dairy supply chain are the farmers (women microfinance borrowers), who end up paying anything between 15-24% interest on loans. But they get no direct benefit from interest subvention or concessional finance from the government, especially in states where dairy co-operatives and private industry are not very strong. Thus, the benefits of the schemes are reaped by comparatively better-off farmers in richer states like Gujarat, Karnataka and Tamil Nadu. One needs to enable rural borrower families in the poorer regions to look at raising resources at a cheaper rate.

It is time that the department of animal husbandry (DAHD), RBI, and NABARD understand that the interest subvention scheme needs to

bring poor MFI borrowers in backward districts into its fold. Per DAHD's Annual Report, the allocation for AHIDF was ₹113 crore, and less than ₹7 crore was spent on interest subvention. Similarly, ₹1,167 crore is earmarked for subvention from an outlay of ₹11,184 crore. But, the projects sanctioned till 2021 were to the tune of about ₹5,100 crore—less than half the outlay. DAHD must devise a scheme to deploy these unused funds for interest subvention that can directly benefit dairy-farmer MFI borrowers, for the next two or three years. These beneficiaries should necessarily be resident of the 100 aspirational districts identified by the NITI Aayog.

The DAHD already has an ambitious plan to make use of an Aadhaar equivalent for animals. This unique number could be used by banks or MFIs to link the animals to owners' Aadhaar and bank accounts. If the interest subvention is made available only once—for one animal linked to one Aadhaar—there would be no room for misuse. This will make direct passing of the subvention to the dairy farmers easy for the government.

This will eliminate inefficiencies and augment dairy farmers' income. For example, if 10,000 women borrowers in 100 backward districts are given ₹5,000 each as interest subvention, the total outlay will be ₹500 crore. Such subventions will not only result in a reduced interest burden on borrowers, but may prompt them to purchase a better yielding variety of milch animals and enhance their income over time.

Aavin to float company to implement projects professionally

MAY 3, 2023

<https://dairynews7x7.com/aavin-to-float-company-to-implement-projects-in-professional-manner/>



The Tamil Nadu Cooperative Milk Producers Federation, whose popular brand is Aavin, plans to float fully owned company that will implement projects in a professional manner, mobilise funds for its projects and assist farmers to set up dairies or farms. Official sources explained that the company would be incorporated under Section 8 of the Companies Act, 2013 and function in a project implementation mode. “We can take consultants on short term contracts for specific projects. It cannot be done in Aavin. There are certain schemes that cooperatives cannot apply for. For instance, the Animal Husbandry Infrastructure Development Fund. A Section 8 Company can

apply for this fund. From time to time such schemes are introduced and when cooperatives cannot avail the funds, the company can step in,” the official explained.

The Federation is presently framing the scope, structure including who will be its directors, its stakeholders and beneficiaries; and functionalities of the company. Another advantage with this mode is that the company can take loans for projects like setting up a dairy plant from commercial banks. The Central government will bear 3% of the interest in such cases.

It can tie up with NGOs or corporates that want to work with Aavin. It can even undertake construction projects for the milk major or other agencies. “Nabard and the National Dairy Development Board have similar corporations,” another official explained. Apart from working for Aavin, the company can also undertake projects for government departments or universities. The profit, if any, from such ventures should be ploughed back into the Section 8 company and cannot go to any other entity.

Haryana Dairy Farmers Protest for Release of Rs 130 Cr Dues

MAY 3, 2023

<https://dairynews7x7.com/haryana-dairy-farmers-protest-for-release-of-rs-130-cr-dues/>



Dairy farmers protest in front of the Vita Milk Plant due to unclear dues of payment over the last 70 days. The total due payment is nearly 130 crore. Dairy farmers

said not even a lice crawls on the government’s ear.

In JIND, a district of Haryana, significant developments are taking place as dairy farmers are staging protests against the non-payment of outstanding dues amounting to Rs. 130 crores. The farmers have blocked the gates of the Vita Milk Plant since their payments have been pending for over two months.

The dairy farmers started the protest at the Vita milk plant and when their protest got unnoticed

by the official administration, they block the gate of the milk plant which disturbed the transportation of milk products from the plant for hours.

As per the media report, blaming the Haryana government, dairy farmers said that they had interacted with almost all the officials including Chief Minister Manohar Lal Khattar, in respect to look into the uncleared payments.

Additionally, the reports say that Sushil Kumar who is the President of the Dairy Farmers Association, stated that more than 7000 farmers from 700 societies are involved in this. These farmers have regularly supplied milk to Vita Milk Plant for continuation and regular supply of milk in the market.

The maximum time for the disbursement of dairy farmers' payment is cycled for 10 days but as it has been pending for nearly 70 days, the outstanding payment is now raised to 130 Cr. As per the source, the Chief Executive Officer of Vita Milk Plant said that the authority had cleared 33 Crores of pending balance and the rest will be done within 10 days.

As per the sources, the state government hasn't made the payment to Vita Milk Plant in return to supplied milk powder to schools and anganwadis for midday meals, due to which it led to delays in the payment of dairy farmers.

Rahul Gandhi promised milk subsidy from ₹5 to ₹7 per litre

MAY 3, 2023

<https://dairynews7x7.com/rahul-gandhi-promised-milk-subsidy-from-%e2%82%b95-to-%e2%82%b97-per-litre-in-karnataka/>



Congress leader Rahul Gandhi Monday promised to increase the milk subsidy from current ₹5 to ₹7 per litre if his party was voted to power in Karnataka Assembly elections on May 10.

Addressing an election rally at Arsikere in Hassan district, Rahul Gandhi said that if the Congress is voted to power in the state, it will increase the milk subsidy by ₹2 per litre.

The Karnataka government gives ₹5 per litre subsidy to milk producers of the state for supplying milk to the Karnataka Cooperative Milk Producers Union (KMF), which owns India's second largest dairy brand Nandini after Amul.

The Congress leader also announced a Krishi Nidhi scheme for farmers in the state, under which he said ₹1.5 lakh crore would be allocated for farmers in the next five years if the party is voted to power in the state.

The Congress has been attacking BJP in Karnataka for not safeguarding domestic milk brand Nandini in the state. The Congress leaders are accusing the ruling party that they want to 'kill' Nandini by allowing the entry of Amul in the state. They also expressed fears that a scarcity of Nandini products would be created to make way for Amul to take over.

Last month, Amul, owned by the Gujarat Cooperative Milk Marketing Federation, tweeted that a wave of freshness was coming to Bengaluru from Kengeri to Whitefield – from the west end of the city to the east – with the hashtag "LaunchAlert."

Amul had said that it will sell its milk and curd in Bengaluru, triggering widespread protests led by

the Congress and JDS. Congress leader Siddaramaiah claimed that it was a ploy by the ruling BJP to subsume Nandini into Amul.

Karnataka is slated to go to Assembly polls on May 10 and the counting of votes will take place on May 13.

State sponsored subsidies for dairy farmers is like a cancer

MAY 2, 2023

<https://dairynews7x7.com/state-sponsored-subsidies-for-dairy-farmers-is-like-a-cancer-captains-of-dairy-industry/>



At a time when India collectively opposed the dumping of subsidised dairy products from overseas, there is also a big threat to the dairy trade from within through the State-sponsored subsidies. A few States have subsidies for dairy farmers which experts feel is a cancer that weakens the dairy trade from the core, making it inefficient.

The captains of Indian dairy industry with one voice denounced the use of subsidy by the States to distort the market and choke the sector, at a panel discussion on the topic of 'Making Indian Dairy Industry Competitive,' held the Food Conclave 2023 at Hyderabad on Saturday.

"As the representative of Indian milk producers, we always oppose zero-duty imports of dairy products from foreign countries. They want to dump their subsidised products to India at lower prices and as a result our farmers would go out of the dairy market because it would not be viable. Same is true when subsidised dairy products

of one State are dumped into other States. Ultimately, it is impacting the growth of the Indian dairy sector," said RS Sodhi, President of Indian Dairy Association.

A few States including Karnataka and Rajasthan are providing subsidy support to dairy producers for each litre of milk produced. This is believed to keep milk prices artificially low thereby impacting the overall market. "These States start controlling the end-product prices also, which reflects on the overall market across India. Therefore, the way we oppose the dumping of subsidised milk products from other countries, we also have to oppose the dumping of subsidised milk products in the other State," Sodhi said.

choing similar sentiment, RG Chandramogan, Chairman of Hatsun Agro — a leading private dairy brand — said, "Most of the subsidy amount goes to consumers and not farmers. We believe that the States that provide subsidies are not investing even 10 per cent of the subsidy amount

into infrastructure development for dairy. On the other hand, the private sector is also hit due to drop in prices. Now from where is the investment for the future going to take place?”

According to Sodhi, these States pay subsidies worth ₹5,000 crore every year, which would work out to ₹50,000 crore in a decade. “If these funds were invested for infrastructure development, it would get far bigger benefits. This is to strengthen our farmers to stand on their feet,” he said.

“Milk subsidy is causing a lot of trouble to growth in this sector. We have a lot of scope for consumption growth within India to grow production. But the subsidy support is like a big cancer. This way they are covering up the inefficiencies,” said BVK Reddy, Chief Executive Officer, Dodla Dairy.

CP Charles, ex-President of Shakti Dairy commented, “By accepting the subsidy, you lose your freedom. Secondly, you become inefficient in the market. Eventually, the subsidy will make the

entire trade inefficient. Private players are able to compete even though their selling cost is high. This means they are competitive. Co-operatives are getting subsidies and becoming less efficient.”

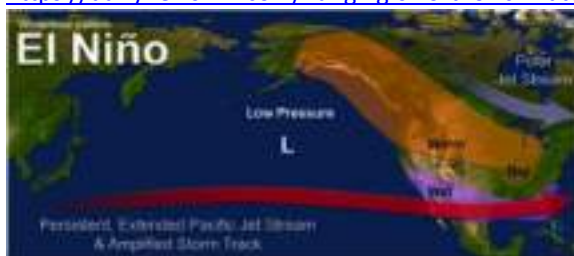
Moderated by Subramani MR, Head of Commodities and Agri-business, businessline, the panel session also covered aspects of making Indian dairy globally competitive with quality products and addressing the issues of animal health and feed. The dairy leaders also underlined the policy guidelines and government support required for sustainability and growth of the dairy sector.

Sodhi highlighted the need of providing dairy sector benefits like agriculture. “Why not include dairy in the definition of agriculture? Dairy doesn’t get agriculture-like benefits when it comes to income tax, interest subvention, concessions or even transportation by railways. Neither the dairy is considered as agriculture nor it has an industry status. Dairy sector is an orphan,” he said.

Hanging Sword Of Climate Change On Economy

MAY 2, 2023

<https://dairynews7x7.com/hanging-sword-of-climate-change-on-economy/>



EL-NINO is expected to come this year from MAY to JULY. EL NINO is a geographical phenomenon which may affect Indian Economy as well. Due to EL NINO, the water of West Coast near Southern American Continent is getting warmer than normal, causing more rainfall in Latin America. Opposite to that, Countries like India, Australia, Indonesia are most likely to be more dry.

Less Monsoonal rainfall in Asian Countries and Australia Continent, summer will be harsh and dry, winter will be less cold. With Less Monsoon in India, Food Security and Nutritional Security will get affected. Manufacturing Sector will have shortage of Raw Material. Already due to late rainfall in 2023 winters, a large quantity of Wheat has been damaged, raising concerns about Food Inflation as well. 2020 was the year of La Nina, which had the reverse effect of El-Nino.

La Nina brought More Monsoonal Rainfall to India, winter became more severe and Summer lesser hot than usual. El-Nino and La-Nina are though Natural Events occur periodically but Cli-

mate Change has increased its frequency and severity. India before Green Revolution was non-sufficient in Food Security and Food Sufficiency. Earlier before 1960s, India was dependent on American aid of PL480 wheat for securing the food of its Citizens. With the efforts of Dr M S Swaminathan, the so called Father of Green Revolution in India, the nation not only achieved food security but also today India has become a major exporter of Food Grains. During Natural Calamities in any part of the world, India is generous to provide aid of Food Grains to the Victim country.

Earlier before 1960s, India was the importer of Milk but then the White Revolution came. With the effort of Dr Verghese Kurien, India became self-sufficient in its Milk Production. Amul has become a Global Brand which not only cater to domestic needs but also export. AMUL (Anand Milk Union Limited) is perfect example of Success of Co-operative Society in India. White and Green Revolution empowers Indian Agro and Dairy farmers, which ultimately does Rural Empowerment. India is the only country of the world having more than 6 lakh villages where most of the dwellers are dependent on Primary Sector of Economy for their livelihood. Inspired by the Success of Gujarat State Co-operatives, many other States took their legacy forward and started their own milk co-operative. These days controversy between AMUL and NANDINI (Milk Co-operative of Karnataka) is popping headlines. In late 1980s, India started suffering from Balance of Payment Crises. In early 1990s, it got worse when India was left only with the Dollar Reserves for a Fortnight, which must be required for International trade like Import of Petroleum Products and many other essential needs. India then knocked the doors of International Monetary Fund which agreed to grant a loan on a condition of Devaluating Indian Currency and Opening up Indian Economy, which marks the beginning of game changing Liberalization, Privatization and Globalization. It was the time

when American Tech Companies were booming which needed looked India for its Cheap Labour for their Technical Support and Business Process Outsourcing (BPO). Thus India became a part of Global Value-Chain in IT Sector. Today though Tertiary Sector (Service Sector) employees lesser number of Labour Force than Primary but contributes highest to India's Gross Domestic Product. Service Sector is Labour Intensive instead of manufacturing which is Capital Intensive. India still needs to grow in Secondary Sector (Manufacturing Sector).

Climate Emergency: The above discussion is the story of growth of India. Today likewise all the countries of world, India is too facing Environment Threat which is likely to become worse with the coming years. In the race of Development, we overlooked Environment. Because of Green Revolution, Farmers of Punjab and Haryana started the use of Fertilizers and Pesticides in huge amount which increased the numbers of cancer cases in the region which harvested maximum benefits of Green Revolution. Farmers of Punjab also began the habit of using Tube-wells to extract water from inside the soil. Today the region is facing the threat of Desertification. Chennai often becomes victim to Floods. Tropical Cyclones have become more frequent and more severe in India, damaging more to life and Property. Also the frequency of Earthquakes in Jammu Kashmir has significantly increased like never before. Since Industrial Revolution, Earth has become warmer by 1.2 degree Celsius which is expected to rise further beyond 1.5 degree Celsius more than Pre-Industrial era within next 20 years. In North-Western India, Heat Waves are causing trouble. Recently India's Population is estimated 142 crores, putting natural resources in more threat than ever before.

Degrading Water-bodies, Decreasing water-table, Loss of Soil Cover, Problem of Water Logging due to loss of green cover, Landslides, Rise in Sea Surface Temperature, Decrease in Crop Production, Increasing Earth's Temperature, Melting of

Glaciers, Losing Habitats of species of Plants and Animals, Loss in Forest Cover, Air Pollution, Human Induced Global Warming, Draughts, Extreme Precipitation, Deforestation are dangerously expected to de-growth Indian Economy in near future. These factors will not just heavily cut India's Gross Domestic Product in future but also will give birth to the problems like Climate Migration.

Climate Change has already become Climate Crises.

12 cities of India is under the threat of sinking under water after few decades. Climate Change is negatively impacting Indian Agriculture. Small Farmers of India having land less than two hectares are more vulnerable and such farmers contribute two-third of the global food supply. Cities like Ahmadabad are at the risk of Scorching Heat Waves. Mumbai is facing the risk of Floods. With the risk of rising floods, the danger of vector born diseases is hanging over such coastal cities. Flooding in major rivers may also decline the Fisheries Production.

With increase in temperature, our Cropping and Food Habits may change. Many people may lose their livelihood and become Climate Refugees. The next mass migration is most likely to be based on Climate Crises. The Socio-Economic Effects of Climate Change are much beyond. Governments of world and International Forums have become serious in dealing with the negative impacts of Climate Change. Paris Agreement, Climate Change Conferences, Sustainable Development Goals are such global initiatives. Mission LIFE (Lifestyle for Environment) is an Indian Initiative in this direction. Every International and National Platforms is trying in their capacity to mitigate the ill effects of Climate Change.

Yet there is one area where I think we are lagging behind and that is educating each and Every Youth of India regarding the seriousness of the issue. The fate of the nation is now in the hands of its aware citizen. Only an educated aware youth of India can save Indian Economy to go down in future from the impending danger of Climate Change.

India's regional taste profiles good for growth: Manish Bandlish

MAY 2, 2023

<https://dairynews7x7.com/indias-many-marketable-regional-taste-profiles-good-enough-for-growth-md-mother-dairy/>



India's regional taste profiles are seen as providing great potential for dairy players to unlock the next level of growth in value-added segments. One of the leaders in the segment, Mother Dairy bets big on the taste of the

regions as it launches a range of ice creams with local flavours besides its popular Mishti Doi in the value-added segment. Manish Bandlish, Managing Director, Mother Dairy spoke to businessline on the sidelines of the Food Conclave 2023 at Hyderabad on strategy and challenges for growth.

How promising is the value-added segment in dairy and how do you see that growing?

The value-added segment in dairy is growing at a very fast pace. Most of the value-added categories are growing upwards of 20 per cent. People

are becoming conscious about the quality. They are converting at a very fast pace. Due to urbanisation and education, a lot of young people want to try and adapt to value-added products. I think our sector is giving them a great quality. So, the success is very strong.

How big is the value-added segment for Mother Dairy? And what is your strategy for growth?

We are very strong on value-added products and our share is strong and upwards of 30 per cent in the total milk system. Our value-added segment grows at five times the growth seen in milk. We are constantly innovating and introducing new products. We are also increasing our distribution network and reach so that our customers can access us.

You talked about developing the taste of the region. How are you pursuing that?

India is a huge country. Taste profiles change every few kilometres. So, adapting the industry to the localised taste is extremely important. We have an example of Misti Doi and the other curd format product of Yoghurt, which is sort of an alien product as it is a European concept into India. Adaptability of that product is not so great versus Mishti Doi. Across value-chain, across communities, across geographies, we have to find those successful categories and successful taste

patterns and make sure that we deliver quality products in these categories.

Do you have any immediate product in mind to develop and tap the regional flavour?

We keep tapping regional flavours. We have launched 15 different varieties of ice cream – all are local flavours. We don't go for international flavours – not that we are averse to it. But there are many marketable Indian taste profiles that are good enough for us to grow.

Are there issues or challenges that you see coming across your way for growth?

This industry is very cost-dominant. Over 80 per cent of my revenue goes back to the farmers. So the gross margins are very limited. Hence, we have to be very cost conscious on both aspects – sourcing and processing. Any change in input cost affects farmer income. Last year, we saw an LSD outbreak, unfavourable weather, and feed prices going up, which affected farmers. And we have to compensate them. I have to absorb as much as possible before I pass on to consumers. This affects our profitability in the overall value chain. This is an ongoing challenge, nothing new to the industry. It is cyclical. Every two-three years, we face such challenges and we try to overcome that. There is absolutely no impact on sustainability.

TN dairy farmers to get 2 lakh jersey cows to keep milk flowing

MAY 2, 2023

<https://dairynews7x7.com/tn-dairy-farmers-to-get-2-lakh-jersey-cows-to-keep-milk-flowing-for-aavin/>



After being snubbed by a section of dairy farmers who have been selling their milk to private dairies for a higher price since January, Aavin has decided to purchase two lakhs crossbred jersey milch cows from

other states as part of its plan to facilitate loans to dairy farmers.

According to sources, each cow may cost between Rs 50,000 and Rs 70,000. The plan aims to strengthen Aavin's milk supplier network by bringing under its fold a dedicated set of dairy farmers who are committed to supplying milk to the state's milk cooperative. The initiative is expected to revive the dormant cooperative milk producers' societies while increasing Aavin's

milk procurement capacity by a minimum of five to eight lakh litres per day over the next few years.

This comes almost two years after the DMK government halted the AIADMK's 2011 initiative of distributing 12,000 milch cows annually to dairy farmers at a 100% subsidy through the animal husbandry department. The state government had spent Rs 45 to Rs 46 crore a year for implementing that scheme.

Aavin's milk procurement dropped to 26 to 27 lakh litres a day since January this year, compared to its production of 37.38 lakhs, after a section of farmers sold milk to private dairies for a higher price of Rs 45 to Rs 48 a litre. The farmers' decision was attributed to the huge demand for milk caused by the outbreak of lumpy skin disease and the low procurement price of Rs 33 to Rs 35 offered by Aavin.

Aavin to provide guarantee for dairy farmers' bank loan

Against this backdrop, the state-owned dairy set the ball rolling for the new scheme last week by releasing guidelines to district cooperative milk producers unions for purchase two lakh milch cows.

Aavin sources said dairy farmers who encounter difficulties in securing loans due to outstanding debt liabilities or inability to mortgage their properties will receive financial assistance to purchase milch cows. NABSanrakshan, a subsidi-

ary of the National Bank for Agriculture and Rural Development (NABARD), will facilitate the support.

"Aavin will provide a bank guarantee for repaying their monthly installments. The repayment will be included in their milk bill. As soon as the dairy farmer starts supplying milk to societies, a part of the money will be deducted from the milk bill every day and paid towards monthly EMI through ECS," a senior Aavin official said. As per guidelines, crossbred jersey cows that are capable of yielding 10 litres of milk per day will be purchased. The allocation of cows to districts has been determined based on the demand for milk. "Before being bought, milch cows will be subjected to examination by veterinarians who are members of district-level committees. Priority will be given to producers who consistently supply to Aavin primary cooperative producers unions," said the officer.

Aavin will provide cattle feed, green fodder and other health services to farmers to help reduce their production costs, said official. At present, 9,673 primary milk producers' cooperative societies are procuring milk from 3.99 lakh dairy farmers. K Rajavel of Dharapadavedu, a Vellore farmer, said, "Dairy farmers who benefited from the free milch cow scheme supplied their milk to Aavin. Aavin should ensure that vaccines and other health services are provided to cattle and give 75 % subsidy on insurance premiums for milch cows."

5 dairy brands that made India one of the top milk producer globally

MAY 2, 2023

<https://dairynews7x7.com/5-dairy-brands-that-made-india-one-of-the-top-milk-producer-globally/>



India was the highest milk producer in the world in the year 2021-2022, contributing to 24% of the world's milk production, according to the data from Food and Agriculture Organization Corporate Statistical Database (FAO-STAT). During the same period, Rajasthan emerged as the highest milk-producing state in the country, contributing to 15.05% of the total milk production, as per media reports. Here is the list of the top 5 highest milk-producing companies or cooperatives in India mentioned as per their per-day procurement capacity.

Amul (Gujarat Cooperative Milk Marketing Federation Ltd)

With a daily milk procurement of 26.3 million litres, Amul or Gujarat Cooperative Milk Marketing Federation Ltd. (GCMMF) is India's biggest milk producer. Amul had a turnover of \$ 6.2 billion (Rs 50,000 crore) in 2021-22 which further grew to over \$ 8.8 billion (Rs 72,000 crore) in the year 2022-2023, as per media reports.

The apex organization has 18 member unions attached to it and it procures milk from 18,600 village milk cooperative societies and 3.64 million milk producer members from 33 districts of Gujarat, according to its website.

GCMMF is the largest exporter of dairy products from India, distributing to 25 different countries. Amul has 26 categories of products including Amul butter, Amul curd, Amul cheese, Amul ghee, Amul beverages and many others.

Nandini (Karnataka Milk Federation)

Nandini was founded in 1974 by the government of Karnataka as Karnataka Dairy Development Corporation (KDDC). It had a turnover of \$ 2.4 billion (Rs 19,800 crore) in 2021-22 which increased to over \$ 3 billion (Rs 24,500 crore) in 2022-23 as

per media reports. KDDC markets milk and milk products. Nandini procured over 7.8 million litres of milk per day in 2022 as per recent media reports. Nandini had income from operations of \$ 600 million (Rs 4,900 crore) in the year 2021-22 as per media reports.

Mother Dairy (National Dairy Development Board)

Incorporated in 1974 Mother Dairy is a wholly-owned subsidiary of the National Dairy Development Board (NDDB). According to Outlook India, Mother Dairy has a daily processing capacity of over 5 million litres of milk per day. Mother Dairy products are available in 100 cities across the country. It markets 3.2 million litres of milk in Delhi, Mumbai, Saurashtra and Hyderabad daily. It also manufactures and markets a wide range of dairy products, most of which are available across the country.

Mother Dairy markets through 1,400 retail stores and 1,000 exclusive stores across India. It had a revenue of over \$ 1.5 billion (Rs 12,500 crore) in 2021-22.

Dudhsagar Dairy (Mehsana District Cooperative Milk Producers Union Ltd.)

Dudhsagar was incorporated in 1963 in Gujarat India in the Mehsana district. Dudhsagar had a revenue of \$ 737 million (Rs 6,028 crore) in the year 2021-22 as per Dairy Newsindia. It had peak milk procurement of 4.5 million litres in the year 2021-22. The products of Dudhsagar are marketed under the brand name Amul / Sagar / Dudhsagar in national and international markets.

MILMA (Kerala Co-operative Milk Marketing Federation)

Milma was incorporated in 1980 by the government of Kerala as back in the day, Kerala was dependent on other states for its milk requirement. As per media reports, Milma procured over 1.5 million litres of milk per day in the year 2021-22

and generated a revenue of \$ 524 million (Rs 4,300 crore). It markets a wide range of milk and milk products. Milma passes 83% of its revenue

to the farmers due to which farmers in Kerala get the highest rate of milk per litre.

Free Nandini milk for BPL families on BJP's manifesto

MAY 2, 2023

<https://dairynews7x7.com/free-nandini-milk-for-bpl-families-on-bjps-manifesto-in-karnatakas-polls/>



The Bharatiya Janata Party (BJP) announced the Uniform Civil Code (UCC) as a part of its Karnataka Elections 2023 manifesto. A high-level committee will be constituted for the purpose of implementing the UCC. Karnataka Chief Minister Basavaraj Bommai released the party manifesto for the Assembly Polls on Monday in a huge event. CM Bommai said the BJP's manifesto is centred on seven As—Anna, Akshara, Aarogya, Abhivruddhi, Aadaya, and Abhaya.

The saffron party has also promised to provide every below poverty line (BPL) family with half a litre of Nandini milk apart from 3 free cooking cylinders, 5 kg rice and 5 kg millets under the Poshane scheme. The BJP has also promised to set up the Atal Aahara Kendra in every ward of every municipal corporation to provide affordable and nutritious food.

The BJP will also provide a matching deposit of up to Rs 10,000 on 5-year fixed deposits made by women of SC and ST households under the Onake Obavva Samajika Nyaya Nidhi scheme.

Besides provisions to ensure affordable food for every Kannadiga, the BJP will also launch the Sarvarigu Suru Yojane. Under this scheme, the state revenue department will identify and distribute 10 lakh housing sites to the siteless/homeless beneficiaries.

In order to ensure ease of living for apartment residents, the BJP will constitute the Karnataka Residents' Welfare Consultative Committee. This committee will reform Karnataka Apartment Ownership Act, 1972 and modernise the grievance redressal mechanism.

Furthermore, the saffron party has also promised to make huge strides to boost the startup and EV ecosystem in the state along with job creation. The manifesto states that the party aims to designate Bengaluru as a State Capital Region and make it a global hub of digital innovation.

BJP says it aims to transform Karnataka into a "premium hub of Electric Vehicles" by setting up charging stations, converting state transport buses into fully electric ones, and creating an EV City.

It also aims to set up a K-Agri Fund worth Rs 30,000 crore for establishing micro-cold storage facilities and agro processing units and modernisation and digitisation of agricultural produce market committees (APMCs). The Fund also aims to establish 5 new Agro-Industry clusters and 3 new food processing parks apart from bolstering farm mechanisation.

It is also looking at widening the ambit of the Production Linked Incentive (PLI) scheme via a plan comprising logistics, industrial clusters, connectivity and export facilities, leading to the creation of 10 lakh jobs outside Bengaluru.

The saffron party will also earmark a total of Rs 1,500 crore towards the development of the Kalayana Circuit, Banavasi Circuit, Parashurama Circuit, Kaveri Circuit, and Ganagapura Corridor to develop Karnataka into a tourist destination.

The voting for Karnataka elections will be held on May 10 and results will be declared on May 13.

Firm milk prices key threat to falling inflation

MAY 2, 2023

<https://dairynews7x7.com/firm-milk-prices-key-threat-to-falling-inflation/>



Even as retail inflation is expected to start easing from April to about 5% if not lower thanks to broad-based fall in prices, elevated milk prices could play spoilsport, with analysts expecting milk inflation to remain near double digits at least through the summer. Despite India being the largest milk producer since 1998, the commodity has been the second biggest factor after cereals such as rice and wheat in driving up retail inflation in the last fiscal.

Milk has the second highest weight in the food and beverages basket of the consumer price index at 6.61%, a notch lower than cereals and products that have a 9.67% weight.

Retail milk inflation has remained elevated at over 6% since August 2022 and was at 9.24% year-on-year in March this year even as consumer price index (CPI) inflation in the month eased to 5.66%.

Even in terms of wholesale price inflation, milk prices have remained high at 8.48% in March despite the overall inflation trending down to 1.34% in the month, in an indication that retail prices will continue to rise.

After reports of possibility of imports of dairy products such as butter and ghee for improving domestic supplies, the government recently clarified that it is not considering easing of imports

of these products as yet. It reckons that extended cooler weather condition in the northern region and setting in of flush season or peaking of production in southern India could increase supplies.

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Import tariff on skimmed milk powder (SMP) is prohibitive at 63%. Import of SMP last took place in 2011, thanks to a sharp cut in duties.

The finance ministry attributed the elevated milk inflation to a demand supply mismatch and said it could be one of the factors apart from volatile international crude oil prices and constrained supplies of milk would influence the country's inflation trajectory.

A combination of high cost of feed and raw material, and supply challenges, lumpy skin disease (LSD) and rising dairy exports has impacted milk

production and costs, leading organised players, including Mother Dairy and Amul, to hike milk prices multiple times in the last one year.

“Milk production has been impacted by a lumpy skin disease infecting millions of cattle in late 2022,” the ministry said in the monthly economic review, adding that the vaccination drive against the disease is expected to curb the spread and immune the cattle against the skin disease. “While this would increase milk supply, a general drop in inflation will moderate the fodder and transport costs, thereby lowering milk inflation,” it said.

While pegging retail inflation at 5.2% in FY24, the Reserve Bank of India has noted that milk prices could remain firm due to high input costs and seasonal factors.

For the first time in decades, the country’s milk production is likely to have stagnated in 2022-23 due to LSD in cattle across several states and the lagged effect of Covid-19 in the form of stunting of the animals, a senior official with department of animal husbandry and dairying had said earlier this month. The milk production was estimated at 221 million tonne (MT) in 2021-22.

“CPI data shows that month-on-month milk prices have been rising after December 2020,” said Suman Chowdhury, chief economist and head-research, Acuité Ratings & Research, adding that the domestic supply cannot be increased within a short period and hence, milk inflation may remain firm at high single digit in the near to medium term.

But its weight in the CPI basket is low and it is unlikely to impact overall food inflation and inflation in a big way, he further said, adding that since it is an important item in the Indian food basket and a longer term structural solution needs to be found to boost domestic milk production.

“We do not anticipate any reduction in milk prices till November,” RS Sodhi, president, Indian Dairy Association and ex-managing director of Gujarat Cooperative Milk Marketing Federation

also known as Amul, told FE recently. The stability in milk prices is expected only by winter months, he said.

Analysts point out that there has been a demand supply mismatch. Milk and milk products including paneer, curd, butter, cheese, ice cream and ghee are also an everyday food item in all Indian households. With per capita income increasing, the demand for these products has also risen.

Manish Bandlish, managing director, Mother Dairy Fruit and Vegetables, a wholly-owned subsidiary of National Dairy Development Board (NDDB), also of the major milk supplier in the Delhi-NCR region had earlier said that there would not be any respite from high milk prices in the next six to eight months because of sharp spike in the feed and raw material cost.

Industry sources said that feed cost, which has a share of more than 65% in the cost of production of milk, has increased to Rs 20/kg from Rs 8/kg a year ago.

Experts say that a drop in milk production and cattle yield post-Covid was significant. As demand from restaurants, hotels, weddings and sweets shops crashed during the pandemic, prices had collapsed, which had led to dairy companies reducing procurement of milk from farmers.

According to officials, farmers during the pandemic period were paid around Rs 22-23/litre for cow milk and around Rs 32-33/litre for buffalo milk. Several dairy experts say that farmers did not expand the size of their herds to control costs, while they also underfed the cattle.

A calf typically starts producing milk in 24-28 months after birth, while this is higher for buffaloes (36-48 months). “Thus, the underfed and undernourished calves from the Covid period are the milk-producing cows of today. Milk yields have dropped, and dairies have been reporting lower milk procurement throughout the year,” said the note by Emkay Global Financial Services.

Dairy exports have also increased from FY21 to FY22, largely due to soaring international prices, and are on pace to increase further in FY23.

There is so much to learn from Jayen Mehta MD Amul (GCMMF)

MAY 2, 2023

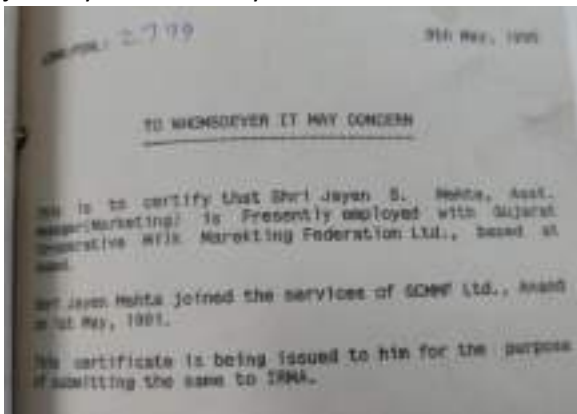
<https://dairynews7x7.com/there-is-so-much-to-learn-from-jayen-mehta-md-amul-gcmmf/>



Today marks the beginning of my 33rd year with Amul.

I joined GCMMF on May 1, 1991 after graduating from IRMA. It was a dream job, with a caveat of a 3 year bond which would pay my education loan. That 3 has become 33 today and I am still in my first job serving the 36 lac farmers who own this brand Amul.

It is not practical to talk about a 3 decade long career in today's world. Some learnings can still be of use to those who are beginning their career journey or in mid way..



The Indian economy was liberalised in 1991, the year I passed out of IRMA and joined Amul, interestingly by the Finance Minister who had presided over our IRMA convocation as the Dy Chairman of Planning Commission. So, the co-op

doctrination and socialist orientation had to adapt to the forces that shape a market economy. At the credit of the leadership of Amul and the team here, the organisation brilliantly managed this change and from 15 lac litres avg daily procurement and Rs 720 crore annual sales turnover in 1991, it today handles 300 lac litres of milk everyday and the annual brand turnover has surpassed Rs 72,000 crores in 2022. And with the opportunity to become a dairy to the world, brand Amul is poised to conquer many more frontiers in the years to come.

It is also heartening to hear the Finance Minister announcing in the 2023 budget speech that “for farmers, especially small and marginal farmers, and other marginalised sections, the government is promoting cooperative-based economic development model. A new Ministry of Cooperation was formed with a mandate to realise the vision of ‘Sahakar Se Samridhhi’.”

Of the several initiatives of the new cooperation ministry, Amul has got the opportunity to promote 2 new Multi state cooperatives for Exports and Organics and also help usher in the White Revolution 2.0 to form 2 lac new dairy co-ops in the country in the uncovered 5 lac villages.

So, rather than just looking back with satisfaction of 32 years of career in a cooperative, it is the excitement of participation in the India growth story through the cooperative model in the years to come!

Thankfully, every day of my career so far has been a new experience, full of learning and it's this excitement of the first day at a start-up that keeps me going.

5% shift from loose to packed milk can create one Amul

MAY 2, 2023

<https://dairynews7x7.com/5-shift-from-loose-to-packaged-milk-can-create-one-more-amul-every-year/>



To wear the hat of Amul Managing Director is not easy, and who would know it better than Jayen Mehta, the man who succeeded RS Sodhi as the chieftain. Amul, symbolic of India's white revolution, has witnessed to its own set of controversies. "We take controversies in our stride," said Mehta.

Despite the competition, Amul has retained its brand value. Is it just because of having the first mover advantage or a proper strategy? business-line's Richa Mishra and Rutam Vora caught up with the Managing Director of Gujarat Cooperative Milk Marketing Federation Ltd (GCMMF), makers of brand Amul, on the sidelines of the recently-held Food Conclave 2023 at Hyderabad on issues relating to new approaches in the dairy market development, one region one product concept, margin pressures and some controversies around Amul.

Amul is controversy's best child. You seem to be attracting controversies like anything. So, how do you deal with that being in this position?

There are some things you can't control. There are some things you can't oppose as well. People who talk about Amul in one way or another other are consumers of Amul products, if not current, then potential. So, we take controversies in our stride. We deal with them with facts. End of the day, truth prevails. Besides, the target is to convey the factual position on any issue. The issue we are talking about is our entry into a neighbouring State. Our intention is always clear working with producers and consumers consistently across the length and breadth of the country. And that's what helps the brand sustain,

keep its relevance and sometimes benefit also from some controversies.

Amul brand has always been seen as a game changer. Today we see people talking about the sachet economy also. What is your take on the concept of a sachet economy with more players in the market?

Talking specifically about milk, there is a big shift of consumers moving in from loose and unorganised sectors to packaged and branded products. This has been a trend in the urban areas for a long time. But post-Covid we realised this shift has got accelerated across India. When people move from unorganised to organised, from loose to packaged, they look for trusted brands. That's where brands such as Amul come in. We have the legacy of providing value-added products with the best quality at affordable prices. The opportunity is very large. In India, even if 5 per cent of people decide to shift from loose milk to packaged milk, it can create one more Amul every year — a \$9 billion company with nearly 300 lakh litres of milk daily. We are sensing this shift happening in a very big way. Therefore, we are using this opportunity to expand our presence by increasing milk processing capabilities, going to a large number of villages, encouraging more farmers to get into organised co-operative dairy. We are very clear that this is one trend we want to catch on and grow the business for the benefit of both the producers as well as the consumers.

Today the industry is talking about region-specific categories. Can you elaborate on the concept of one region, one product?

This is a unique but very important concept because if the consumers are willing to pay a premium for a certain type of products, then it makes sense for the producers to tap this demand by creating a portfolio around it. In our case, our producers are the owners of this brand.

So, it is all the more important for us to be able to segregate, say buffalo milk and market it. Also products such as paneer and Buffalo mozzarella is globally accepted with premium over regular cheese. These are opportunities by adding value and meet the unmet demand of the customers who choose this. So this pent-up demand can be translated at a higher value to the consumers. Same applies to the different breed of cattle. There are people who seek variety, who seek certain premium in what they consume and after we meet the technical challenges of product of processing a pure cow milk or Gir cow milk or pure buffalo milk, all these are opportunities. In Kutch region, we are working with camel breeders and developing that market.

Amidst increased thrust on growing milk production, where do we see growth coming from?

The opportunity for organised sector and all the players is huge. Growth is bound to come in a big way, as it is supported by consumer shift, which I mentioned earlier. It is not to grow from one side of the spectrum. It is the entire supply chain that will contribute in growth. Starting from feeding of the cattle in the villages to setting up modern processing plants and distribution network of milk and milk products. We have a unique supply chain to handle milk and milk products in all the four different distribution highways, as we call them. Fresh products with just 48-hour shelf life are sent from the plant to market, we have 98 dairy plants across India. Second is the ambient products that move at room temperature and chilled products like butter, cheese and chocolates which move at 0-4°C, while ice cream and frozen range at -20°C. We do business in a very cost-effective manner and ensure value for many as we deal with millions of producers and are value for money for our millions of consumers.

Have you identified challenges coming your way particularly in the backdrop of issues like inflation, availability of fodder among others?

Yes. Inflation to consumers is actually income to producer. It is a very tightrope balancing that we need to do. The farming community is under pressure and milk producers are basically small and marginal farmers. So, as a cooperative which is owned by farmers, we need to always look into their interest. But simultaneously, on the other side, for consumers who are also depending on milk for their nutrition requirements, it's a family product. So, It has to stay within that affordability bracket. We always ensure that the price of milk is always in line with the inflation and ensure that the consumers are not bearing that excessive pressure from the producer side. And to support the producers, we continuously work on improving the productivity, try to bring down the cost of production so the producers stay happy and consumers stay happy. And together we are able to grow the market.

This is not an easy thing, but this is not a recent thing too.

In this backdrop, are the margins sustainable right now for the dairy sector broadly and Amul in particular?

I can't talk about the rest of the players because private sector works with different EBITDA margins. But if you have the mandate to pass on the largest share of the consumers' rupee to producers, you have to operate very efficiently with very low cost, very low overheads and manage the business extremely professionally. For instance, for marketing we spend less than 1 per cent of our turnover, whereas private companies in any other sector would spend 5-12 per cent on this. This is a genuine benefit for both producer and consumers.

Global News

Is ban on export of dairy products from Armenia to Russia political ?

MAY 15, 2023

<https://dairynews7x7.com/is-ban-on-export-of-dairy-products-from-armenia-to-russian-federation-a-political-decision/>



For more than a month there has been a ban on the export of dairy products from Armenia to Russia. In Russia, this decision was justified by “the use of Iranian raw materials in Armenian products, the import of which into the Russian Federation is prohibited.” Although Rosselkhoznadzor checks revealed this problem only in the products of two Armenian producers, the import of dairy products of all exporters is prohibited, and for an indefinite period.

Farmers also suffer losses

The Igit company does not use Iranian raw materials in its production, but as a result of the ban, it lost the opportunity to export to the Russian Federation. According to the manager of the company Aram Kroyan, mainly cheese was exported to Russia, 30-40 tons per month.

Due to the ban, which has lasted more than a month, the company has had to look for additional premises to store finished products. In addition, the company has reduced the volume of purchases of dairy products from farmers.

The company’s only hope is that the ban will be lifted in the near future and it will be possible to export products to Russia again.

“If the export ban is not lifted as soon as possible, the farmers will suffer first of all. The fact is that with the beginning of the spring season the volume of milk produced has increased and companies are forced to reduce the volume of pur-

chases. If the ban drags on, manufacturing companies will have to look for new sales markets, as well as think about layoffs, and possibly closing production facilities,” Kroyan says.

The problem is being discussed at the state level and negotiations are underway between the Food Safety Inspectorate of Armenia and Rosselkhoznadzor. After a bilateral meeting on April 17, the Armenian side said: “Both sides have demonstrated a constructive approach and agreed to resolve the issue in stages.”

A Russian statement said: “Flaws in the supervision system have allowed Armenian companies to export products made from raw materials from Iranian enterprises that are not allowed to trade with Russia. As a result, in 2022 Armenia increased oil supplies by ten times. Such schemes disrupt the competitive environment not only in the Russian market, but also introduce an imbalance in the economic activity of the EAEU.”

The Eurasian Economic Union operates under the leadership of Russia and includes Armenia, Belarus, Kazakhstan and Kyrgyzstan. The organization provides its members with freedom of movement of labor, goods, services and capital. Armenia joined the EAEU in 2015.

Is the ban a lever for political pressure?

The difference in the content of these two messages reinforced the opinion of experts that it was not about economic or food security, but about politics.

“As a rule, the parties agree in advance with each other that the transmitted messages have the same content. Various statements testify to a serious conflict in relations between the Republic of Armenia and the Russian Federation,” economist Nairi Sargsyan says.

In her opinion, the ban is due to tense relations between Armenia and Russia due to the change in Armenia's foreign policy vector towards the West:

"States use different tools to restore, correct or maintain relations. We can consider the ban as one of such tools.

Russia, having sufficient stocks of dairy products, allows imports solely for the purpose of strengthening political and other influence on Armenia. In order to maintain superiority in the countries of its sphere of influence, including Armenia, the Russian Federation distributes some kind of carrot. In this case, the carrot is a permit for the export of dairy products from Armenia to Russia."

"There were no alarms"

Food law specialist David Pipoyan does not find the decision of Rosselkhozadzor to ban the export of Armenian dairy products surprising. He considers the problem from a professional point of view and taking into account the many problems in the manufacturing sector:

"If we look at the trends in the development of the sphere, we will notice a regression in almost all aspects of food safety. Prior to the Rosselkhozadzor, the Investigative Journalists Club of Armenia carried out sectoral expertise of Armenian dairy products. The Food Safety Inspectorate has followed the trail of violations identified by journalists and found various violations in many manufacturers. But no conclusions were made after these alarming signals, let alone action."

Pipoyan emphasizes that the supervision of food production needs radical changes, but "there is no political will to solve the problems of the sphere."

Compared to recent years, the volume of exports, in particular of butter, has increased significantly. According to the Ministry of Economy, if in 2021 only 170 tons were exported to Russia, and in 2022 more than 3,000.

"I think in Russia they noticed that there was a sharp change in volumes, which is an important indicator for assessing risks. They realized that the volume of production in Armenia could not increase so dramatically. For this reason, they had doubts about the use of raw materials imported from third countries. Therefore, we decided to check whether proper control is carried out. The message of the Rosselkhozadzor contains a clear message about the lack of confidence of the Russian Federation in the work of the inspection body of Armenia."

"If Russia hears what it wants, the ban will be lifted very soon"

Pipoyan does not exclude a political background to Russia's decision.

"There may be a political context, but if your production does not meet the quality criteria, no one is obliged to turn a blind eye to this,"

Economist Narek Sargsyan believes that Russia is not announcing a specific date for lifting the ban, as it awaits an answer to the question of whether Armenia remains in its sphere of influence. The decision of the Russian Federation, in his opinion, is directly related to which foreign policy vector Armenia will choose:

"If Russia hears what it wants, the ban will be lifted very soon. And if not, then I think other areas may also be subject to sanctions, in particular the manufacturing industry."

Risks of a prolonged ban on exports to Russia

According to experts, if the ban drags on for three to six months, Armenian producers will face serious problems.

"For the domestic market, the number of active dairy producers is actually too large. They didn't open to satisfy the local market. And since Armenia has not diversified export markets, including for dairy products, we face a very serious danger. It is possible that in the long term it will be possible to organize itself, review production volumes, and diversify markets. But in the short term, I think the country will have serious problems," economist Narek Sargsyan says.

Food law specialist David Pipoyan hopes that the problem will be resolved in the near future. Regardless of the development of events, experts consider it abnormal that 45 percent of exports from Armenia go to Russia. They argue that it is necessary to think about the diversification of markets, otherwise Armenia will continue to depend on the Russian Federation. "You can never be completely dependent on any country, either in terms of exports or imports.

But we are well aware that there are many obstacles to entering other markets, starting with the prices of local products. It is very important for Armenia to enter the market with high purchasing power," Pipoyan says. In any case, Pipoyan considers compliance with food safety standards to be paramount: "First of all, it is necessary to respect the rights of citizens and consumers of our country, as well as the countries where we export our products, and not to ignore safety issues."

Potato based Milk Is An Unexpectedly Delicious Dairy Alternative

MAY 8, 2023

<https://dairynews7x7.com/potato-milk-is-an-unexpectedly-delicious-dairy-alternative-gaining-ground-in-2023/>



Plant-based milks are quite popular these days, and for lots of great reasons. People who are lactose intolerant experience digestive issues when drinking cow's milk, so plant-based products are a welcomed alternative with their morning cereal or in their coffee. Also, many people avoid dairy products due to the poor conditions dairy cows are subjected to. Others simply prefer the taste and texture of plant-based options like oat, almond, and soy milks. In addition to these products, people leading dairy-free lifestyles can also add potato milk to their pantheon of choices.

While potatoes are versatile, the idea of turning them into a beverage might seem a little out there. Sure, everyone loves spuds when they're fried, mashed, and slathered with butter, but potato milk is another thing altogether. However, the inherent qualities of potatoes actually make them quite suitable for plant-based beverages. That's why potato milk is slated to be a very big deal in 2023.

A bold new plant-based dairy alternative As far as food trends go, potato milk is expected to be a huge hit this year as consumers seek out more diverse milk alternatives. Potatoes are nutritious, as they contain a good selection of protein, vitamins, and minerals. The texture of potatoes also makes for a creamy and satisfying beverage when blended properly. If these factors have you ready to become a potato milk convert, don't get too excited, as the beverage is hard to come by in these parts.

Swedish company Veg of Lund is leading the potato milk bandwagon with DUG, a potato-based drink that comes in original, unsweetened, and barista flavors, which is intended for mixing with coffee drinks. While DUG is available throughout Sweden and the UK, as well as available for sale online, the beverage has not made its way to the U.S. as of yet. Fortunately, you can make potato milk right in the comfort and convenience of your own home.

How to make your own potato milk at home When it comes to the ingredients for your homemade potato milk, you'll be pleased to note that the components are very accessible. Simply gather one large potato, salt, and water, as well as sweetener (such as honey or maple

syrup) for flavor. Begin by boiling the potato until it becomes soft, then place the potato in a blender. Add up to four tablespoons of your preferred sweetener, a ¼ teaspoon of salt, and three to four cups of filtered water. You can also add ¼ of a cup of blanched almonds and a ½ teaspoon of vanilla extract to further enhance the flavor.

Once the beverage is sufficiently blended, strain the drink through a cheesecloth to ensure it is silky smooth. You can also alter the concoction

to your liking. If you're trying to reduce your sugar intake, use a liquid sugar substitute instead of a sweetener. If you're trying to entice a little one to sample potato milk, replace the sweetener with chocolate syrup for a wholesome chocolatey treat. When it comes to storage, potato milk typically keeps for about three days when refrigerated. Just be sure to place it into an airtight container to ensure optimum freshness.

Which drink is best for hydration? Hint: It isn't water

MAY 8, 2023

<https://dairynews7x7.com/which-drink-is-best-for-hydration-hint-it-isnt-water/>



When you're thirsty and in need of a drink, which beverages are best at keeping you hydrated?

Sure, you can always reach for a glass of water — but plain H₂O isn't the most hydrating beverage around, according to a study from Scotland's St. Andrews University that compared the hydration responses of several different drinks.

The researchers found that while water — both still and sparkling — does a pretty good job of quickly hydrating the body, beverages with a little bit of sugar, fat or protein do an even better job of keeping us hydrated for longer.

The reason has to do with how our bodies respond to beverages, according to Ronald Maughan, a professor at St. Andrews' School of Medicine and the study's author. One factor is the volume of a given drink: The more you drink, the faster the drink empties from your stomach and gets absorbed into the bloodstream, where it can dilute the body's fluids and hydrate you.

Milk is more hydrating than water

The other factor affecting how well a beverage hydrates relates to a drink's nutrient composition. For example, milk was found to be even more hydrating than plain water because it contains the sugar lactose, some protein and some fat, all of which help to slow the emptying of fluid from the stomach and keep hydration happening over a longer period.

Milk also has sodium, which acts like a sponge and holds onto water in the body and results in less urine produced.

The same can be said for oral rehydration solutions that are used to treat diarrhea. Those contain small amounts of sugar, as well as sodium and potassium, which can also help promote water retention in the body.

THE MOST HYDRATING BEVERAGES, RANKED

The research team at St. Andrews University tested 13 common beverages to see how they impact hydration. Here's what they found, ranked from most hydrating over a four-hour period to least.

Skim milk	Oral rehydration solutions (like Pedialyte or Liquid I.V.)	Full fat milk	Orange juice	Cola	Diet Cola	Cold tea	Tea	Sports drink	Still water	Sparkling water	Lager	Coffee
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Source: The American Journal of Clinical Nutrition, Volume 103, Issue 3, March 2016, Pages 717–723

Sugar in moderation

“This study tells us much of what we already knew: Electrolytes — like sodium and potassium — contribute to better hydration, while calories in beverages result in slower gastric emptying and therefore slower release of urination,” said Melissa Majumdar, a registered dietitian, personal trainer and spokeswoman for the Academy of Nutrition and Dietetics who was not involved in the study.

But here’s where it gets tricky: Beverages with more concentrated sugars, such as fruit juices or colas, are not necessarily as hydrating as their lower-sugar cousins. They may spend a little more time in the stomach and empty more slowly compared to plain water, but once these beverages enter the small intestine their high concentration of sugars gets diluted during a physiological process called osmosis. This process in effect “pulls” water from the body into the small intestine to dilute the sugars these beverages contain. And technically, anything inside the intestine is outside your body

Juice and soda are not only less hydrating, but offer extra sugars and calories that won’t fill us up as much as solid foods, explained Majumdar. If the choice is between soda and water for hydration, go with water every time. After all, our kidneys and liver depend on water to get rid of toxins in our bodies, and water also plays a key role in maintaining skin’s elasticity and suppleness. It’s the cheapest moisturizer you’ll find.

While staying hydrated is important — doing so keeps our joints lubricated, helps prevent infections, and carries nutrients to our cells — in most

situations people don’t need to worry too much about how hydrating their beverages are.

“If you’re thirsty, your body will tell you to drink more,” Maughan said. But for athletes training seriously in warm conditions with high sweat losses, or for someone whose cognitive function may be negatively impacted by working long hours without beverage breaks, hydration becomes a critical issue.

Can beer and lattes keep me hydrated?

Alcohol acts as a diuretic, which causes you to pass more urine, so when it comes to alcoholic beverages hydration will depend on a beverage’s total volume. “Beer would result in less water loss than whiskey, because you are ingesting more fluid with beer,” Maughan said. “Strong alcoholic drinks will dehydrate, dilute alcoholic drinks will not.”

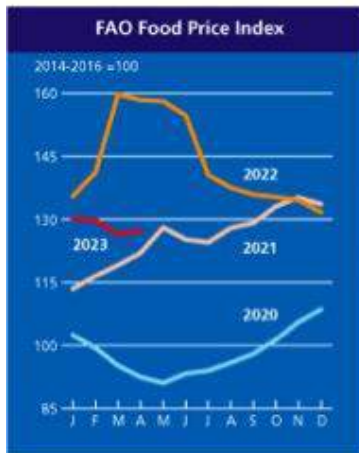
When it comes to coffee, how well your java hydrates you will depend on the amount of caffeine you consume. A regular coffee with about 80 milligrams of caffeine — roughly what you would find in 12 oz. of Folgers’ house blend — would be pretty much as hydrating as water, according to Maughan’s research.

Consuming more than 300mg of caffeine, or about 2-4 cups of coffee, could cause you to lose excess fluid as the caffeine causes a mild, short-term diuretic effect. This is more likely to happen with someone who doesn’t typically consume caffeine, and it could be offset by adding a tablespoon or two of milk to your cup of joe.

Big Fall in FAO Dairy Price Index prevented by Chinese purchase

MAY 8, 2023

<https://dairynews7x7.com/big-fall-in-fao-dairy-price-index-prevented-by-chinese-purchase/>



The FAO Dairy Price Index averaged 124.6 points in April, down 2.2 points (1.7 percent) from March and 22.1 points (15.1 percent) from its level one year ago. In April, international prices of milk powders fell for the tenth consecutive month, primarily underpinned by the impact of the persistent slack global import demand.

Increased purchases by China and seasonally declining supplies from New Zealand prevented a potentially steeper fall in the world prices of

whole milk powder, while increased current supplies from Western Europe exerted further downward pressure on skim milk powder prices. Cheese prices also fell, principally reflecting high export availabilities in Western Europe, where more milk is being channelled into cheese production amid the seasonally rising milk output. By contrast, world butter prices remained largely stable, as increased supplies were generally adequate to meet increased import demand for near- and long-term deliveries.

Butter Prices Rise While Cheese Prices Fall in USA

MAY 7, 2023

<https://dairynews7x7.com/butter-prices-rise-while-cheese-prices-fall-in-usa/>



USDA released their monthly Dairy Products report on Friday with results showing total cheese production at

1.229 billion, down 0.2% vs. last year. American-type cheese production stood at 499 million for March, up 3.2% year-over-year. Butter totaled 205 million, 1.4% stronger compared to the year prior. Nonfat dry milk and skim milk powder production was also 0.6% higher. Dry whey lost 3.5% when compared to that same time period and came in at 73 million.

The CME spot dairy index was all over the board. Butter and nonfat dry milk rose in value

while both cheese contracts and whey fell. Butter closed at \$2.445/lb, up a quarter cent. Non-fat gained a half cent to \$1.1975 as four loads traded hands. Cheddar blocks declined 5.25 cents to \$1.6125/lb. Nineteen loads exchanged hands. Barrels fell 1.75 cents to \$1.53/lb. Dry whey was off a penny as 10 loads traded.

Class III milk futures were unchanged to slightly lower on Friday. May lost 11 cents while June came in 7 softer. The second half of 2023 ranged from even to a couple cents lower. Class IV markets ranged from 5 lower to 8 cents higher on Friday.

Milk import ban may be lifted in Nepal to prevent shortages

MAY 7, 2023

<https://dairynews7x7.com/milk-import-ban-may-be-lifted-in-nepal-to-prevent-shortages/>



The government plans to lift import restrictions on fluid milk briefly to avert possible shortages during the lean season, officials said.

The Ministry of Agriculture and Livestock Development said it was discussing opening imports for two months. The period April-November is the lean season for milk production and December-March is the flush season.

"The paperwork has been held up as the agriculture secretary is currently on a foreign visit," said an unnamed ministry official.

"We have received reports that the dairy industry is operating at 30-40 percent capacity due to lack of milk. Imports from India could avert possible shortages in the market," the official said.

A status report has been prepared and it has been approved by the Nepal Dairy Association, Dairy Industry Association and representatives of cooperatives and farmers.

"The decision to allow imports will be made based on the report," the official added. "If 120 tonnes of milk is allowed to be imported daily, it will not only fill the supply gap but also leave

enough to be processed into butter, chocolate and biscuit."

Last September too the Agriculture Ministry had lifted the import ban for a month to fulfil domestic demand. Traders had been permitted to import 120 tonnes of milk daily, but they were able to obtain only 800 tonnes in one month because of shortages in India, said an official.

Nepal's dairy industry is currently facing a milk shortage of 300 to 350 tonnes daily, according to the Agriculture Ministry.

On April 18, state-owned Dairy Development Corporation (DDC) and private business organisations Nepal Dairy Association and Dairy Industry Association had jointly written to the ministry to lift the ban on milk imports.

"The import cost of a 20,000-litre tanker of milk is around Rs2 million," said Prahlad Dahal, president of the Nepal Dairy Association. "Only big dairies are able to import fluid milk. Powdered milk can be imported from other countries too," he said.

"More than 3,000 tonnes of milk arrive in the market daily formally and informally. Currently, there is a shortage of 150 tonnes of milk daily," he said.

According to a report of Commercial Agriculture for Smallholders and Agribusiness, the consumption requirement of milk in Nepal is 92 litres per person annually while the country produces 72

litres per person, fulfilling 80 percent of its requirement.

The report estimates that the country's average current deficit is around 550 tonnes of fluid milk per day with 10-20 percent variability during the lean season and the flush season.

The Department of Livestock Services says milk production is rising at the rate of 4 percent annually, but demand has been growing at 8 percent.

In India, milk production remained stagnant in 2022-23 due to lumpy skin diseases in cattle across several states and the effect of the Covid-19 pandemic in the form of stunting of the animals, according to the Financial Express.

India's milk production was reported to be 221 million tonnes in 2021-22. According to the latest data, prices of milk and milk products in India have risen by 14 to 15 percent in the past 15 months mainly due to the higher demand.

In Nepal, milk prices have increased twice in a year, reaching Rs110 per litre. As per DDC, its standard milk sold in blue packets costs Rs97 per litre and full cream milk sold in green packets costs Rs130 per litre.

In March, private dairy associations jacked up the retail price of milk by Rs14 per litre after the government raised the price of raw milk paid to farmers by Rs9 per litre. DDC also raised the price of different types of milk by up to Rs8 per half-litre.

According to the Commercial Livestock Survey, a report published by the National Statistics Office in 2021, there are 6,486 medium and large commercial livestock enterprises in Nepal.

According to the survey, 15,380 dairy cows produce 45,803 tonnes of milk during their average lactation cycle, while 10,841 buffaloes give 23,231 tonnes of milk on average.

When milk was in abundance, DDC would produce powdered milk and store it for use during the lean season. But this year, it could not produce powdered milk owing to a short supply of raw milk.

In 2017, Nepal imported milk worth \$18.7 million. The government imposed import restrictions on skimmed milk powder in 2018 after imports started to balloon. The ban was briefly lifted in 2019.

But in April that year, farmers objected to the re-opening of imports saying that they could not sell their milk. The government then placed a total ban on the import of skimmed milk powder from India.

Nepal has maintained a ban on Chinese milk and dairy products since 2008.

Rajendra Prasad Yadav, executive director at the National Dairy Development Board, said in a recent interview with the Post that milk output had dropped because the industry had not been able to recover after Covid-19 and the prevalence of lumpy skin disease among the dairy animals.

Commercial animal husbandry has been badly affected by the Covid-19 pandemic as many farmers abandoned it after incurring massive losses.

The reduction in demand during the pandemic also caused financial stress to the farmers and they started cutting their budgets to buy expensive animal fodder.

School Mandates Milk Propaganda at Anti-Dairy Event

MAY 7, 2023

<https://dairynews7x7.com/school-mandates-milk-propaganda-at-anti-dairy-event/>



A California high school student wanted to pass out literature critical of the dairy industry outside her school's cafeteria—but the school administration wouldn't let her, fearing that, unless she passed out pro-dairy flyers as well, the school would be found in violation of U.S. Department of Agriculture rules that bar anti-dairy speech on school grounds. The student has now filed a First Amendment lawsuit—challenging both the school's policy and the USDA's pro-dairy regulations.

Marielle Williamson is a senior at Eagle Rock Junior/Senior High School in Los Angeles. Williamson is the president of the school's Animal Awareness Club, which seeks to raise awareness about the environmental and ethical consequences of animal product consumption. In February, Williamson sought permission from her school principal, Derek Steinorth, to pass out literature outside the school cafeteria on the environmental, ethical, and health implications of consuming dairy products.

According to the lawsuit, Steinorth gave a confusing response, telling her "You can have a table set up outside at lunch with her flyers on the pros and cons of drinking milk, but you should also have some literature for both sides of the debate," adding, "I don't think [these restrictions are] too unreasonable."

Obviously, being required to pass out material that would undermine her goals and beliefs concerned Williamson, who replied that if "sharing

materials that promote dairy [is] required in order for [sic] to proceed with the event...we would not do the event."

She again emailed Steinorth to explain that "the point of this campaign is to counter industry-funded misinformation on dairy, and those flyers you provided fall into that category. Handing those out at the same time would defeat the purpose of our event." She asked for a final response as to whether the event could go forward as it was originally planned. Steinorth did not reply.

After several more follow-ups, Steinorth replied that he "was asked to make sure that those materials were available as well. I completely understand your point though." Williamson was unable to go forward with her event, fearing discipline if she were to pass out anti-dairy materials without also providing pro-dairy literature.

Like many public and private schools across the country, Eagle Rock participates in the USDA's National School Lunch Program (NSLP). Participating schools are subject to a litany of bizarre USDA regulations that mandate that officials "shall not directly or indirectly restrict the sale or marketing of fluid milk products by the school (or by a person approved by the school) at any time or any place (i) on the school premises; or (ii) at any school-sponsored event."

Not only are schools barred from displaying any material that could deter students from drinking cow's milk, but they also can't make water too enticing for students as an alternative drink with their meals. "While water must be made available," the rule reads, "schools must not directly or indirectly restrict the sale or marketing of fluid milk" and "are not to promote or offer water or any other beverage as an alternative selection to fluid milk throughout the food service area."

Further, students can only get dairy milk substitutes if they provide a written statement attesting to a disability that keeps them from drinking dairy milk. (It's worth noting that lactose intolerance is increasingly common, especially among Hispanic, black, and Asian populations.)

According to the lawsuit "The dairy industry monitors schools for alleged 'violations,'" of these "Milk Marketing Protections," and non-compliant schools can be subjected to fines. This, it seems, is what motivated Steinorth's concerns. According to the suit, both the school's policy requiring that Williamson pass out pro-dairy literature and the USDA rules that seemed to motivate it, clearly violate Williamson's First Amendment rights to engage in nondisruptive political speech at school. Not only are the USDA's regulations

"unconstitutionally vague" and "objectively" chilling anti-dairy speech at schools, but also "by compelling Marielle to simultaneously distribute the dairy misinformation that she seeks to refute," the lawsuit argues, "District Defendants have violated Marielle's free speech rights."

Requiring students to pass out material that directly contradicts the purpose of their political speech—a practice the school district applies solely to the subject of dairy, not to other political topics—is clearly a violation of students' First Amendment rights. If Williamson succeeds in her lawsuit, she might not only strike down a bizarre school policy but the excessive government regulations that mandate schools to push dairy products on students.

Plant-based investment group Kale United buys Lily & Hanna's

MAY 6, 2023

<https://dairynews7x7.com/plant-based-investment-group-kale-united-buys-non-dairy-ice-cream-maker-lily-hannas/>



Kale United, a holding company investing in the plant-based sector, has snapped up Swedish non-dairy ice cream company Lily & Hanna's.

The deal sees Kale United, also based in Sweden, buy "more than 95%" of the business, it said in a statement. Financial terms were not disclosed.

In the statement, Kale United CEO Måns Ullerstam said the acquisition "increases group turnover by 60% [and] increases the value of Kale United's portfolio by more than 10%".

Just Food has asked Ullerstam for further details.

In his statement, he added: "Lily & Hanna's amazing products are a perfect fit for Kale United's concept. This acquisition is part of an upscale in our production and distribution of plant-based brands through Kale Foods."

The group invests in publicly-listed and privately-owned companies across alternative proteins, including Beyond Meat, Oatly and Heura Foods. The organisation has three subsidiaries: distribution arm Kale Foods, home-delivery service Enkla Kassen and R&D unit Planticize.

Lily & Hanna, founded in 2013, sells products in Sweden, the Netherlands, Belgium and Greece. The company is eyeing other markets.

Its production has been consolidated into one factory to "improve the quality of the ice cream as well as the operations' margins", Kale United said in its statement.

"Our focus has been to improve the consistency of the ice cream for an extra creamy and delicious feel while keeping the ingredients natural,

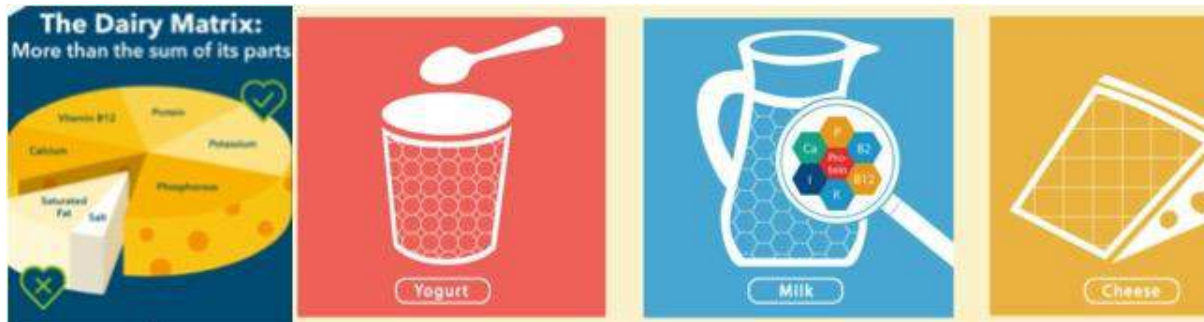
vegan and ecological. This has resulted in top-notch ice cream with exciting contrasts in texture and taste and with ingredients such as gluten-free cookies and luxurious sauces. This really

is our best ice cream ever,” Hanna Reimers, product developer at Lily & Hanna’s, said.

Dairy matrix- Milk benefits more than sum of its ingredients

MAY 5, 2023

<https://dairynews7x7.com/the-dairy-matrix-the-focus-of-the-idf-nutrition-and-health-symposium-to-be-held-on-3-may/>



Nutrition research has traditionally focused on identifying the specific associations through which single nutrients impact health outcomes – for example, calcium and bone health, protein and skeletal muscle and, saturated fat and heart disease. The approach to studying individual nutrients in relation to health has been described as a ‘reductionist’ perspective (Messina et al., 2001). However, the focus of nutrition research has shifted to examine the association of whole foods and dietary patterns with health (Mozaffarian et al., 2018). This includes recognizing not only that foods have numerous nutritional attributes but also that the effect of one attribute is likely dependent on the combination of nutritional components contained in the whole food and the resulting structure. This focus shift is also based on the fact that people consume nutrients as part of a food, and not in isolation. Moreover, foods are usually also eaten as part of a meal. Based on this emerging insight, the following definitions of dairy matrix and dairy matrix health effects are proposed:

Dairy matrix describes the unique structure of a dairy food, its components (e.g. nutrients and non-nutrients) and how they interact.

Dairy matrix health effects refer to the impact of the whole dairy food on health that extends beyond its individual components (e.g. nutrients and non-nutrients).

The dairy matrix

Dairy foods are unique with regard to their nutrient content and structures, both of which differ across the dairy food category. Dairy foods are excellent sources of calcium, vitamins B2 and B12, high-quality protein, iodine, and also rich in magnesium, potassium, and various fatty acids (FAO, 2013). Milk is an emulsion, which consists of droplets of fat suspended in an aqueous phase containing proteins and numerous vitamins and minerals. The composition and structure of cheese and yogurt can vary depending on the type of milk used and the method of production. The physical structure of dairy products varies from the solid matrix of cheese, to the gel-like structure of yogurt, and liquid milk. The unique structure of a dairy food, its components (e.g.

nutrients and non-nutrients) and how they interact, is defined as dairy matrix.

The dairy matrix health effects

In 2017, an eminent group of researchers acknowledged that health effects of a food are much more complex than that of a single nutrient it contains or even a few nutrients owing to the food matrix. The health effects are a function of both the food's structure and its composition, and how the components interact with each other (Thorning et al., 2017). The food matrix affects directly the processes of digestion and absorption of food compounds in the gastrointestinal tract, affecting the overall nutritional and health effects of foods (Aguilera, 2019).

Milk and dairy products are broadly recommended as part of healthy eating patterns (Geurts, 2022). Their key role in human nutrition, health and development throughout life is generally only attributed to their nutrient richness. They are also sources of saturated fatty acids and sodium, which are nutrients associated with negative health effects (Griffin, 2017). However, dairy products have not shown to induce the expected negative effects of the individual nutrients. In fact, quite the opposite appears to hold which relates to the impact of the whole dairy food on health that extends beyond its individual components. These are the so-called dairy matrix health effects.

Drouin-Chartier et al. (2016) conducted a systematic review of meta-analyses of prospective population studies on the association between dairy consumption and cardiovascular disease, coronary artery disease, stroke, hypertension, metabolic syndrome, and type 2 diabetes. Results showed that the consumption of various forms of dairy products has either favourable or neutral associations with cardiovascular-related clinical outcomes. This has recently been supported by other meta-analyses of cohort studies (Feng et al., 2022; Giosuè et al., 2022). Giosuè et al. (2022) showed that dairy consumption (up to 200 g/day, globally) has no detrimental effect

on cardiovascular health and indicated that the effect on cardiovascular health appears to depend more on the food type (cheese, yogurt, milk) than on the fat content. A neutral association was found for milk, while fermented products—cheese and yogurt—were associated with a lower risk of total mortality and cardiovascular events (Giosuè et al., 2022).

Additionally, it is well-accepted the importance of dietary calcium for its significant contribution to bone health. However, all calcium sources are not the same nor is the matrix in which it is contained. In this regard, it is widely acknowledged the positive dairy's role on bone health due to their calcium content. Some vegetables, nuts and legumes are also considered good sources of calcium, yet the absorbed calcium fraction is often much lower than that from dairy products due to antinutritional factors such as oxalate and phytate (Heaney et al., 1988). For instance, providing the same level of calcium intake, milk showed significant effects in preventing loss of bone mineral density in post-menopausal women compared with a calcium enriched soy beverage (Gui et al., 2012). This shows how the effect of the food matrix on bone health goes beyond the calcium content.

Conclusions

Further research is likely to reveal more in-depth insights about the beneficial health effects of considering dairy foods as a matrix, including the mechanisms and pathways through which the different components work together and their impact on health. The food matrix concept embraces the importance of considering whole foods, together with their individual components. Moving towards a more holistic approach by considering the health effects of whole foods and whole diets on health is crucial to better update dietary guidelines, and policies. This is critical, as most food-based dietary guidelines still express the health value of foods such as dairy products solely in terms of their nutrient content (Comerford et al., 2021).

Acknowledgements

This factsheet was prepared under the leadership of members of the IDF Standing Committee

on Nutrition and Health. This will be the focus of IDF Health symposium on 3rd May 2023

Cadbury recalls products in UK due to Listeria concerns

MAY 5, 2023

<https://dairynews7x7.com/cadbury-recalls-products-in-uk-over-fears-they-might-cause-rare-but-dangerous-disease/>



Cadbury products are being removed from stores across the United Kingdom due to listeria concerns. Customers who purchased products from these batches have been warned not to consume them and to return them for a refund. Listeriosis, a food-borne bacterial illness, is usually caused by consuming contaminated food with *Listeria monocytogenes*. Pregnant women and people over the age of 65 are most susceptible to the bacteria because it attacks the immune system.

UK's Food Standards Agency cautions customers The Food Standards Agency (FSA) of the UK is advising customers to check the expiration date of the products on their website. The FSA has issued a warning about Crunchie, Daim, Flake, Dairy Milk Buttons, and Dairy Milk Chunks 75g chocolate desserts, all of which are sold separately in supermarkets.

The Crunchie and Flake desserts have a use-by date of May 17, while the rest have a use-by date of May 18. The batches of chocolates are being recalled by supermarket chain Muller as a precautionary measure after contamination concerns were raised.

What is *Listeria monocytogenes*?

According to the Food and Drug Administrator of the UK, *Listeria monocytogenes* is "rare but very serious". It said, "Symptoms caused by this organism can be similar to flu and include high temperature, muscle ache or pain, chills, feeling of being sick and diarrhoea."

"Some people are more vulnerable to listeria infections, including those over 65 years of age, pregnant women and their unborn babies, babies less than one-month-old and people with weakened immune systems," the statement added.

The severity of the signs and symptoms of *Listeria* infection varies depending on the infected individual and the part of the body affected. Meningitis is a serious complication that can occur in rare cases. If a pregnant woman contracts listeriosis, there is a risk of miscarriage.

List of Cadbury products being recalled

Six chocolate yoghurt products of Cadbury are being recalled. Here is the full list:

Cadbury Crunchie Chocolate Dessert: pack size 75g and use by May 17, 2023

Cadbury Flake Chocolate Dessert: pack size 75g and use by May 17, 2023

Cadbury Daim Chocolate Dessert: pack size 75g and use by May 18, 2023

Cadbury Dairy Milk Buttons Chocolate Dessert: pack size 75g and use by May 18, 2023

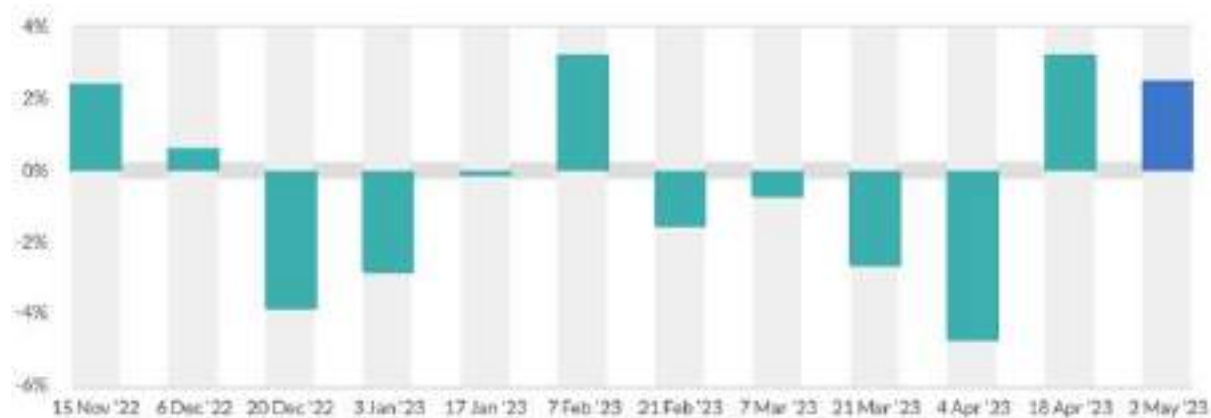
Cadbury Dairy Milk Chunks Chocolate Dessert: pack size 75g and use by May 18, 2023

Cadbury Heroes Chocolate Dessert (six pack): pack size 6x75g and use by of May 18, 2023

GDT price index posts second increase in a row

MAY 3, 2023

<https://dairynews7x7.com/gdt-price-index-posts-second-increase-in-a-row/>



The Global Dairy Trade (GDT) price index has reported its second increase in a row following the latest trading event.

As a result of trade event 331 held today (Tuesday, May 2), the price index rose by 2.5%.

This follows an increase of 3.2% after the previous auction on April 18, which marked the first gain for the dairy commodity index since February.

Despite the two recent bounces, the GDT index remains at levels last seen in late 2020.

During today's auction, the average price for products sold today was \$3,506/MT.

In total, 23,265 MT of produce was sold over 19 bidding rounds lasting almost two hours and 40 minutes.

The majority of the dairy products offered for sale during the trading event saw increases in average price.

Skim milk powder (SMP) increased by 1.5% to \$2,787/MT and cheddar rose by 4.5% to an average of \$4,561/MT.

There was a 2.4% increase for butter to \$4,947/MT, whole milk powder (WMP) climbed 5% to \$3,230/MT and butter milk powder (BMP) rose 0.8% to \$2,468/MT

Following a gain of 4.7% on April 18, anhydrous milk fat (AMF) was down by 2.4% in today's auction to \$4,832/MT.

Sweet whey powder (SWP) and lactose were not offered for sale at today's event.

GDT

In recent weeks, GDT has announced that two US dairy processors are to begin offering skim milk powder (SMP) at GDT events this summer.

Valley Milk was established by five multi-generational California dairy families, nutritionists, and veterinarians.

The company operates a state-of-the-art milk processing facility on a 30ac site at Turlock, California, supplied by 18 family owned dairy farms. The plant has the capacity to process 2.5 million pounds of raw milk per day to produce a full range of premium milk powders including whole milk powder (WMP), vitamin fortified SMP and infant formula grade SMP.

Meanwhile, Darigold, Inc. will be offering SMP at GDT events from next month.

Owned by over 350 dairy farmers in Idaho, Montana, Oregon and Washington, Darigold is one of the largest dairy processors in the US, supplying retail, foodservice, commodity and specialty markets.

The co-op processes over 4.5 billion kilograms of milk solids at 11 plants annually, exporting upwards of 40% of its production to customers in more than 30 overseas markets.

Top 10 Best Dairy Farming Companies In Europe 2023

MAY 2, 2023

<https://dairynews7x7.com/top-10-best-dairy-farming-companies-in-europe-2023/>



Dairy farming is the process of breeding and raising dairy cows for the production of milk, which is used to make various dairy products such as butter, cheese, and yogurt. Dairy farming is an important sector of agriculture and plays a vital role in food production, both in Europe and globally. Here are some key points about dairy farming:



Breeds: There are many different breeds of dairy cows, but the most common ones in Europe include Holstein, Jersey, and Brown Swiss. Each breed has its unique characteristics, such as milk yield, butterfat content, and temperament.

Milk production: The amount of milk a cow produces depends on various factors, including genetics, nutrition, and management practices. In Europe, cows are typically milked two to three times a day using automated milking systems or traditional methods.

Sustainability: Many dairy farms in Europe have implemented sustainable practices to reduce their environmental impact. These include using

renewable energy sources, reducing water usage, and managing manure and other waste products.

Regulations: The dairy industry in Europe is subject to strict regulations, including animal welfare standards, food safety regulations, and environmental regulations. These regulations aim to ensure that dairy products are safe and of high quality.

Technological advances: The dairy industry has seen significant technological advances in recent years, such as the use of precision farming techniques, automated milking systems, and data analytics. These advances have enabled dairy farmers to improve milk production and reduce their environmental impact.

Overall, dairy farming is an important and complex sector of agriculture, with many challenges and opportunities for innovation and sustainability.



here are the Top 10 Best Dairy Farming Companies In Europe 2023

Arla Foods: Arla Foods is a Danish-Swedish multinational dairy company that was formed in 2000 following a merger between Swedish dairy cooperative Arla and Danish dairy company MD Foods. The company has a presence in over 100 countries and is the largest producer of organic milk in the world. Arla Foods operates under a

cooperative model with over 10,000 farmers who supply milk to the company. The company produces a wide range of dairy products including milk, cheese, butter, and yogurt. Arla Foods is committed to sustainability and has set ambitious goals to reduce its carbon footprint and become carbon net zero by 2050.

Arla Foods is a Danish-Swedish multinational dairy company that was formed in 2000 by the merger of two companies, Arla of Sweden and MD Foods of Denmark. The company has a presence in over 100 countries and employs more than 19,000 people worldwide. Arla Foods is the largest producer of organic milk in the world and produces a wide range of dairy products including milk, cheese, butter, and yogurt.

One of the unique aspects of Arla Foods is that it operates under a cooperative model, with over 10,000 farmers who supply milk to the company. The company places a strong emphasis on sustainability, with a goal of reducing its carbon emissions by 30% by 2030. Arla Foods also has a commitment to animal welfare, with a comprehensive animal welfare program in place.



Arla Foods has a diverse product portfolio, with well-known brands such as Lurpak, Castello, and Arla. The company has a strong focus on innovation and has invested in technology to improve its products and processes. For example, Arla Foods has developed a technology called ARLA Food Scanner that allows consumers to scan a product with their phone and receive information about its ingredients and nutritional value.

In addition to its focus on sustainability and innovation, Arla Foods has a strong commitment

to social responsibility. The company has established the Arla Foundation, which supports initiatives to promote sustainable agriculture, food security, and education in developing countries. Overall, Arla Foods is a leader in the dairy industry, known for its high-quality products, commitment to sustainability and animal welfare, and innovative approach to technology.

Danone: Danone is a French multinational food and beverage company that is known for its dairy products such as yogurt, cheese, and milk. The company was founded in 1919 and operates in over 120 countries. Danone has a strong commitment to sustainability and social responsibility and has set ambitious goals to reduce its carbon footprint and achieve carbon neutrality by 2050. The company also supports small-scale farmers and promotes sustainable agriculture practices. In addition to dairy products, Danone also produces bottled water, baby food, and medical nutrition products.

Danone is a French multinational food and beverage company that was founded in 1919. It is known for its wide range of dairy products such as yogurt, cheese, and milk. The company also produces bottled water, baby food, and medical nutrition products. Danone operates in over 120 countries and has a strong commitment to sustainability and social responsibility.

Danone's dairy business is divided into two segments: Fresh Dairy Products and Water. The Fresh Dairy Products segment produces and sells yogurt, cheese, and other dairy products under various brands such as Activia, Actimel, and Danette. The Waters segment produces and sells bottled water under brands such as Evian, Volvic, and Badoit.

Danone is committed to sustainability and has set ambitious goals to reduce its environmental footprint. The company aims to achieve carbon neutrality by 2050 and to use 100% renewable energy by 2030. It has also set a goal to achieve zero net carbon emissions for its entire value chain by 2050.

In addition to its commitment to sustainability, Danone has a strong focus on social responsibility. The company has established the Danone Ecosystem Fund, which provides financing and support to small farmers and entrepreneurs in the food industry. The fund has supported over 3,500 projects in 30 countries since its inception in 2009.



Danone has received numerous awards and recognitions for its sustainability and social responsibility efforts. It was ranked first in the food and beverage industry in the 2019 Dow Jones Sustainability Index and has been included in the Corporate Knights Global 100 Most Sustainable Corporations in the World for the past 12 years. Overall, Danone's commitment to sustainability and social responsibility, combined with its strong brand portfolio and global presence.

FrieslandCampina: FrieslandCampina is a Dutch multinational dairy cooperative that was formed in 2008 following a merger between Friesland Foods and Campina. The company produces and sells dairy products such as milk, cheese, butter, and yogurt. FrieslandCampina operates in over 100 countries and has over 24,000 member farmers. The company is committed to sustainability and has set ambitious goals to reduce its carbon footprint and become climate-neutral by 2050.

Müller: Müller is a German dairy company that was founded in 1896 and produces and sells dairy products such as milk, yogurt, cheese, and butter. The company operates in Europe and the

United States and has a strong focus on innovation and sustainability. Müller is committed to reducing its environmental impact and has set ambitious goals to reduce its carbon footprint and water usage.

Savencia Fromage & Dairy: Savencia Fromage & Dairy is a French multinational dairy company that specializes in cheese production. The company has a portfolio of over 100 cheese brands and operates in over 120 countries. Savencia is committed to sustainability and has set ambitious goals to reduce its environmental impact and support sustainable agriculture practices.

Hochwald Foods: Hochwald Foods is a German dairy cooperative that was founded in 1932 and produces and sells dairy products such as milk, cheese, yogurt, and butter. The company operates under a cooperative model with over 4,000 farmers. Hochwald Foods is committed to sustainability and has set ambitious goals to reduce its carbon footprint and water usage.

Hochwald Foods is a German dairy cooperative that was founded in 1932. It is one of the largest dairy companies in Germany and produces a wide range of dairy products including milk, cheese, yogurt, and butter. The company operates under a cooperative model with over 4,000 farmers who supply milk to the company.

Hochwald Foods has a strong focus on sustainability and has implemented several initiatives to reduce its environmental impact. For example, the company has invested in renewable energy sources such as wind and solar power and has implemented a closed-loop system for milk production to reduce waste and conserve resources. The company also works closely with its suppliers to ensure that they adhere to high standards of animal welfare and environmental sustainability.

In addition to its commitment to sustainability, Hochwald Foods has a strong focus on innovation. The company has invested heavily in research and development and has developed several innovative products such as lactose-free

milk and low-fat cheese. The company also operates a state-of-the-art research and development center where scientists and researchers work to develop new products and improve existing ones.

Overall, Hochwald Foods is a well-respected dairy company that is known for its high-quality products and a strong commitment to sustainability and innovation. With its cooperative model and focus on environmental and social responsibility, the company is well-positioned to continue to grow and succeed in the highly competitive dairy industry.

Lactalis: Lactalis is a French multinational dairy company that was founded in 1933 and produces and sells dairy products such as milk, cheese, yogurt, and butter. The company operates in over 100 countries and is the largest producer of cheese in the world. Lactalis is committed to sustainability and has set ambitious goals to reduce its environmental impact and support sustainable agriculture practices.

Emmi: Emmi is a Swiss multinational dairy company that was founded in 1907 and produces and sells dairy products such as milk, cheese, and yogurt. The company operates in Europe, the United States, and Asia and has a strong commitment to sustainability. Emmi is committed to reducing its carbon footprint and has set ambitious goals to achieve carbon neutrality by 2027.

Valio is a Finnish dairy cooperative that was founded in 1905. The company is owned by 4,000 Finnish dairy farmers and produces a wide range of dairy products such as milk, cheese, and yogurt. Valio is known for its high-quality dairy products and has a strong commitment to sustainability.

Valio's focus on sustainability is evident in its operations, as the company has set a target to be carbon neutral by 2035. To achieve this, the company is investing in renewable energy sources such as wind and solar power, as well as increasing the energy efficiency of its production

facilities. Valio is also working to reduce the carbon footprint of its products by optimizing the use of raw materials and minimizing waste.

In addition to its focus on sustainability, Valio is known for its innovation in the dairy industry. The company has developed a range of patented technologies that enable the production of lactose-free and protein-rich dairy products. Valio's lactose-free products are particularly popular in the Finnish market, where lactose intolerance is common.

Valio is also committed to animal welfare, and all of the company's member farmers are required to adhere to strict animal welfare standards. The company's cows are kept in spacious barns with access to outdoor areas, and the use of antibiotics is minimized.

Overall, Valio's commitment to sustainability, innovation, and animal welfare has helped the company establish itself as a leading dairy producer in Finland and beyond.

Meggle is a German dairy company founded in 1887 that produces and sells dairy products such as milk, cheese, and butter. The company operates in Europe and Asia, with production sites in Germany, Poland, and Ukraine. Meggle's products are sold in over 120 countries worldwide.

Meggle has a strong focus on innovation and sustainability. The company's research and development team is constantly working on new products and technologies to improve the quality and safety of its products. Meggle's innovative approach has led to the development of products such as lactose-free milk and butter, and vegan cheese alternatives.

In terms of sustainability, Meggle is committed to reducing its environmental impact and has implemented various initiatives to achieve this goal. The company has invested in renewable energy sources such as wind turbines and solar panels and has implemented energy-efficient technologies in its production facilities. Meggle also works closely with its suppliers to ensure sustainable sourcing of raw materials and is a

member of the Roundtable on Sustainable Palm Oil (RSPO).

Meggle's commitment to quality and innovation has earned it numerous awards and recognitions, including the prestigious German Innovation Award in 2019 for its lactose-free butter. The company also holds various certifications for

its production processes and quality management, such as ISO 9001 and ISO 14001.

Overall, Meggle's focus on innovation and sustainability has enabled it to maintain its position as a leading player in the European dairy industry, with a strong presence in both domestic and international markets.

Markets wrap: Futures point to rise in Whole milk powder prices

MAY 2, 2023

<https://dairynews7x7.com/markets-wrap-futures-point-to-rise-in-whole-milk-powder-and-dairy-prices/>



The futures market is betting whole milk powder prices will rise at the Global Dairy Trade auction this week.

At the last GDT auction two weeks ago the headline price index jumped 3.2% following four consecutive declines.

The average price for whole milk powder, which has the most impact on what farmers are paid, gained 1% at the last auction and the futures market is picking a further 1.5% gain at this week's overnight auction on Tuesday, on expectations supply may be dwindling while demand holds up.

"The futures market is picking another lift at this week's auction on the back of the last one," said HighGround Dairy global dairy consultant Stuart Davison. "Buyers are starting to realise that it might be a bit tight trying to get their hands on milk powder over the next few months, so that's driving a little bit of price appreciation."

He noted that Algeria, the world's second-largest importer of milk powder after China, is seeking more supply through its Government tender process.

"They'll consume a little bit more whole milk powder out of the world market and tighten things up a little bit," Davison said. "We are moving back towards a tighter supply and demand balance and there's a potential we are going to flip over a little bit into an undersupply story."

The outlook for Chinese demand was becoming more positive after the country's Covid-19 restrictions lifted and growth improved, but there appeared to be an overhang of inventories which had to be worked through before demand for whole milk powder returned to historical volumes, he said.

Fonterra has forecast a farmgate milk price of \$8 to \$8.60 per kilogram of milk solids for this season, with a midpoint of \$8.30 per kgMS, which is the price farmers are paid off.

Davison noted the futures market was pricing it a little lower at \$8.27 per kgMS but said that could rise to meet Fonterra's midpoint forecast on a positive auction result this week.

Dairy products are New Zealand's largest commodity export.

NutriScore, Algorithm Update for Milk drinks and Beverages

MAY 2, 2023

<https://dairynews7x7.com/nutriscore-algorithm-update-for-milk-drinks-and-beverages/>



On March 30, 2023 the Steering Committee of NutriScore (in which the governments of Belgium, France, Germany, Luxembourg, the Netherlands, Spain and Switzerland participate) has approved an update of the algorithm for drinks. (1)

This completes the update of the nutritional profiles of #NutriScore which began with the changes to the algorithm, approved on July 26, 2022, for solid foods. (2) So as to ensure its best adherence to nutritional recommendations.

1) NutriScore and nutritional recommendations relating to the consumption of drinks, introduction

The category of drinks – in line with the system of food categories adopted by Codex Alimentarius for the classification of food additives – now includes plant-based drinks, but also milk, milk-based drinks and fermented milk-based drinks. In order to clarify the terms of comparison, which are also relevant (and not only) for added sugars and the Glycemic Index. (3)

The Scientific Committee of NutriScore also reviewed the scientific literature on the relationship between the consumption of non-nutritive sweeteners (non-nutritive sweeteners, NNS) and unfavorable health outcomes. As we have seen, with regard to their impact on the microbiota and possible correlations with cardiovascular disease and premature mortality, which are added, among other things, to the so-called 'paradox effect' (4,5,6).

2) NutriScore algorithm for beverages, updated
The NutriScore algorithm for drinks it is thus subjected to updating on a scientific basis, tak-

ing into account the food-based dietary guidelines and the most recent scientific literature, in order to:

carefully distinguish milk and yoghurt-based drinks with a high sugar content which, as our market research also shows, have problematic nutritional profiles, (7)

add a penalty for the presence of sweeteners in drinks, for better adherence between the NutriScore classification of sugary drinks and public health recommendations.

3) Water, fruit juices, and other beverages

The water remains the only beverage classified in the NutriScore class A. The algorithm for fruit juices and all other beverages – including naturally low-calorie ones – remains unchanged, with NutriScore scores and classifications ranging between categories B and E, in relation to nutritional profiles.

Cocoa, coffee and chicory powder are subjected to the NutriScore algorithm for beverages, when their nutritional declaration (per 100g/mL) refers to the product ready for consumption, after reconstitution with milk or water. As indeed dutiful, where the products are presented for this purpose.

4) Application implications

Changes to the algorithm proposed by the Scientific Committee, explains Professor Serge Hercberg, lead to changes in the classifications of some groups of beverages and make it possible to better distinguish products based on their nutritional composition.

4.1) Milk and milk-based drinks

The milks Skimmed and semi-skimmed are in the most favorable NutriScore classes for beverages (after water). It is thus possible to differentiate the types of milk according to their fat content, as well as with respect to sweetened milk-based drinks.

The milk Skimmed and semi-skimmed cow milk are mostly classified in NutriScore class B, whole milk in C. Whole milk from other species may have a different nutritional profile (higher in saturated fatty acids) and score lower.

Beverages based on sweetened milk (flavoured milks) will no longer be included in the NutriScore classes A or B, as has been the case up to now. The new algorithm for drinks will place low-sugar drinks in C, others in D and E.

Same to you applies to fermented milk-based drinks (including those based on sweetened and flavored yogurt), which in turn will no longer be classified as A, but differentiated according to the sugar content between the NutriScore classes C and E.

4.2) Other beverages

The increasingly popular plant-based beverages (e.g. soy, almonds, oats, rice) will no longer be classified as NutriScore A, as they are now. Instead, they will be distributed between classes B and E, based on their nutritional profiles.

The drinks sweetened with very limited quantities of sugar (<2 g/100mL) will be moved to NutriScore class B, while those with high quantities of sugar will be kept in D/E, in order to favor their distinction based on the sugar content.

5) Provisional conclusions

The update of the NutriScore algorithm for the beverage category, as already performed for solid foods, allows a better alignment between the nutritional recommendations and the information offered by the NutriScore.

The citizens European consumers can already receive NutriScore's valuable information on the nutrient profiles of foods through several Whatsapp – from the very popular Yuka to OpenFoodFacts and Que Choisir (8,9) – and even earlier on the label.

6) Market prospects

Italian retailer and operators in the food chain can best express their social responsibility by applying the NutriScore on the label, which: offers consumers transparency of nutritional profiles on product packaging, without forcing them to use an app (or making them choose other supermarkets and 'no secrets' product lines), stimulates the adoption of concrete commitments to improve the nutritional profiles of the food products on sale, to promote the health of the population.

7) European and national policies

The political class, at European and EU Member State level, in turn distinguishes between: who favors the retrograde interests of the industry junk food. Italy in first place, (10) followed by Cyprus, Greece, Czech Republic, Latvia, Hungary. A Brancalione army to which Romania has joined, which has even banned the use of the NutriScore on the label, starting from 1 May 2023. (11) In clear contrast, ça va sans dire, with the principle of free movement of goods on which the EU is founded and which the European Commission culpably neglects, (12)

Member States and politicians who instead promote the essential human right to health and well-being as a priority over the junk food business and guarantee citizens informed consumption choices. Through the standard of FOPNL (Front-of-Pack Nutrition Labeling) identified as the best available by the medical-scientific community. The NutriScore in fact, also officially recognized by Holland as the FOPNL of reference, starting from 1 January 2024 (13,14).

Introducing

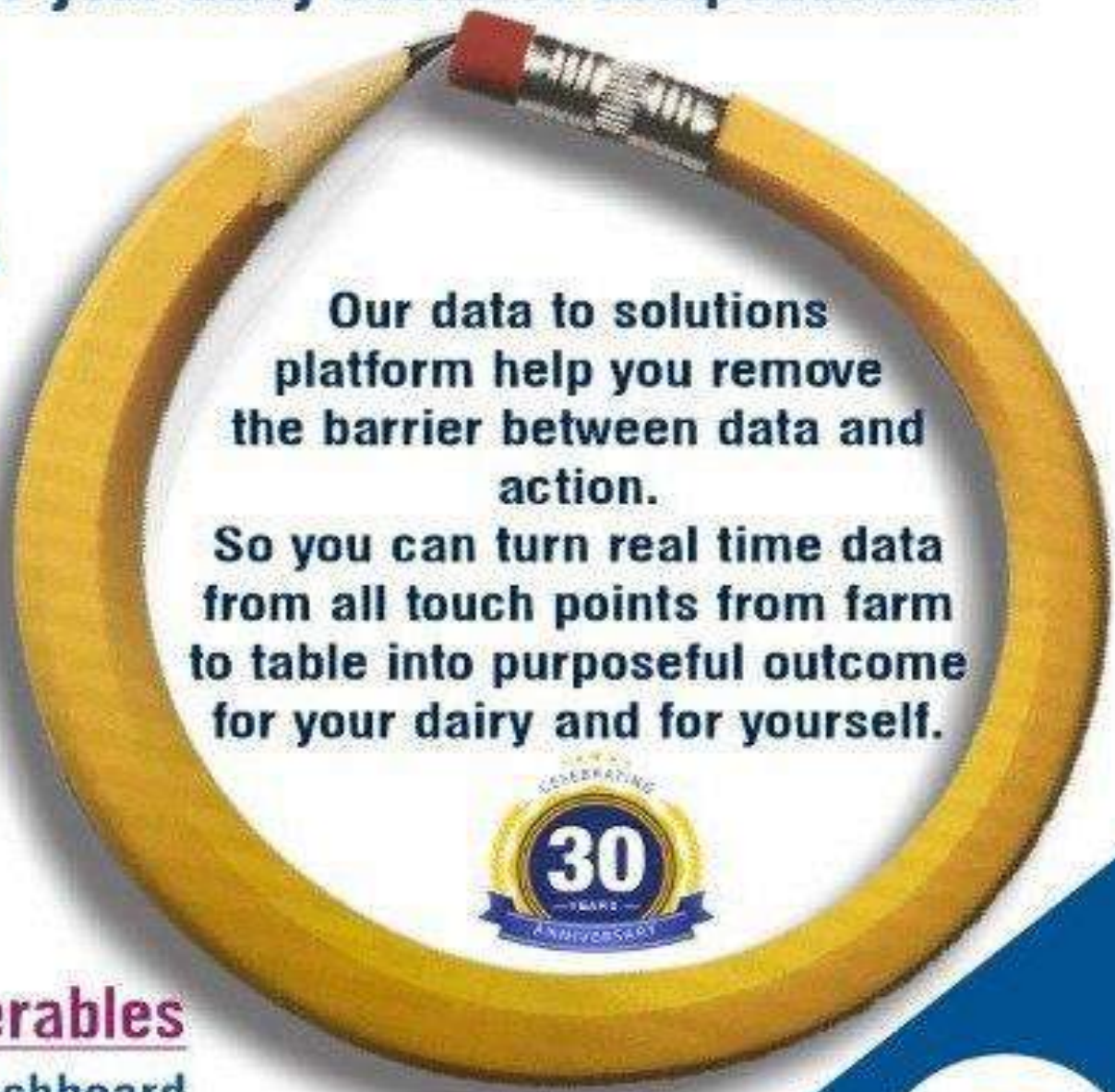
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