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Dairy Pulse 183rd Edition (1st to 15th, June 2023)



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Dairy Pulse 183rd Edition (1st to 15th June, 2023)

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Indian News

Very Low correlation between milk production and monsoons

JUN 15, 2023

<https://dairynews7x7.com/there-is-no-correlation-between-milk-production-and-monsoons-in-india-by-icici-securities-report/>

Is your breakfast going to get costlier soon? Well, the answer may lie in the start and spread of monsoon in India, which so far has been late and scanty. The price of milk, a key food item and essential ingredient in India's favourite beverages tea and coffee, is typically determined by supply, which is influenced by the availability and the health of cattle and monsoon. As the price of milk is already rising, there are concerns that milk price inflation may get acute as the beginning of monsoon remains deficient in India so far.

"While we do not model any impact on milk production, we believe any material inflation in food grains will likely result in higher prices of cattle feed and it may impact the margins for the farmers. We believe there exists a potential risk of higher milk procurement prices for dairy companies," says Aniruddha Joshi, analyst, ICICI Securities.

Steady investments in cattle feed by farmers, which has improved the breed of cattle in India and increased the cattle population, has resulted in rising supply of milk. The cattle population is growing at 1.5 percent per annum. Farmers also tend to invest more in cattle rearing during weak monsoon years as they fear lower agri (farming) income. "Apart from the 1.5 percent cattle population growth, the steady improvement in animal productivity is also resulting in higher milk production," Joshi adds.

However, milk production has grown every year irrespective of deficient or excess rainfall in the period between FY1992 and FY2022, according to data analysis by ICICI Securities. In fact, production has increased even in those years when monsoon deficiency was higher than 15 percent. "The correlation coefficient between monsoon

deficiency and milk production is just 0.17 percent over FY1992-2022," Joshi adds.

Private forecaster Skymet Weather projects a dismal outlook for the next four weeks, between June 9 and July 6. India Meteorological Department (IMD) also estimates a patchy rain coverage in the week of June 30 to July 6. Since June 1, there has been 54 percent rain deficiency in the country with 53 percent deficiency over the south peninsula, 80 percent deficiency over central India, 10 percent deficiency over northwest India and 53 percent deficiency over east and northeast India.

Milk prices have been on a continual rise since several months, impacting overall retail inflation month-on-month. In May, retail inflation measured as consumer price index (CPI) moderated to 4.25 percent year-on-year but food prices remained elevated. Food price inflation, on the other hand, rose 0.6 percent month-on-month, climbing 3.3 percent. Prices of protein items including pulses, milk, eggs, meat and fish, increased in the month too.

"Milk prices continue to rise due to summer being a lean season for supply and elevated fodder costs," says Rahul Bajoria, MD and head of EM Asia (ex-China) Economics, Barclays.

Pan-India, wholesale milk prices have increased 10.7 percent year-on-year and 0.8 percent month-on-month in May. Milk prices in south India are up 8.4 percent year-on-year but there is a steady deceleration in milk inflation in the region. It has declined to 8.4 percent in May from 12.8 percent inflation in December last year. Milk inflation in North India continues to remain at an elevated level.

"Food inflation benefitted from a sequential fall in prices of fruits and oils even as prices of eggs,

meat, milk, vegetables, and pulses continued to increase partly, reflecting seasonal impact too. Core inflation was broadly unchanged at 5.15 percent though it is likely to inch up marginally over next few prints. Overall, the RBI will see this print favourably as it remains well within its estimates. However, it will remain on an extended pause as it watches for the monsoon outturn and the impact on prices,” says Suvodeep Rakshit, senior economist, Kotak Institutional Equities. “While the delayed monsoon may not result in immediate correction in milk procurement prices, we model monsoon in Q2FY24 and flush

season in Q3FY24 to result in lower milk procurement prices,” Joshi explains.

That probably provides a fillip to dairy-related companies like Heritage Foods and Dodla Dairy. “Considering the strong return ratios and growth potential, we remain positive on the dairy sector. We also expect migration from unorganised to organised sector to steadily generate value,” Joshi says. Higher-than-expected rise in milk prices, delay in price hikes, prolonged weakness in economy and irrational competition may pose a threat to the estimates.

Assam Procures 1.16 Lakh Sexed Sorted Semen To Boost Dairy

JUN 14, 2023

<https://dairynews7x7.com/assam-procures-1-16-lakh-sexed-sorted-semen-to-boost-dairy-industry/>

Assam Chief Minister Himanta Biswa Sarma said on Tuesday that the government has procured 1.16 lakh sexed sorted semen in a bid to increase female calf population to boost the dairy industry.

The state government has set an ambitious target to increase milk production manifold pursuing the models of states like Gujarat, said CM Sarma.

Himanta Biswa Sarma said, “We have set an ambitious target to increase our milk production manifold – pursuing the models of states like Gujarat. Expanding the animal-based economy will catapult Assam into India’s top 5 states. Dedicated many welfare projects towards achieving this goal. An organization like Amul was due to the white revolution. Milk production in Assam has to be increased manifold and to fulfil the target, our government will provide a subsidy of Rs 5 per litre of milk to the milk farmers.”

“We have procured 1.16 lakh sexed sorted semen through the state’s funds to increase female calf population and boost dairy production,” he added.

The Assam CM further said that under the Mukhyamantri Swa Niyojan Yojana, the government will provide financial assistance of Rs 2 lakh each to two lakh youths of Assam.

He said, “We have decided to give special emphasis on animal husbandry and livestock, dairy production and fisheries to improve the economy of the state and also special focus in modernization and infrastructure development of the veterinary sector.”

It may be noted that CM Sarma flagged off 181 Mobile Veterinary Units (MVUs), distributed sexed-sorted semen and inaugurated Regional Artificial Insemination Training (RAIT) Institute and Cold Storage during a programme held in Guwahati.

He also mentioned that with the help of science, we can now determine the sex of a newborn calf through the process of artificial insemination.

The event was attended by state agriculture minister Atul Bora, ALPCO chairman Manoj Saikia, MP Queen Oja and senior government officials.

Milk inflation still more than double the headline rate

JUN 14, 2023

[HTTPS://DAIRYNEWS7X7.COM/MILK-INFLATION-STILL-MORE-THAN-DOUBLE-THE-HEADLINE-RATE-GHEE-LEADS-THE-PACK-IN-PRODUCT-PRICES/](https://dairynews7x7.com/milk-inflation-still-more-than-double-the-headline-rate-ghee-leads-the-pack-in-product-prices/)

Despite some moderation, retail inflation in milk is still more than double the headline inflation rate. Almost all the milk products are seeing very high inflation with ghee leading the pack.

Though industry insiders say that prices have started coming down and will soften further, they are still anxious about the impact of a late onset of monsoon.

Item-wise data, sourced from Statistics Ministry, showed that retail inflation for milk and milk products for May is in the range of 8.6 per cent to 16.84 per cent as against headline inflation of 4.25 per cent. While inflation for ice cream was lower in the pack at 8.60 per cent, ghee soared to 16.8 per cent. Barring baby food and condensed powder, all items recorded decline in prices, but were still in the higher range.

Key reasons

Two key reasons for higher prices were costly fodder and fat. Also, previous flush season was not so good. However, industry insiders say the situation is changing. RS Sodhi, President of Indian Dairy Association and former MD of Amul, said: "Fat prices have gone up in the last 12 months. But now prices have started softening. It is at the peak and will reduce further."

The increase in fat prices started after August last year. "The current data (for May) are a result of base effect and the gap between year-ago level will narrow down from now," Sodhi said.

Talking about ghee specifically, he said its prices have not increased in the last two months

and in several places, the rates even declined ₹20-30/kg during May. "You will see gradually, the prices will reduce. After August, it (inflation in ghee) will be half of this (May data)," he said. Manish Bandlish, Managing Director of Mother Dairy, said the dairy industry is expected to maintain a healthy growth trend this fiscal with strong demand from both the consumer and institutional segments.

"With improved supplies due to the extended flush season and replenishment of commodity stocks in the country, we foresee raw milk prices stabilising in the short term," he said.

However, he emphasised that the progression of the monsoon along with the availability of feed and fodder will be the deciding factors for both raw milk and consumer prices, going forward.

Earlier, there were indications that some milk products could be imported in limited quantity to cool prices down.

Surplus production

However, Sodhi felt this phase is now over.

There is surplus milk production now. Besides, prices globally are at the same levels as in India and this leaves little scope for import even at zero duty.

In April, the government was mulling to allow limited quantity import of dairy products such as butter and ghee, at zero duty for distribution through cooperatives. However, the plan was abandoned after opposition from some political parties and farmer groups.

Revive Amul model in T.N.: dairy farmers

JUN 13, 2023

<https://dairynews7x7.com/revive-amul-model-in-t-n-dairy-farmers/>

Milk-pouring farmers want the Amul model of cooperative set-up and systems to be revived in the Tamil Nadu Cooperative Milk Producers Federation (TNC-MPF).

This includes visits of veterinarians to farms to treat cattle in case of emergencies, provision of free medicines on a regular basis, installation of trevis (the steel frame inside which the cattle are made to stand during treatment) at primary cooperative societies and measurement of fats and solids non-fat in milk using ISI formula in place of the Richmond formula being used presently.

M. G. Rajendran, general secretary, Tamil Nadu Milk Producers' Welfare Association, said that after the State's first zonal office of the National Dairy Development Board was established at Erode in the 1970s and milk-pouring farmers were being canvassed to join primary cooperative societies, these incentives were provided to farmers.

"Aavin must realise that for dairy farmers, the well-being of animals is the first and foremost

among their concerns. During the White Revolution, Dr. Kurien underscored the need for the welfare of milch animals. In many cases veterinarians at Aavin are only working in administrative capacities," he said.

Sekar, a dairy farmer from Salem, said the cooperative bylaws must be changed to prevent political appointments for posts of chairmen and presidents in the federation. At present, the stipulation is that the person should have supplied 300 litres of milk or served as a member for 120 days. This should be changed so that both are made conditions, he demanded.

Another milk farmer from Namakkal pointed out that Amul had not been able to make inroads in Karnataka since the cooperative structure was strong and only milk-pouring farmers were elected as officials. There were no political appointments there. Karnataka's cooperative federation managed to climb to becoming India's second largest cooperative dairy federation due to this and several other factors, he added.

India's Chocolate Market -Sugar Rush

JUN 12, 2023

<https://dairynews7x7.com/indias-chocolate-market-sugar-rush/>

Retail recently acquired a 51% controlling stake in Lotus Chocolate for Rs 74 crore. Just last week, DS Group, which had forayed into the space earlier this year through a partnership with luxury Swiss chocolate brand Läderach, acquired Good Stuff, the owner of chocolate and confectionery brand LuvIt, at an undisclosed sum. Mars Wrigley also entered the dark chocolate segment with the launch of its new range, Galaxy Fusions Dark Chocolate in

February. Meanwhile, popular Finnish confectionery brand Fazer has partnered with Aberdeen Group to launch chocolates in India.

What has led to such heightened activity in the Rs 2.4-billion Indian chocolate market?

The chocolate sector, dominated by a handful of large brands, is set to grow to Rs 4.1 billion by 2028 at a CAGR of 8.8%.

Sweet Gains

Rajiv Kumar, vice-chairman of the DS Group, points out that despite chocolate dominating the Indian confectionery market with an almost 60% share, the per capita consumption of chocolates in the country is far lower than global standards and thus has a lot of room to grow.

According to the International Cocoa Organisation, the country's per capita consumption of chocolate is between 100 and 200 gm a year, much lower than, say, Japan which consumes around 2 kg of chocolate per person per year and Europe, where the consumption lies between 5 and 10 kg a year.

Kumar adds, "We see a huge opportunity in this segment. The acquisition of LuvIt is a strategic decision to enhance our confectionery basket."

Rajat Wahi, partner, Deloitte India, agrees chocolate companies have a huge opportunity to grow. First, chocolate is being increasingly used in Indian cuisine as chefs experiment with new ways to incorporate it into their dishes. Second, online sales is growing fast and chocolate gift boxes have become a popular choice for special occasions.

The occasion of usage of the product has increased, with many replacing mithai boxes with special chocolate packs on occasions such as Rakhi and Diwali. Increasing disposable incomes, urbanisation, innovation and deeper penetration into rural markets have aided the segment's growth. Demand for chocolate is also growing on the back of premiumisation, points out Angshuman Bhattacharya, partner and national leader, consumer products and retail, EY-India. While the reference price point in the segment was ₹10-15 about two decades back, it has moved to the ₹100-200 range now. So while volume consumption might still be low, value growth is high, he says. As customers shift online, the scope for eliminating middle-men has also grown, which can in turn increase margins for companies says Karan Taurani, senior vice-president, Elara Capital. Experts also say innovation in the space and marketing to adults, and

not just children, has also widened the consumerbase.

Bitter challenges

Bhattacharya says that the scope for growth is not without its own set of challenges. "It is difficult to be in the chocolate category without having your own manufacturing set up. Established players in the space are all manufacturers. It is difficult to buy from a third-party and build a brand of your own. This is a category that needs backward integration and manufacturing capabilities." This is perhaps a key reason that RIL chose to acquire Lotus, says an expert. A source told FE that RIL plans to leverage Lotus' production facilities to launch a new range of products that are customised for the Indian consumer and market conditions. In turn, Lotus, which was largely a B2B player, will be able to leverage the distribution and retail might of Reliance to improve the penetration of its previously launched brands.

High import duties on cocoa beans and other chocolate ingredients, changing consumer preferences, and climate change's effect on the cocoa bean crop may also serve as further hindrances, warn experts.

Above all, fighting the existing players that have been in the industry for decades won't be easy, as they have clear distribution and marketing advantage, along with high brand recall. Says Nitin Saini, vice-president, marketing, Mondelez India, "Strong category insights, a 75-year legacy, strong brand equity and robust ecosystems across supply chain, sales and manufacturing have been crucial in building our strong chocolate business."

According to Statista, Mondelez International had the biggest market share of the Indian chocolate market in 2021 at 55.9%, followed by Nestle SA (14.9%), others (13.3%), Ferrero & related entities (9.1%), Mars Inc (2.6%), and Global Consumer Products (1.3%).

It will take more than just deep pockets to dislodge market leaders, says Samit Sinha, founder-

and managing partner, Alchemist Brand Consulting. “It will need innovative marketing strategies.

Moreover, deep and extensive distribution and high visibility are both critical as chocolates are relatively low involvement and high-impulse categories,” he adds.

Rising health consciousness may also pose a challenge as more and more consumers like to stay off sugary foods. That said, the growing popularity of dark chocolates, often marketed as healthy and rich in antioxidants and flavonoids that have been linked to a number of health benefits might bring some relief on that front.

Synthite to introduce plant-based dairy alternative

JUN 12, 2023

<https://dairynews7x7.com/synthite-ties-up-with-us-based-pmeds-iisc-to-introduce-plant-based-dairy-alternative/>

Synthite the largest manufacturer and exporter of value-added spices, oils, and oleoresins — has entered into the manufacture, sales, and distribution of branded plant-derived nutrients and plant proteins. The company has set up Pfoods Pvt. Ltd, a food-tech joint venture with the Indian Institute of Science (IISc), and PMEDS, a US-based nutraceutical company. The company has launched Just Plants, a plant-based dairy alternative and Plotein, a plant-based protein drink powder.

Viju Jacob, Managing Director, Synthite Industries, said Pfoods’ innovation mandate was to develop healthier, greener, tastier, affordable, and scalable PBAs for animal dairy products. The company is committed to sourcing every ingredient for this business from India. The two proprietary platforms of PBAs called Just Plants and Plotein are the result of this genuinely Indian innovation,” he said.

The company has launched Just Plants, a plant-based dairy alternative and Plotein, a plant-based protein drink powder

Joe Fenn, Director, Pfoods, said Just Plants is a plant-based dairy alternative for desi chai, coffee, and hot chocolate. It is tastier, creamier, and frothier in cappuccino, café lattes dispensed via office-based vending machines and at home for

handmade chai and coffee. “Just Plants is healthier as it is free of antibiotics, cholesterol, lactose, hormones, and animal fat found in milk, but it’s also fortified with calcium, vitamins D and B12,” he said.

Environment-friendly

Just Plants is greener for the environment, as measured by the Life Cycle Analysis (LCA) of the product’s carbon and water footprints. As per data released by the company using established methodologies, Just Plants production emits 0.15 kg of carbon dioxide equivalent per litre compared to animal milk production resulting in 3.4 kg. This makes Just Plants almost 2300 per cent greener for the environment, regarding carbon emissions and global warming.

The product is available in one litre and 200 ml cartons. The technology of dairy alternatives also has varied uses in vegan baking and vegan desserts, including vegan curd and flavoured vegan yogurt.

Aju Jacob, Joint Managing Director, Synthite, said Plotein (for Plant Protein) developed at the parent company’s lab here, is a highly soluble, bio-available plant protein combination offering the only source of all nine essential amino acids derived from lentils and yellow peas. This makes Plotein a fully vegan source of complete protein

as it delivers all nine amino acids. This platform technology also has utility in ready-to-drink vegan protein shakes. Plotein is being launched in 15-gram sachets, with each sachet offering the same complete protein equivalent to an egg.

The company's strategy is to focus on corporates that provide coffee and tea to their employees via vending machines. Just Plants can be offered as a healthier and greener option to replace milk in office beverages.

Amul's expansion plan is signal for other coop to shape up

JUN 10, 2023

<https://dairynews7x7.com/milk-wars-amuls-expansion-plan-is-signal-for-other-state-cooperatives-to-shape-up/>

Amul, the local and biggest FMCG brand in India, is in an aggressive expansion mode. Its hunger for growth well beyond the home state of Gujarat is both natural and disturbing.

For some state cooperatives in the south, and now increasingly in Madhya Pradesh, Amul's aggressive expansion into their territories has become a source of political friction. Even as its ambitions trigger political storms, Amul's plans to procure milk from outside Gujarat serves as a reminder to other states to get their cooperatives in order and pay their dairy farmers well.

Jayen Mehta, the managing director of Amul who assumed office in January, spoke in a LinkedIn post recently about promoting two new multi-state cooperatives, besides forming 200,000 new dairy cooperatives in half a million "uncovered" villages.

Amul, the brand owned by the Gujarat Co-operative Milk Marketing Federation, was the result of Operation Flood launched in the seventies as a strong dairy cooperative from Gujarat. Today, its annual turnover has surpassed Rs 72,000 crore (\$9 billion) and India's most successful dairy cooperative procures 30 million litres of milk every day.

As a brand, Amul today is ahead of global giants Unilever, Nestle and others in the country. So

why is Amul entering other states where local cooperatives already exist?

Mehta was unavailable for comments.

Experts said despite Operation Flood and the focus on building strong, state-level dairy cooperatives, many states could not develop them. The most obvious example is Uttar Pradesh – it is one of the largest milk producers but the state has not been able to develop a strong, state-level brand.

Instead, smaller brands have cropped up all across UP. A dairy sector veteran, who declined to be identified, said UP's dairy cooperative has an office and pays salaries to the staff but the cooperative structure of sourcing and processing milk has collapsed due to "politics."

Along with regional dairy brands, milk in UP is sourced by the National Dairy Development Board, the owner of Mother Dairy, and GCMMF (Amul).

The cooperative dairy movement similarly weakened in Maharashtra as many profitable federations were usurped due to political ambitions.

In such a scenario, strong and state-level brands could be developed in Bihar, Rajasthan, Madhya Pradesh, Karnataka and Tamil Nadu. After Gujarat, Karnataka and Tamil Nadu follow in the pecking order of milk procurement in the country, making them lucrative for a large dairy federation like GCMMF.

The dairy veteran said that about 9-10 years ago, Amul began venturing into states such as UP, which had traditionally weak dairy cooperatives, offering attractive prices to local farmers to procure increasing quantities of milk.

As a part of this strategy, Amul announced plans on April 5 to supply milk and curd in Karnataka. The announcement came just about a month before the assembly elections and led to widespread protests across the state and provided the principal opposition party, the Congress, a tool to mobilise pro-Kannada sentiments.

In any case, a recent amendment to the Multi-State Co-operative Societies Act, making the merger of two state cooperatives easier, had already been making several political parties and some cooperatives edgy.

Despite several attempts, Karnataka Milk Federation managing director BC Satish declined to comment on the matter.

Staunch opposition

On its website, KMF claims to be the apex body for the dairy cooperative movement in Karnataka and the second-largest dairy cooperative in the country. KMF says it procures the largest quantity of milk in south India and also accounts for the largest quantity of milk sold in the southern states under the Nandini brand. KMF procures milk through 16 unions in the state.

Why did Karnataka mount such fierce resistance to Amul's plan to sell liquid milk and other products across the state?

T Nanda Kumar, former chairman of NDDB and former food and agriculture secretary, said, "Amul reportedly gets an indirect subsidy from the Andhra Pradesh government for procuring milk from some districts in the state. And when procurement was possible, the company obviously needed a market to sell this milk. Amul announced entry into the liquid milk market (into neighbouring Karnataka) but just before state polls in Karnataka and ran into a political storm." A similar fate awaited Amul in Tamil Nadu.

Chief minister MK Stalin wrote to cooperation minister Amit Shah, asking Amul to stop procuring milk from Tamil Nadu. Stalin referred to the norm of letting cooperatives thrive without infringing on each other's milkshed area.

"Such cross-procurement therefore goes against the spirit of 'Operation White Flood' and will exacerbate problems for the consumers given the milk shortage in the country," the chief minister said.

Tamil Nadu's Aavin cooperative procures 3.5 million litres of milk per day from about 450,000 members.

Nanda Kumar said Tamil Nadu and Karnataka oppose Amul's procurement "because that would mean their respective state cooperatives could lose access to adequate quantities of milk and this, in turn, would lead to an increase in the retail price of milk. This, naturally, then becomes a politically sensitive issue."

However, another dairy sector veteran said there was nothing wrong in Amul wanting to procure milk from other states.

Better prices

"Amul already procures milk from several states where it pays far better remuneration to farmers than local cooperatives. Why should farmers outside Gujarat not get better prices for milk?" this expert wondered, dismissing the concerns of Karnataka and Tamil Nadu.

Nanda Kumar said that not just Amul, even Nandini sells milk outside Karnataka – in Kerala and Tamil Nadu.

"But unlike Amul, it procures milk only in Karnataka, where there is a state subsidy. This is the reason for Nandini liquid milk prices being far lower than in other states," he said.

The nub of the current political friction then seems to be milk procurement by federations from other states, not so much the sale of milk or milk products by these "outsiders."

The latest to protest against Amul's entry is the opposition (Congress party) in Madhya Pradesh.

The party's allegation – that Amul's entry would "kill" the local milk brand Sanchi – is more or less along the lines levelled by Karnataka and Tamil Nadu.

As the political storm over milk procurement rises in poll-bound states, perhaps it is time for

their respective federations to improve processes, prices and bring in more efficiencies in the distribution of liquid milk. Or else, one of the best organised and most profitable milk federations, GCMMF, will continue to be a threat.

Release ₹669.5 crore milk subsidy immediately in Karnataka

JUN 9, 2023

<https://dairynews7x7.com/congress-mlc-seeks-immediate-release-of-%e2%82%b9669-5-crore-milk-support-price-dues/>

Claiming that the government's unpaid dues towards support price for milk had reached ₹669.59 crore during the BJP regime in the State, Congress MLC Dinesh Gooligowda has urged Chief Minister Siddaramaiah and Deputy Chief Minister D.K. Shivakumar to take steps for immediate release of the outstanding amount.

Mr. Gowda, who dispatched letters to Mr. Siddaramaiah and Mr. Shivakumar on Tuesday in the regard, said the government pays a support price of ₹5 per litre, which is credited directly into the bank accounts of the farmers.

The support price paid by the government is helpful to the farmers to purchase fodder and other expenses they routinely incur. But, the earlier BJP government had not paid the support price to the cattle farmers for the last seven months, Mr. Gooligowda claimed.

The government owes each cattle farmer amounts ranging from ₹5,000 to ₹30,000 as support price, he said, while urging the government to release the dues at the earliest as it would not only help them in farm activities, but also to take

care of other expenditure like payment of tuition fees of their children at the start of the academic year.

The government has to pay around ₹109 crore every month as support price for milk to cattle farmers across the State. Dues amounting to ₹109.9 crore for November 2022, ₹109.81 crore for December 2022, ₹107.89 crore for January 2023, ₹93.56 crore for February 2023, ₹93.89 crore for March 2023 and ₹93.67 for April 2023, besides other dues dating back to 2019-20, 2020-21 and 2021-22 had remained unpaid, he said in the statement.

Out of the total ₹669.59 crore outstanding amount in the State for milk support price, the dues towards farmers of Mandya were ₹72.34 crore, said Mr. Gooligowda, who is an MLC representing local bodies constituency of Mandya. He urged the government to take necessary steps to release the outstanding amount at the earliest as the farmers, who are passing through difficult phase on account of rise in fodder prices, diseases afflicting the cattle, low yield of milk etc.

Amul Versus Aavin: It's a fear of the unknown- Chandramogan

JUN 8, 2023

[HTTPS://DAIRYNEWS7X7.COM/AMUL-VERSUS-AAVIN-MAYBE-ITS-A-FEAR-OF-THE-UNKNOWN-CHANDRAMOGAN/](https://DAIRYNEWS7X7.COM/AMUL-VERSUS-AAVIN-MAYBE-ITS-A-FEAR-OF-THE-UNKNOWN-CHANDRAMOGAN/)

Maybe it's a fear of the unknown," says RG Chandramogan, Chairman of India's largest private dairy company, Hatsun Agro Product Ltd, on the recent pushback again alleged attempts by Gujarat-based cooperative Amul to procure milk in Karnataka and Tamil Nadu. Local brands Aavin and Nandini are strong in Tamil Nadu and Karnataka, respectively. While it will be difficult for Amul to penetrate these two markets, its entry into Tamil Nadu will not have any major impact on the Chennai-based Hatsun, he said in an interview with businessline.

Edited excerpts:

How do you see the controversy surrounding Amul's 'alleged' milk procurement plans in Karnataka and Tamil Nadu?

Maybe it's a fear of the unknown. But, technically speaking, the State has a point in objecting; as Amul is objecting to a foreign player invading India and competing with them, why not local State cooperatives object to Amul's entry in both milk procurement and sales. Amul, by size, is the biggest cooperative in the country. The GCMMF [Gujarat Cooperative Milk Marketing Federation Limited, which owns Amul] is run by Gujarat farmers and the ultimate profit of the organisation is also shared among Gujarat farmers as shareholders, irrespective of whether they buy or sell milk in Tamil Nadu.

Being a market leader in the private sector, how do you view Amul's entry into Tamil Nadu?

Amul is a good brand. Beyond that, we compete with Amul in Mumbai as well as in Hyderabad. In Mumbai, they are bigger than us; and in Hyderabad, we are bigger than them. So we don't find anything different, or anything difficult in competing with Amul. They don't subsidise their product. For example, the toned milk of Amul is sold in Delhi at ₹54 per litre. But in the subsidised states of Karnataka and Tamil Nadu, the

same milk is sold at ₹40 a litre. Though cooperatives say it's a farmer subsidy, at the end of the day it turns out to be a consumer subsidy. With these types of subsidised milk, it will be difficult for Amul to compete. States also provide kiosks free of cost, on the roadside, for the local cooperatives.

Some sections worry that if the State cooperatives are not strong, then the corporate sector will exploit the situation. What's your view?

The allegation is baseless.. Would the country have benefited if (state enterprises) Air India and Indian Airlines reduced the cost per passenger or provided efficient service and timely arrival? BSNL, when it was a monopoly organisation of the government, was charging a lightning call eight times the cost of an ordinary call. We do call everybody today with a lightning call at 1/100th the cost, without the assistance of an operator. Is it initiated by state or central monopolies or competing corporates that innovated and brought down the cost, enhancing the quality of service?

So, for Hatsun, Amul is just another competing brand?

Yes. Amul is one more brand and we compete with them nationally. Amul is not a subsidised cooperative. In prices, they are more or less on par with us. We don't see them as a major threat or something to be scared of. In Hyderabad we have coexisted for more than 10 years. Among the cooperatives, the number one is Amul; second is Nandini, which is only 40 per cent of the leader, and third is Mother Dairy. Hatsun is a corporate but ranked the fourth largest dairy company in India. The second private dairy is 40 per cent of us. We have our own established share of the market in different states and we have a basket of products — milk, curd, ice creams and others — to market.

Will Amul's entry put pressure on you to increase milk procurement cost?

We are also paying a good price... We don't have any problems because it's not a subsidised cooperative.

What's your view on state subsidies?

The biggest threat or cancer for the future growth of the dairy industry are the subsidies given by different States. This may affect the milk industry in the middle to long run. Karnataka or Tamil Nadu giving subsidies is finally benefiting consumers in urban cities. The average procurement price subsidy is 7-20 per cent of purchase value, which is the real threat of the future. It creates an unfair competition. States are using taxpayers' money, which is not benefiting the respective state too.

Why?

The states that gave out subsidies earlier, say for the last 10 years, the losses from what they gave back to cooperatives, even 20 per cent of that value was not invested in future infrastructure.

This is not good for the industry. And with subsidies, they are not even allowing the private sector to sell at a fair price, so the private company is also affected (and cannot) invest for the future.

So, who is going to invest for the future?

A subsidised state is covering the losses and not making enough investments into new infrastructure. And the second thing is the affected private players will also not have resources to invest for the future. The third is that a state that is subsidising also dumps its products in other states that are not subsidised. So, when the selling price is reduced, the farmer in that state is also affected. These are three major viruses. If a foreign country dumps its product, which is subsidised in that country, into India, we call it dumping. This too is dumping.

What's the option?

I think that a coordinated opinion to get away from subsidy is needed from the stakeholders of different states. Abolishing subsidy is the right direction.

Amul has never intended to work against other cooperatives'

JUN 7, 2023

<https://dairynews7x7.com/amul-has-never-intended-to-work-against-other-cooperatives/>

The country's largest dairy brand, the ₹72,000 crore Amul has been in the eye of a storm due to its alleged high-handedness. It began with its entry into Karnataka in April and now States such as Kerala are also complaining. Though the law doesn't prevent Amul from selling in other States (it has been procuring milk from 15 states outside of Gujarat), there is an unwritten understanding not to disturb the local cooperative's dominance.

"Nandini continues to be the market leader and we have a small base. In April we announced an ecommerce launch in Bangalore. Our milk price is much higher than Nandini as we don't get a subsidy. We can never match Nandini's pricing in

Karnataka," says Jayen Mehta, MD, Amul. Nandini operates under Karnataka Co-operative Milk Producer's Federation Ltd (KMF).

Amul, says Mehta has been packing its ice-creams at Nandini's plants for the last 25 years. "We are using Nandini milk to produce Amul ice-cream. During COVID when everybody had surplus milk and there was no market for milk we purchased as much as 5,000 tonnes of cheese, which is equal to 2 lakh litres of milk per day. We are both cooperatives, part of the same model, so the question of competing doesn't arise."

However, a section of the dairy industry does consider Amul a bully, which is trying to grow at the expense of both local cooperatives as well as

the private dairies. “Wherever we are selling, we are procuring but our growth is not at the expense of the local cooperatives. In Rajasthan, we procure milk, we sell milk, but we don’t undercut

Saras in price, we coordinate with them, we work in synergy. In every State the local cooperative brand is always No.1. We don’t want to take their volumes,” emphasizes Mehta.

UP: Yogi govt launches ‘Nand Baba Milk Mission Scheme’

JUN 7, 2023

<https://dairynews7x7.com/up-yogi-govt-launches-nand-baba-milk-mission-scheme/>

In a bid to make Uttar Pradesh a leading state in the field of milk development and milk production as per the intention of Chief Minister Yogi Adityanath, the Nand Baba Milk Mission was launched on Tuesday at a cost of Rs 1,000 crore, an official statement said.

The Nand Baba Milk Mission scheme has been implemented to provide milk producers the facility of selling their milk at a reasonable price in villages through dairy co-operative societies.

Cabinet Minister, Livestock and Dairy Development Department, Dharampal Singh inaugurated the Nand Baba Milk Mission office at Kisan Bazar, Vibhuti Khand Gontinagar, the ‘Dairy Development Portal’ and also unveiled the logo of Nand Baba Mission.

Speaking at the programme, the Dairy Development Minister said, “The department is making constant efforts to ensure the development of the rural economy in the state, to provide remunerative prices to the farmers for their milk and to strengthen the agro-based infrastructure.”

He said that under this mission, it is proposed to form Dairy Farmer Producer Organization (Dairy FPO) in order to facilitate sale of milk in producers’ villages itself. In the financial year 2023-24, there is a plan to set up 5 Dairy Farmer Producer Organizations (Dairy FPOs) in 5 districts of the state as a pilot project, in which women will also play a major role.

DS Group acquires Bengaluru-based chocolate brand LuvIt

JUN 7, 2023

<https://dairynews7x7.com/ds-group-acquires-bengaluru-based-chocolate-brand-luvit/>

In a strategic move to expand its packaged foods portfolio, DS Group has acquired Good Stuff Pvt Ltd that owns chocolate and confectionery brand LuvIt. The move will strengthen the company’s presence in the chocolates and confectionery space. It also comes close on the heels of the company’s partnership with Swiss chocolate brand Laderach for India.

DS Group, which is known for brands such as Catch Spices and Pass Pass mouth freshener, did not disclose the commercials of the deal. The Bengaluru-based Good Stuff Pvt Ltd, founded in 2014, was earlier owned by Goldman Sachs and Mitsui Ventures.

Rajiv Kumar, Vice-Chairman, DS Group, told businessline the group had been looking to enter the

chocolates space for some time to tap into the fast-growing category. "India has low per capita consumption for chocolates compared to evolved markets, so there is huge headroom for growth. With this move, we have a complete portfolio with Laderach in the luxury chocolate space and LuvIt positioned in the mass segment. It is one of the few homegrown chocolate brands. It has a turnover of Rs 100 crore and an established presence in the Southern region," he added.

The over billion dollar DS Group has a presence in the confectionery segment with brands such as Pulse Candy and Chingles. LuvIt will offer a range of rich milky chocolate, crunchy wafers wrapped in chocolate, fruit and chocolate flavoured lollipops, eclairs, sugar panned chocolates and choco snacks.

"We would focus on making Laderach and LuvIt pan-India brands. We hope to make LuvIt a Rs 500-crore brand over the next three-five years. With rising aspirations in the rural regions, we will look at tapping both urban and rural opportunities for the brands," Kumar added.

The company said it will continue to rely on third-party manufacturing for the LuvIt brand for now. For the luxury chocolate brand Laderach, the company is exploring options to open up offline stores.

The Indian confectionery market is pegged at about Rs 23,000 crore, of which chocolates as a

category dominates with almost 60 per cent share at Rs 13,800 crore.

DS Group's confectionery business revenues stood at about Rs 900 crore in FY23. "We are aiming to grow the confectionery business at 40 per cent year-on-year. We will focus on expanding the distribution reach as well as adding new products," he added. The company expects to grow its overall business by 10-15 per cent year-on-year.

Responding to a query on inorganic growth opportunities in the spices segment, which has witnessed M&A action lately, Kumar said, "If the right opportunity comes at the right valuation and price, we will be open to it. Consumers are becoming more brand conscious and shifting to the branded segment in spices for hygiene and convenience. So this consumer shift offers a huge organic growth opportunity in this segment. We are also strengthening our presence in the Southern region."

The packaged foods company has also expanded its presence in the snacks segment under the Catch and Pulse brands. It also sells dairy products largely in the Rajasthan region.

"While there are macroeconomic challenges, India's consumption story remains strong. Unlike some developed markets, it continues to offer huge opportunities for growth," Kumar added.

Milk inflation is still stubbornly high at 10.9% in May

JUN 7, 2023.

<https://dairynews7x7.com/milk-inflation-is-still-stubbornly-high-at-10-9-in-may/>

India's consumer inflation could moderate further from April's 18-month low of 4.7%, with food price rise likely to have cooled further in May even as prices of some items like milk, rice and pulses moved up on a month-on-month basis, economists reckoned.

The National Statistical Office will release the Consumer Price Index (CPI) for May next Monday. Rice and Wheat prices increased 10% and 8% in May, compared with a year ago, as per a Crisil Market Intelligence report estimating costs of food plates (Thalis) which found expenses on

both vegetarian and non-vegetarian Thalīs increased sequentially for the first time in seven months.

“The cost of veg and non-veg thalis declined 9% and 4% on-year, respectively, in May due to steep decline in prices of vegetables and cooking oil, which account for ~25% of the total cost of a veg thali, but increase in prices of cereals, pulses, chicken, and eggs capped the reduction,” the report said.

The Bank of Baroda Essential Commodity Index, which covers 23% of the CPI and 58% of the Consumer Food Price Index, slowed to 1.4% in May from 2.8% in April.

“We expect CPI to further edge down to 4.5% in May from 4.7% in April. Even the moderation in commodity, especially oil and gold prices, along with the 7% favourable base [the retail inflation

rate in May 2022] supports our view,” the bank’s economist Dipanwita Mazumdar said in a note.

However, on a sequential basis, the index inched up to 0.4% in May compared to a 0.2% decline in the month before.

“Milk is still stubbornly high at 10.9% amidst reports of difficulty in procuring feed and also lumpy skin disease in cattle. Even sugar prices are inching up, with output declines reported in States such as Maharashtra and Karnataka. Even pulses could pose another round of spiral as Tur, Urad and Moong are noticing an upsurge,” she cautioned.

The bank expects India’s retail inflation to stay below 5% till September, and the central bank to pause interest rates through 2023-24 with a probable rate cut at the beginning of next year.

Kupwara district produces 15.39 crore liters of milk a year

JUN 5, 2023

<https://dairynews7x7.com/kupwara-district-produces-15-39-crore-liters-of-milk-a-year-becomes-milk-surplus/>

With the substantial increase in cattle population and employing modern interventions, the milk production in Kupwara district has reached all time high of 1539,50,000 liters per year generating an income of Rs. 537 crore annually from milk alone making the district Kupwara milk Surplus, besides playing a crucial role in growth of rural agri-economy.

Milk productivity in Financial year 2021-22 in Kupwara district was 1323, 20,000 liters which reached to 1539,50,000 liters during the financial year 2022-23.

Total tagged cattle population of Kupwara district is 1.58 lakh, while the number of poultry birds has touched 5.06 lakh with the total egg production of 1.45 crore per year.

Dairy farming is a major source of livelihood for many families in Kupwara district and this sector is constantly growing with a focus on increasing milk production and improving quality of milk, besides upgrading milk collection, processing and marketing infrastructure with the intervention of centrally sponsored schemes.

Dairy sector in Kupwara district is holding immense potential for the economy and providing employment opportunities, besides contributing to the local population’s well being.

With the increased demand for dairy products and interventions of government a significant growth is being recorded in this sector.

The use of artificial insemination (AI) in the dairy sector has been proven to be a highly effective tool to increase animal productivity. By using AI,

dairy farmers are benefitting from efficient use of high quality bulls.

Dr. Mohammad Ashraf, Chief Animal Husbandry officer (CAHO) Kupwara said that during 2022-23, 34731 artificial insemination procedures were done in the district while in 2021-22, 33866, AI procedures were done.

IDDS (Integrated Dairy Development Scheme) is a major scheme which not only focuses on providing financial assistance, but also supports the dairy producer by providing milking machines, bulk milk cooling unit at 50% subsidy as well as other benefits. The scheme also provides Paneer Making Machine, Khoya Making Machine, Dahi Making Machine, Cream Separator Machine, Ice Cream Making Machine, Butter and Ghee Making Machine, Milk Van, Milk ATM and DG Set, to aspiring entrepreneurs who try to create their start-ups in the dairy sector.

“During the financial year 2022-23, under IDDS a total of 463 cases were sponsored in Kupwara district and 267 dairy units were established, thus providing employment avenues to around 500 unemployed persons. Established units are 3 times more than the previous financial year.

Two Softy Making machines were established in Handwara by two unemployed youth. Moreover, two milk vans were availed by beneficiaries to supply the milk to far-off places of the district and the first of its kind a Milk ATM was established in Tangdar Karnah which is dispensing quality milk.

“With the help of IDDS poor and marginal farmers of rural societies of the district, especially the women members of Bungus Valley FPO Hurdooona have benefitted.

Oagbal, Potushai, Rajwar, Karnah and Khumryal have been declared as milk villages by the Animal husbandry department Kupwara .

A project under IPDP (Integrated Poultry Development Program) is being implemented in the district for socio-economic upliftment of poor households. More than 100 rural farmers and youth benefited in the district. 3 new poultry farms were established and 22 already existing poultry farms were augmented with poultry equipment and automation.

In Kupwara district 98% cattle have been vaccinated against FMD/ LSD and 75% of the eligible female calves of 4-8 months age have been vaccinated for Brucellosis during the financial year 2022-23.

Deputy Commissioner Kupwara, Dr. Doifode Sagar Dattatray has urged educated youth of the district to come forward and take benefits from different CSS schemes and turn to Dairy and Poultry farming which have developed as important sources of livelihood and employment generation for rural areas of Kupwara district.

The efforts of district administration headed by Deputy Commissioner Kupwara for the successful implementation of centrally sponsored schemes in the district for employment generation are being lauded by the public.

World Environment Day: Indian dairy industry and sustainability

JUN 5, 2023

<https://dairynews7x7.com/world-environment-day-how-the-indian-dairy-industry-is-and-can-contribute-towards-embracing-sustainability/>

Every year, World Environment Day serves as a reminder of our collective duties and responsibilities towards safeguarding the planet against the perils of climate change.

Climate change affects everyone – humans, animals, aquatic life! The alarming rise in environmental concerns are making it essential to initiate result-oriented actions today in order to build a sustainable future. This is also important

at a time when India's economy is showing remarkable resilience globally, and thus, the need is to ensure this progress remains on the path of sustainable development.

Talking about the dairy industry, it is undeniably one of the important pillars of the country's economy as it takes care of nutritional requirements of many, acts as a source of livelihood for millions, and contributes to the well-being of individuals and communities, thereby holding a significant importance for the overall growth of not only the society but the nation at large. In addition to contributing to economic resilience, this industry carries significant potential to address climate change and contribute to the sustainability mission. By ensuring sustainable practices at each stage the entire value chain – procurement, processing/manufacturing, consumption and even post-consumption – backed by innovation, technology and collaborative efforts, the dairy industry can definitely essay its role in minimizing the environmental impacts.

The advent of clean energy sources has paved way for a viable strategy at various levels. Installation of solar panels on the rooftops of milk collection units at the farm-level or even setting up of biogas plants can assist in generating clean energy at the very ground level and assist in varied operations across the rural hinterlands. The country's farms have biomass available in abundance and with biogas plants, they can achieve sustainable and environment-friendly alternatives. In the year 2018, National Dairy Development Board (NDDB) initiated the work on cattle manure management and came up with end-to-end 'Manure Value Chain' model for small and marginal farmers of the country. Since climate change presents significant challenges to cattle health including heat stress, water scarcity, disease risks, extreme weather events and others, focus should be given on strategies and practices such as providing shade, improving water management, optimizing pasture practices, and enhancing disease control for improving cattle

health and overall well-being. In addition to reducing dependence on conventional fuel sources, these steps will greatly contribute in localization of sustainability practices by linking common people like dairy farmers at grassroots to clean energy transition.

At the processing/manufacturing level, efficient resource and waste management is another crucial aspect vital for all sustainability-related endeavours. Again, installation of solar plants or concentrated solar technology plants have been instrumental in allowing companies to embrace renewable energy. Water which is an important resource for both life and livelihood can be conserved with rainwater harvesting pits and can be re-used by treating it in water treatment plants or water recycling plants. Rainwater harvesting systems can reduce dependency on freshwater sources and water treatment plants can treat and recycle wastewater generated during operations. Also, efforts should be made to utilize organic waste, manure etc. for biogas production and reducing carbon emission. Moreover, biodegradable organic waste can be used as natural fertilizer which can reduce the need for chemical-based alternatives. These initiatives can serve as positive examples and encourage many to adopt similar measures and contribute to collective soil & water conservation and resource management efforts.

At the consumer level too, we have come across various options over a period of time that assist in contributing towards the journey of sustainability. The need of the hour is to link the consumers to the sustainability mission, and this can be achieved by raising awareness and highlighting significance of sustainable consumption and practices. By promoting responsible choices such as token milk, safe waste disposal, recycling, minimizing food waste and supporting sustainability initiatives can bring visible results. Even a small step of educating the consumers of how to cut open a milk packet can have sizeable impact on reducing the small plastics that go unnoticed

in waste. The onus is not only on the consumers but also on the companies too by coming up with offerings and options that can eventually help the consumer adapt to sustainable options.

At the market level too, companies can explore varied options for making their operations holistically sustainable for instance reusable crates can be used as a secondary packaging option and inclusion of clean fuel based vehicles in the distribution fleet. As witnessed in other industry segments, dairy organizations should also strive to become plastic waste neutral.

To realize the sustainability goals, it is essential to adhere to sustainable practices in the entire value chain and the Indian dairy industry has undoubtedly started its journey on a positive note. In the start-up age, we have seen many initiatives across other industries; nonetheless, there are multiple options to explore for the dairy industry too. I believe it is just a matter of time and we will come across start-ups coming up with innovative yet sustainable options for the dairy industry. On the other hand, the Indian dairy companies can also come together and commence research and development towards developing alternative packaging and delivery systems, paving way for sustainable options.

The Government of India too is according the highest priority to the Indian Dairy industry in a

holistic manner. To tackle the issue of farm sector waste, many initiatives including 'Waste to Wealth' programme encompassing proper use of dung to shore up farmers' income have been initiated for attaining growth with sustainability. The aspect of sustainability is important to the Indian dairy industry and the same was also discussed in various sessions during the IDF World Dairy Summit, World's largest dairy summit, held in Delhi NCR last year. As a matter of fact, the summit itself was designed to be a carbon neutral event. Various measures had been taken to ensure that the event contributed to net-zero carbon dioxide emission into the environment, showcasing our capabilities to the global community.

As we commemorate World Environment Day, we should identify how the industry can come together, make collective efforts to combat climate change by sharing best practices, knowledge, experiences and adopting innovative techniques and latest technologies. Though the present situation is marred with limited options, dialogues and discussion through summits along-with incentivizing sustainability, promoting research and innovation efforts, must be encouraged.

When will Dairy farmers get 80-100 per lit in Himachal Pradesh?

JUN 5, 2023

<https://dairynews7x7.com/dairy-farmers-waiting-for-himachal-pradesh-govt-to-fulfill-promise-of-buying-milk-at-rs-80-100-per-litre-cow-dung-at-rs-2-kg/>

Des Raj Sharma (31), a dairy farmer, is anxiously waiting for the Congress-led Himachal Pradesh government to implement its pre-poll promise of procuring milk and cow dung from the farmers at the rate of Rs

80-100 per litre and Rs 2/kg, respectively, at the earliest.

"At present, I have 10 milking cows and the daily sale of milk is 1.2 quintals at the rate of Rs 40-45 per litre, and if the government promises to offer

Rs 80 per litre, why would I not sell it to the government,” said Sharma, who is an electrical engineer by profession and started his dairy business four years ago at his native village Dushra Kha-boo in sub tehsil Riwalsar of Himachal’s Mandi district.

He left his job in [Chandigarh](#) before starting this venture four years ago. He says that the rate of milk is quite low and if the government increases it to Rs 80 per litre, then the dairy business will get a huge boost and several young entrepreneurs will join it.

He had started his farm with a single cow. He is procuring fodder from his 9 bigha land and silage from Punjab.

He also says that if the government starts taking cow dung at Rs 2/kg as promised in the manifesto, then the problem of stray cattle will be solved automatically in the state as several farmers who desert their cows when they go through the dry period will bring them home.

Sharma is not the lone dairy farmer in Himachal who is eagerly waiting for the execution of this promise of the government.

In the run-up to the just-concluded Himachal Pradesh Assembly elections, Congress had made several promises and even media reports had quoted the then Himachal Congress chief and now Chief Minister Sukhvinder Singh Sukhu that if Congress forms the government, then it will procure at least 10 litres of milk from every cattle rearing farmer of the state and the rates would also be increased in the range of Rs 80 to Rs 100 per litre for cow and buffalo milk. The party had also promised to purchase cow dung at Rs 2 per kg.

But now after passing nearly six months of forming the government in Himachal, nothing has been done in this direction to date. Even during

the budget session of the Himachal Pradesh Assembly, [BJP](#) raised this issue, but there’s no change on the ground.

Another dairy farmer Ravinder Banyal (62) too is keen sell milk to the government. He owns around 14 head of cattle, including 12 buffaloes, at Bani under Barsar subdivision in Hamirpur district and has been running his dairy farm for the past four decades. At present, he is selling cow and buffalo milk at Rs 60 and Rs 70 per litre, respectively, because of its good fat content.

Naresh Thakur, another young farmer who is running a 25-cow dairy farm under the brand of MilkMaster Dairy products in Bani, says that they are selling around 3 quintals of milk daily at Rs 60 per litre as they have all cross-breed cows producing milk with good fat content.

“Congress before forming the government in Himachal had promised in the run-up to the assembly elections to procure cow milk at Rs 80 per litre and if it happens every cattle rearing farmer will prefer to sell milk to the government only. But certainly, the government will purchase it on certain parameters which will be made clear later,” says Thakur.

In [HP](#), the villages are scattered in far-flung hilly areas and several cattle rearers do not find a purchaser of milk nearby. Also, transportation of milk from distant locations to the cities is not practically possible for the majority of small-and-medium-size cattle farmers. Himachal Pradesh State Cooperative Milk Producers Federation Limited (Milkfed) collects milk from outlying locations through cooperative societies at the village level. At present, 1.30 lakh litres of milk is being procured daily which during the rainy season touched 1.50 lakh litres per day.

Around 98% of the procured milk is cow milk having 4.5% fat and nearly 8.5% solids-not-fat. Milkfed has been purchasing it at Rs 31.90 per litre. Milkfed also provides a 5% commission to the cooperatives based on their billing amount for their

local expenses regarding collection. Around 50,000 dairy farmers' families are selling their milk to Milkfed.

Nearly 75% of milk supply to Milkfed comes from three districts, namely Kullu, Mandi and [Shimla](#). Milkfed is supplying milk under the brand of 'Him Gauri' across Himachal to the medical and educational institutes and hospitals. Even the Army

in Chandi Mandir is getting its supply from HP Milkfed. HP Milkfed is even supplying milk to [Delhi](#) and Mother Dairy on every alternate day.

Milkfed has increased its procurement from 60,000 litres a day to 1.30-1.50 lakh litres per day for the past some years.

Mother Dairy to set up a Rs 400 Cr dairy project at Nagpur

JUN 5, 2023

<https://dairynews7x7.com/mother-dairy-to-set-up-a-rs-400-cr-dairy-project-at-nagpur/>



Mother Dairy project with an investment of Rs 400 crore is coming up in Nagpur. Union Minister Nitin Gadkari said this on Sunday.

He said that the government will provide 10 hectares of land for this project. The dairy products produced from this unit will be shipped across the country. 30 lakh liters of milk will be required per day to prepare these products, Mother Dairy will be buying this milk from farmers in Nagpur and Vidarbha.

Gadkari assured that this is an ambitious project for the farmers of Nagpur and Vidarbha, thousands of youth and women will be given employment through this Project. Gadkari said,

Gadkari was speaking at a press conference organized to mark the completion of 9 years of the Modi government. On this occasion, Gadkari gave information about the development works done in Nagpur in the last 9 years.

He said that till date 68 thousand youths have got employment in Mihan through various companies. employment has increased in the government and private sectors in the last 9 years. Gadkari said,

Gadkari said that it is the government's policy to create an employment creation economy. We are trying to provide as many jobs as were not given in the last 60 years, Gadkari said.

After South India, A New Dairy War, This Time In Madhya Pradesh

JUN 4, 2023

<https://dairynews7x7.com/after-south-india-a-new-dairy-war-this-time-in-madhya-pradesh/>



After Karnataka and Tamil Nadu, the next battleground for India's dairy industry appears to be shaping up in Madhya Pradesh, where the state's own cooperative dairy brand, Sanchi, is being challenged by the Gujarat-based dairy behemoth Amul.

The Congress party has accused the BJP-led state government of promoting Amul and other brands at the expense of Madhya Pradesh's own Cooperative Dairy Federation's (MPCDF) brand Sanchi, an allegation the government has denied in a political face-off before elections due later this year.

Farmers in Mughaliya Haat village claim they have ceased selling their milk to Sanchi. Prahlad Sen, a farmer who has sold milk to Sanchi for more than two decades, recently switched to a private dairy company offering ₹ 40 to ₹ 45 per litre, a significant increase compared to Sanchi's rate of ₹ 30 to ₹ 32. "We don't get the desired price, that's why we are not giving milk to Sanchi," Mr Sen said.

Similarly, Jitendra Dhangar, whose family has been associated with Sanchi for a quarter of a century, has started selling to Amul. The reason, once again, boils down to a more favourable pricing scheme: Amul offers between ₹ 40 to ₹ 43 per litre, compared to Sanchi's ₹ 32 to ₹ 35.

While the Sanchi Dugdh Sangh collection centre in Mughaliya Haat village remains operational, it stands largely unused. The milk chilling point, once bustling, now lies almost vacant. Phool Singh Dhangar, manager of a cooperative society

providing milk for Sanchi, cited low rates as the key issue.

"Farmers used to believe in Sanchi and cooperatives, but now private companies are giving more money to the farmers," Mr Dhangar said.

Dr Govind Singh, former cooperative minister and opposition leader, warned that if the current trend continues, Sanchi brand products may become obsolete within a year. He further claimed this to be part of a government conspiracy to bolster Gujarat at Madhya Pradesh's expense.

Responding to these allegations, senior BJP leader and cooperatives minister Arvind Singh Bhadoria urged critics to "do proper study and homework" before making sweeping statements. He argued that the Sanchi brand remains profitable and continues to grow.

Despite the government's assertion that Sanchi is still profitable, and its product range is growing, the data tells a different story. The average milk procurement by Madhya Pradesh State Cooperative Dairy Federation Limited (MPCDF) reached its peak of over 11.02 lakh kg per day in 2017-18, followed by a steady decline in subsequent years. The sales of Sanchi's dairy products, which stood at ₹ 1,751 crore in 2017-18, rose slightly in 2018-19 but have been on a downward trajectory since then.

The controversy echoes similar situations in Karnataka and Tamil Nadu, where Amul's entry into the fresh dairy market sparked heated debates. In Karnataka, the Amul-Nandini controversy, which flared up ahead of the assembly elections, centred around fears that Amul's presence could undermine the local dairy industry, particularly the Karnataka Cooperative Milk Producers' Federation Limited, or KMF's Nandini milk brand.

In Tamil Nadu, Amul's entry led to a dispute with the regional cooperative Aavin, with Chief Minis-

ter MK Stalin urging the Home Minister to prevent Amul from procuring milk from Aavin's home turf.

Animal Husbandry Minister to review Anti-cattle Slaughter Act

JUN 4, 2023

<https://dairynews7x7.com/animal-husbandry-minister-hints-at-review-of-anti-cattle-slaughter-act/>



Minister for Animal Husbandry and Sericulture K. Venkatesh on Saturday hinted at the possibility of reviewing the Anti-cattle Slaughter Act enacted by the previous BJP regime.

Fielding reporters queries in Mysuru, Mr. Venkatesh said the Karnataka Prevention of Slaughter and Preservation of Cattle Act, 2020, brought in by the erstwhile BJP government had permitted slaughter of buffaloes above the age of 13, but not cows.

Why not aged cows?

If there is a provision for slaughter of aged buffaloes, he questioned the absence of such a provision for aged cows. Mr. Venkatesh said the matter will be discussed and a decision will be taken. The 2020 legislation had replaced the earlier Karnataka Prevention of Cow Slaughter and Cattle Preservation Act, 1964, which had less stringent provisions.

Personal ordeal

Mr. Venkatesh cited his own ordeal when one of his cows expired. After the veterinarian advised

him to bury it, the dead cow could not be lifted or moved even when several people made a joint effort. Eventually, Mr. Venkatesh said he had to summon an excavator to help bury the dead cow.

To another question, Mr. Venkatesh said there was no shortage for fodder at Goshalas, but the erstwhile government had failed to manage the institutions properly.

Mr. Venkatesh bemoaned the large number of vacancies in the Animal Husbandry Department and said about 9,000 out of the 18,000 posts had remained unfilled. The department was also afflicted with severe shortage of veterinarians. Out of 4,234 veterinary hospitals in the State, 1,600 did not have veterinarians.

Government Orders have been issued for recruitment of 400 veterinarians through Karnataka Public Service Commission, he said. Though the Animal Husbandry Department was large, there was not enough budgetary support, he said, adding that he would urge Chief Minister Siddaramaiah for financial assistance to pay incentives to the cattle farmers and promote animal husbandry.

No Amul

To another question, Mr. Venkatesh said Amul products had not entered Karnataka in a big way, but the State government was firm to promote Nandini dairy products marketed by Karnataka Milk Federation.

IDA East Zone celebrated World milk Day on June 1st 2023:

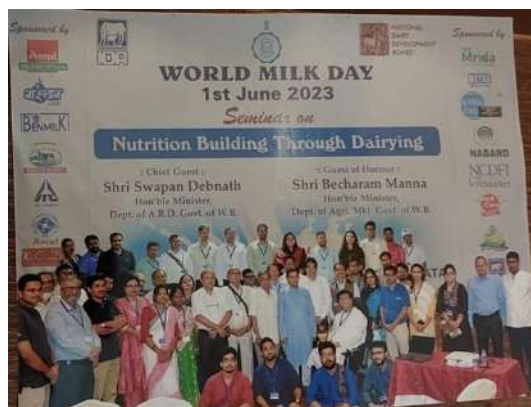
JUN 3, 2023

<https://dairynews7x7.com/ida-east-zone-celebrated-world-milk-day-on-june-1st-2023-nutrition-building-through-dairying/>



On the occasion of World Milk Day, a one-day National level Seminar was conducted on Nutrition Building by Indian Dairy Association on 1st June, 2023. The program was inaugurated by Hon'ble Minister Animal Resource Development Department, Govt. of West Bengal, Shri Swapan Debnath. First he extending the message of Hon'ble Chief Minister, Government of West Bengal, Ms. Mamta Banerjee about Milk Production in West Bengal which has increased because of the efforts of State Government.

In the inaugural speech Hon.Minister directed the expert Mr.Kuldeep Sharma, the IDA Awardee to prepare the Road Map after consulting the participants, other IDA members and stakeholders so that the existing players in WB can adopt villages and conduct meetings in the villages with an aim of economic and ecofriendly benefits are achieved on time basis. This road map must ensure that more milk and milk products can be made available at competitive rate . It must also meet the objective of nutrition building amongst the farmers and consumers through dairy development programs.



Dr. Raja Rathanam, Convenor of the IDA informed that the conversion of unorganized into organized sector on time bound basis can mainly help to achieve the theme of World Milk Day initiated by Food & Agricultural Organization (FAO).

Dr. Sabyasachi Roy, Team Leader, National Dairy Development Board informed that NDDB and other related organization are ready to support the dairy entrepreneur in a cooperative way so that India continues to be Number-One in milk production. Dr. D C Sen, Vice Chairman, Indian Dairy Association expressed to take forward action to benefit the producer, consumer and other stakeholders.



Many dignitaries including industrialist academicians, farmers and consumers attended the programme. At the end a road map has been prepared to achieve the objective of World Milk Day for implementation. Later, Mr Kuldeep Sharma, a dairy expert and IDA Awardee chaired the panel discussion on the theme of the program.

He also agreed to give expert guidance to the association and support the development as well

as implementation of the Roadmap as desired by the State minister

Steps necessary to strengthen Aavin amid milk shortage

JUN 3, 2023

<https://dairynews7x7.com/steps-necessary-to-strengthen-aavin-amid-milk-shortage/>



Pattali Makkal Katchi (PMK) president Anbumani Ramadoss on Thursday called for measures to strengthen Aavin amid reports of shortage and delay in supply of milk in Chennai.

In a statement, he said dealers and the public had been affected and the lax attitude of Aavin

was condemnable. The reduction in procurement and shortage of manpower had negatively impacted the supply, he said.

“Despite the Dairy Minister’s assurance, the supply has been hit, and it is not justifiable,” Dr. Ramadoss said. The State government should realise that the entry of Amul and increase in procurement price by private players have affected Aavin. “Increasing the procurement price is the only solution,” he added.

Mr. Anbumani sought for Chief Minister M.K. Stalin’s intervention on the issue and called for measures to increase procurement and Aavin’s market share to 50%.

We don’t need to import milk’, says Amul MD

JUN 3, 2023

<https://dairynews7x7.com/we-dont-need-to-import-milk-says-amul-md/>



The ₹10 lakh crore Indian dairy industry which also happens to be the largest milk producer in the world is in the midst of a decline in milk production. While Amul MD,

Jayen Mehta, says there was just 1% decline in milk production in FY23, a back-of-the-envelope calculation by dairy experts from across the country pegs the dip in production to be in the region of 5%-6%.

“Last year for a couple of months the demand outpaced supply, but now the situation is better. Gujarat saw a 7% increase over last month and in most of the States there has been an increase in production too. The growth story of India’s industry continues to be positive,” says Mehta.

Moopay announces heat index insurance plan to farmers

JUN 2, 2023

<https://dairynews7x7.com/fintech-firm-moopay-announces-heat-index-insurance-plan-to-farmers/>



STELLAPPS' FINTECH ARM mooPay, in partnership with IBISA Network, HDFC ERGO and Gramcover, has launched a heat Index-based insurance plan for farmers.

The plan aims to provide financial compensation to mooMark dairy farmers to offset income loss due to a fall in milk productivity during heat waves in summer. The cover guarantees insurance benefits for farmers if, over 60 days starting from May 1st, temperatures exceed the specified limits for a predetermined number of days, with region-specific parameters.

The company has noted in a statement that the claim settlement process is simple and hassle-free. The insurer takes the data of temperature trends for the insured period from a pre-agreed public database and compensates the claimant as per the prescribed benefits slab.

In the first phase, mooMark is offering this insurance as a part of its loyalty programme. This policy has claimed to cover around 7000 farmers, in five districts, across four states for a total sum of over Rs 1.3 crore. Farmers are informed of this plan at the village-level collection center and through Stellapps' smartfarms app.

Jinesh Shah, Managing Partner of Omnivore, said, "This is a commendable step towards mitigating the impact of climate change on farmers. This plan will provide them with financial support, promote resilience, and foster long-term agricultural sustainability."

Commenting on this partnership, Rahul Mallick, CEO of mooPay said, "At Stellapps' mooPay, we are reimagining financial products for rural consumers. Working towards this vision, we have partnered with Gramcover to provide India's first Heat Index linked insurance product to protect dairy farmers from the financial loss from extreme heat-related stress on milch cattle. Farmers will get the benefits of this unique cover directly in their bank account, which will also drive confidence in other insurance products.

Milk wars boil over Amul's plans for Karnataka, Tamil Nadu

JUN 2, 2023

<https://dairynews7x7.com/milk-wars-boil-over-for-amuls-expansion-plans-in-karnataka-tamil-nadu/>



The recent battles between the Gujarat Cooperative Milk Marketing Federation (GCMMF), which owns the Amul brand, and Nandini in Karnataka and Aavin in Tamil Nadu may have some roots in a 10-year-old headline-grabbing tussle between Verghese Kurien, the driving force behind India's White Revolution and GCMMF chairman, and Amrita Patel,

chairman of the National Dairy Development Board (NDDB).

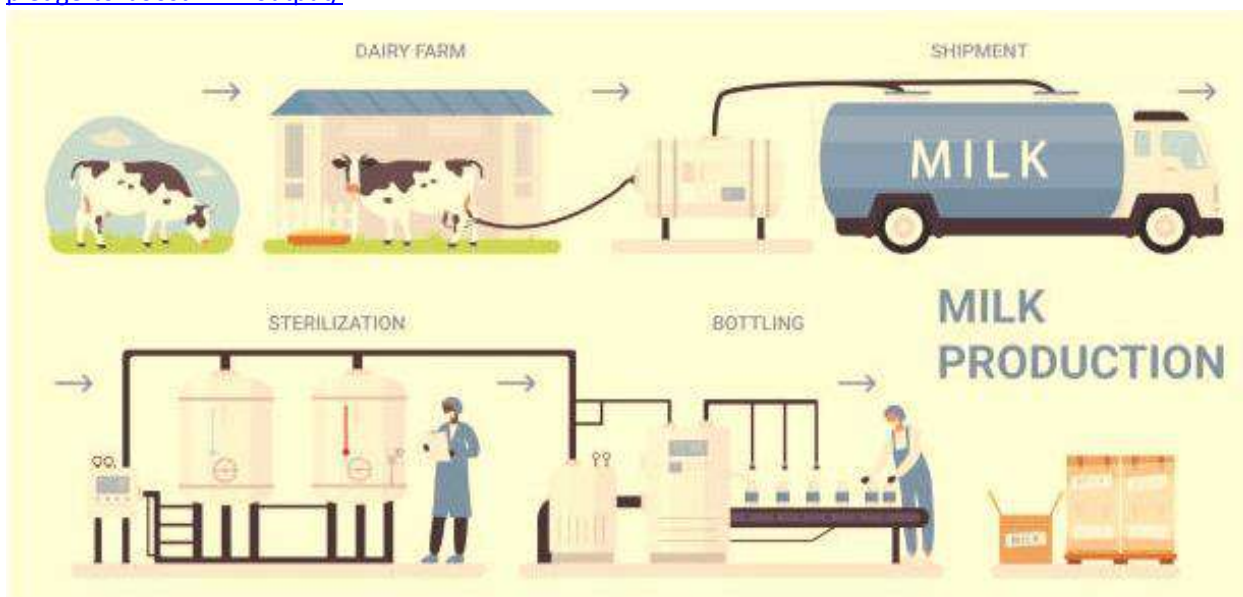
Patel, a Verghese protégé, had wanted to create an umbrella brand under Mother Dairy (an NDDB subsidiary), by setting up joint ventures with state federations to create a centralised brand. Mother Dairy would hold a 51 percent

stake in each joint venture. Kurien resisted fiercely on grounds that it would corporatize the dairy sector. After several rounds of truce talks, in which even the then deputy prime minister L K Advani had to intervene, Patel's plan was shelved.

World Milk Day: producer companies pledge to boost milk output

JUN 2, 2023

<https://dairynews7x7.com/world-milk-day-2023-lakhs-of-dairy-farmers-of-22-milk-producer-companies-pledge-to-boost-milk-output/>



Lakhs of dairy farming members of 22 milk producer companies on Thursday pledged to boost milk production for increasing India's share in the global output, NDDB Dairy Services said.

On the World Milk Day being celebrated on Thursday across various states, lakhs of dairy farmers and their families committed themselves towards making India the 'Dairy of the World', NDDB Dairy Services (NDS) said in a statement.

Out of 22 Milk Producer Companies (MPCs) supported by NDS, 15 have all-women members and

all the producer directors on their boards too are women.

These 22 MPCs spread across 130 districts in 9 states, have 8.7 lakh members and 71 per cent of them are women.

Members of these 22 MPCs pledged to 'Make India Dairy of the World by increasing India's share to the total world production', provide quality milk and milk products to consumers by sourcing milk even from the remotest part of the country, and provide a competitive price to farmer members through a transparent process of milk collection and payments.

They also committed to increase milk productivity through breed improvement programmes and better animal management practices. Meenesh Shah, Chairman of National Dairy Development Board (NDDB) and its subsidiary NDS, said, “Our Prime Minister has envisioned that India should become the dairy for the world. We are part of this proud community of milk producers and are working on numerous initiatives for enhancing production and productivity in India towards making the dream of the Prime Minister a reality.”

According to an official data, total milk production in the country during 2021-22 stood at 221.06 million tonnes.

Top five major milk producing states are Rajasthan (15.05 per cent), Uttar Pradesh (14.93 per cent), Madhya Pradesh (8.06 per cent), Gujarat (7.56 per cent), and Andhra Pradesh (6.97 per cent).

India is the world’s largest milk producer contributing 24 per cent of global milk production in the year 2021-22.

THE MILKY WAY

(India’s largest milk-producing states)

State	DCS (numbers)	Milk procurement*	Liquid milk marketing**
Uttar Pradesh	42,389	1,432	1,699
Bihar	27,482	1,303	1,474
Rajasthan	23,280	3,987	2,330
Gujarat	22,192	27,134	6,043
Maharashtra	19,492	3,861	1,763
Karnataka	17,014	8,164	4,456
Tamil Nadu	10,540	3,562	1,305
All India total	228,374	58,725	39,046

Note: Amul has plants in Gujarat, Delhi/NCR region, UP, Maharashtra, Rajasthan, Madhya Pradesh, Assam, Chhattisgarh, Jammu & Kashmir, and Jharkhand, which indicates procurement of milk from these states

DCS: Dairy cooperative societies; *thousand kilograms per day; **thousand litres per day

Source: NDDB

That episode may well have created an aversion to centralization in the cooperative dairy sector—hence Nandini and Aavin’s reluctance to tie up with Amul. Moreover, the cooperative sector dynamics have changed since 2003. When Kurien resigned from GCMF in 2006, it was a Rs. 3,600 – crore federation. Now Amul is India’s largest FMCG brand with a reported group turnover of

Rs. 72,000 crore in 2022-23. Naturally, it has the money power to compete against any state cooperative.

The current controversy started in December last year, when Union Home and Cooperation Minister Amit Shah said, “Cooperation between Amul and Nandini can do wonders in the dairy

sector.” Opposition parties in the Bharatiya Janata Party (BJP) ruled state immediately saw in this a move to merge the Rs. 21,000 crore Nandini with Gujarat-based Amul.

In April, in the middle of the Assembly election campaign, Amul announced that it would enter Karnataka to supply milk and curd. This led to widespread protests across the state, providing the Congress with a handy issue to mobilise pro-Kannada sentiments. A recent change in the Multi-State Co-operative Societies Act, making the merger of two state cooperative easier, fuelled the Opposition’s argument.

On May 25, Tamil Nadu Chief Minister M K Stalin approached Shah, seeking his intervention to direct Amul to desist from milk procurement from the milk shed catchment area of Aavin (the Tamil Nadu Co-operative Milk Producers Federation) in his state with immediate effect.

Though Nandini and Aavin are small brands compared to Amul, they have a strong market presence in their respective state. Nandini, owned by the Karnataka Milk Federation, produces over 9 million liters of milk per day and has 2.64 million members dependent on it. Meanwhile, Aavin procures 3.5 million liters per day with around 450,000 members for 2022-23 show that it has 3.6 million registered members and procures an average of 27 million liters per day.

What is more, Amul products were already being sold in both states. So what was the problem? “As long as Amul was coming in with products it was not a problem because it was something value added and with a shelf life. When it gets into the local market by procuring locally, it cuts into the market share of local cooperative. This choking in procurement itself may hit the rest of the value chain of the local cooperative,” M S Sriram, a professor at the Centre for Public Policy, Indian Institute of Management- Bangalore, told Business Standard.

But a senior industry official and a long-timer with Amul said, nobody could stop Amul from

entering into procurement tie-ups leagally, because “it is not creating new members, which it cannot do being a state cooperative registered under the state laws”. In fact, he added, Amul currently procures milk in 10 or 12 states apart from Gujarat, including Uttar Pradesh, Bihar, Haryana, Rajasthan, Punjab, and West Bengal, either on its own or through local cooperatives.

“To me it’s a win-win situation because Amul will pay a higher and better price to farmers for their milk, consumers will get cheaper milk products and it is also good for the dairy industry,” he said. He added that as more organized players entered the market, it would bring transparency in operations and pricing and also benefit consumers, “More buyers means a better price of the milk for farmers,” the official said. “In some states, even the state governments invite Amul to set up its own procurement and chilling centres to help milk farmers.

But, critics say that Amul’s foray is welcome in those state where the cooperative structure is weak, but in southern states, where milk cooperatives are big and strong, such creeping entry has started creating problems.

To those who pitch argument and the portrayal of Amul a cooperative, Sriram has a counter view. “When it comes to other states, Amul is not a cooperative, because it is a cooperative of the farmers of Gujarat and accountable to the farmers of Gujarat and not to the farmers of Karnataka or Tamil Nadu, even if they procure from them,” he said. As he wrote in an article in The Wire, other strong local brands lost out in Gujarat when Amul was given prominence – Sagar by Dudhsagar Dairy in Mehsana, Sugam in Vadodara, Sumil from Surat and, Vasundhara from Valsad.

Another major argument put forward by those supporting Amul entry is that the private sector is also procuring milk from these states. But the fact is that the private sector’s market share in liquid milk is much lower. The reason several ex-

perts do not think competition in milk procurement is good is the structure of the milk value chain. Milk has to be procured from villages and then transported and processed at the nearest plant. “That means that procurement has to be monopolistic in nature. It becomes unviable for the other players if they are unable to procure milk. Amul has deep pockets and can bleed for a while and sustain such operations,” Sriram told Business Standard.

Interestingly, according to the Amul website, it has plants in Gujarat, Delhi/NCR region, UP, Maharashtra, Rajasthan, Madhya Pradesh, Assam, Chhattisgarh, Jammu & Kashmir, and Jharkhand, but no plants in South India, indicating that the region is still a roadblock for the mega player. Whether Amul becomes a pan-Indian brand or not is a pure business decision. However, experts indicate that the move may deviate from Kuri-ri-ri’s dream of having hundred Amul- like brands in India.

Towards White Revolution 2.0

JUN 2, 2023

<https://dairynews7x7.com/towards-white-revolution-2-0/>



India has set itself an ambitious target of raising its milk output by around 100 million metric tonnes by 2033–2034 by creating an additional 2 lakh primary dairy cooperatives. But getting there is anything but easy. In March, Union Cooperation Minister [Amit Shah](#), while addressing the dairy industry at the Indian Dairy Summit, talked about raising India’s milk production, currently pegged at around 230 million metric tons (MMT), by at least 100 MMT, and taking the country’s share in global milk output to one-third. The Ministry of Cooperation under Shah plans to achieve this target by creating an additional 2 lakh primary dairy cooperative societies (PDCS).

“The Indian dairy sector has grown by 6.6 per cent per year in the past decade. The central government is setting up 2 lakh dairy cooperatives in villages. Once that happens, the dairy sector growth will go up to 13.80 per cent. And India’s share of global milk production will be 33 per cent. Our dairy exports will be at least five times the current level,” said Shah.

Currently, there are 1,99,182 PDCSs with around 1.5 crore members. These PDCSs are engaged in procurement of milk from the farmers, providing milk testing facilities, cattle feed sale, extension services, etc. The bigger challenge is to double the number of PDCSs in the next 10 years. Experts tracking the sector list out a number of challenges that need to be tackled if India has to increase its milk production rapidly. “The Indian dairy industry remains highly fragmented and largely regional. The organised sector currently accounts for only 26-30 per cent of the marketable milk volumes. Most players are local/regional. GCMF (better known as Amul) being the only player to have a pan-India presence,” says a senior analyst who tracks the dairy sector.

Sheetal Sharad, Vice President, ICRA and an expert of dairy sector echoes the thought. “In value terms, the Indian dairy market is estimated at around Rs 14-15 lakh crore contributing ~4.5 per cent to India’s GDP. Around 70-74 per cent of the dairy market is unorganised (unbranded, traditional vendors) and the remaining is organised (cooperatives + private dairies). The top three dairy players in India are cooperatives. In terms of product mix, 51 per cent is sold as liquid milk and balance as value added dairy products or VADP. The Indian milk production is estimated at 221 million tonnes for FY2022, which is a YoY growth of 5.3 per cent. Around 45-47 per cent is self-consumed by the cattle owner and balance is sold in the market,” says Sharad.

Milk production growth is significantly dependent on growth of cattle population. In FY23, milk production in India was impacted by the incidence of lumpy skin disease (LSD) in North India. Additionally, there was slower than usual induction of new cattle as a result of the restriction on cattle movement owing to LSD. That led to lower milk yields.

Increasing Milk Output

How can India increase its milk production? According to Sharad of ICRA, increase in output will depend on rapid growth in cattle population and incentives to farmers to rear cattle, including attractive pricing for milk. “Also, increasing network penetration and converting unorganised farmers into being part of an organised supply chain can improve farmer incomes and help focus on cattle rearing and productivity,” says Sharad.

Some of the steps being taken by authorities to improve productivity of cattle include cross breeding and artificial insemination to improve the genetic factors of the cattle, leading to better milk yields. Improving access to healthcare facilities for cattle is also being facilitated.

Pushan Sharma, Director – Research, CRISIL Market Intelligence and Analytics points out that the milk yield in India is much lesser compared to the

US and New Zealand. “This is primarily because of the cow and buffalo breeds that are found in India. Higher yielding breeds are expensive and cannot be afforded by small and marginal farmers. Therefore, to substantially increase milk production in India, higher yield milch animals must be made accessible for small and marginal farmers,” says Sharma. Further, the quality of fodder consumed by animals is of substandard quality as farmers switch to different fodder crops in response to fluctuating crop prices. “Ensuring high quality and nutrient-rich fodder for the milch animals will further aid in increasing yields,” adds Sharma.

The recently formed Ministry of Cooperation plans to increase the number cooperatives in India by 2 lakh through schemes and subsidies for dairy coops. Incidentally, cooperatives account for a little less than half of all milk procurement in the organised sector. The same schemes need to be extended to private players as well for overall dairy development in the country, say experts in chorus.

Clearly, the Indian dairy industry needs further enhancements across its value chain to achieve the additional 100-110 MMT in milk production over the next 10 years. On the input front, the foremost priority, experts say, should be improving cattle health by eradicating foot-and-mouth disease and lumpy skin disease. Also, by making artificial insemination services available to all farmers. On the processing and storage side, investments should be made in high-quality machinery, particularly for value-added dairy products that command higher realisations. Then, a robust cold-chain infrastructure is essential to help smoothen distribution and extend the shelf life of dairy products. However, the investment roadmap to achieve this is still a ‘work-in-progress’ by the various government departments.

Demand Grows

Meanwhile, the demand for not just fresh milk but also value added dairy products is on the rise. The Gujarat Co-operative Milk Marketing

Federation (GCMMF), popularly known as Amul India, said recently that the 18.5 per cent growth in its turnover largely on account of demand for branded consumer products. The provisional unduplicated group turnover of member unions of the Amul group crossed Rs 72,000 crore (\$9 billion) for FY23. "Our fresh products grew by 21 per cent with a contribution of 50 per cent to the GCMMF turnover and ice cream range grew by 41 per cent. Our consumer products have registered a growth of 23 per cent year on year with products such as cheese, butter, UHT milk, milk beverages, paneer, cream, buttermilk and dahi having grown at 20-40 per cent," GCMMF said. The GCMMF with its 18 member unions boating farmer member strength of more than 36 lakh across 18,600 villages of Gujarat is investing in new product categories such as organic foods, high protein products, probiotic range, fresh sweets as it aims to transition from being India's largest dairy brand to India's largest FMCG company specialising in food and beverages. Shamalbai Patel, Chairman, GCMMF, emphasises the fact that the mantra of rapid expansion has clearly yielded rich dividends for GCMMF. The next big organised player, and most popular in north India, Mother Dairy Fruits & Vegetables, is said to have recorded a turnover of Rs 15,000 crore for FY23 clocking more than 15 per cent growth. Manish Bandlish, Managing Director, Mother Dairy says: "In FY22-23, we observed a phenomenal demand for milk and milk products across regions. Notably, ice creams saw a remarkable revival registering a growth of over 45 per cent in comparison to the last fiscal, while other leading categories such as dairy beverages, curd etc. also witnessed a healthy growth year on year." According to Bandlish, the consumption trend remained persistent during the fiscal, with continued in-home consumption, enhanced out-of-home consumption and preference for packaged foods going strong. "Apart from the consumer

segment, the demand from institutional segment also made a comeback. The year saw new products, markets and experiences, both for the business as well as the consumers – we introduced a range of new products to expand our value-added dairy products portfolio in order to meet the ever-evolving needs of our consumers," he says.

Going forward, Mother Dairy will continue to expand its markets and categories with the best-in-class product experience to enhance consumption while creating new avenues for its farmers. Nestle India, which follows the calendar year as its financial year, reported sales of Rs 16,790 crore, clocking its highest double-digit growth in a decade led by sustained volume growth. "In 2022 total sales grew by 14.5 per cent and domestic sales increased by 14.8 per cent, with broad-based performance across all categories," Suresh Narayanan, Chairman and Managing Director, Nestlé India said in a statement. For the full calendar year 2022, the company reported sales of Rs 16,790 crore and a profit of Rs 2,390 crore.

Others Are Growing Too

Besides GCMMF and Mother Dairy, there are other significant regional players in the dairy business that are also clocking growth. For example, there is KMF from Karnataka, better known by its brand name Nandini. It has more than 25 lakh farmers. Then, there is Parag Milk Foods which in FY22 sourced more than 11 lakh litres of milk daily from more than 2.5 lakh farmers spread across five states but majorly based in Maharashtra.

Also, there are players like Heritage Foods (Andhra Pradesh), Hatsun Agro, (Tamil Nadu, Andhra Pradesh, Telengana & Karnataka), Dodla (also in Southern India), among others, that are helping the business grow.

Experts say that adding more farmers to these networks plus creating more cooperatives is the only way to push the overall milk production. The policymakers in states and at the Centre

must take note of this and give all possible support to make India a globally significant player in

milk production as well as exports and quality by-products.

Milk production improves in recent weeks

JUN 2, 2023

<https://dairynews7x7.com/milk-production-improves-in-recent-weeks/>



With the summer heat abating in recent weeks due to scattered rainfall, the region's dairy industry has reported increased production figures after a recent slump. The news came as a positive sign on World Milk Day, observed on June 1.

"On Thursday, we produced 4,62,739 litres, and sold 1,48,000 litres. This quantity is a significant improvement from the previous month," a senior official of the Tiruchi chapter of District Cooperative Milk Producers' Union, popularly known as Aavin, told The Hindu.

The official added that 3,20,000 litres is sent to Aavin's Chennai operations, while the rest is reserved for sale in Tiruchi, Perambalur and Ariyalur. "We also include milk by-products in our catalogue like curd, buttermilk, butter, and also clarified butter (ghee). The demand for ghee is so high that we are planning to procure it from other dairies and market it through Aavin in the coming weeks," he said.

Summer is a lean period for dairies as milk production slows down. "However this is also the time when consumption is high, especially in the form of ice-creams and yoghurt due to the heat. The imbalance between the demand and supply

definitely affects the price," said Vidya Madan, executive director, Vijay Dairy and Farm Products, in Peramangalam, Tiruchi.

The private enterprise sources over 1,20,000 litres of milk per day from approximately 7,000 farmers in the region. "Over the years, organised dairies which follow stringent government hygiene protocols, have a greater presence in the milk production sector. Besides this positive growth, we have also noticed a change in the pattern of consumption. Earlier milk was reserved for cooked preparations. Now, we can see value-added products like flavoured yoghurt and probiotic products being sought out in the market. Paneer (cottage cheese), which used to be a north Indian delicacy, is now being widely manufactured by southern dairies too," said Ms. Madan

Global News

China's continued absence from dairy market weighs on milk prices

JUN 14, 2023

<https://dairynews7x7.com/chinas-continued-absence-from-dairy-market-weighs-on-milk-prices/>

China's continued absence from the dairy market is continuing to undermine a recovery in milk prices.

Despite this, both IFA and ICMSA have warned milk processors that farmers cannot afford any further cuts to milk price and believe the market has recovered.

It comes as Ornuia said its returns declined again in May based on its Ornuia Purchase Price Index (PPI).

It said estimated Member Co-op processing costs of 7.5cpl (excluding any allowance for processor margin) for the Ornuia product portfolio implies an indicative return of 36.7 cpl, VAT inclusive (down from 37.6cpl), and blamed the fall on 'continued weaker market returns'.

The Ornuia result came after what was described as an 'underwhelming' Global Dairy Trade (GDT) auction last week.

The overall GDT index was down 0.9%, led by a 3% decline in WMP prices, a larger fall than the circa 1.5% dip that the futures market had projected ahead of the event.

Nat Keall, Economist with New Zealand bank ASB said dairy prices have largely drifted over recent auctions, struggling to maintain clear direction.

"The most notable feature of this week's auction is China's continued absence from the market.

"Looking over the last handful of auctions – and six months on from the ending of those restrictions – China's return to the global dairy market has been modest and uneven.

"This isn't hugely surprising – local WMP production remains strong, while domestic consumption remains comparatively subdued.

The prevailing global dairy market dynamics don't look 'hugely supportive' for prices, Knell said.

"As we've said for some time, global dairy supply looks to be past the lows of recent years at the same moment that global growth is slowing, crimping consumption."

However, ICMSA's Dairy Committee Chair, Noel Murphy said that milk markets have shown real resilience in the last six weeks culminating in an upswing in spot prices across most products.

Milk price cuts could halve dairy farm incomes in 2023

JUN 13, 2023

<https://dairynews7x7.com/milk-price-cuts-could-halve-dairy-farm-incomes-in-2023/>

A sharp reduction in milk prices and very high production costs could see dairy farm incomes halved in 2023, compared to the very high levels last year.

The family farm income (FFI) for Irish dairy farmers increased by 53% to an average of €150,884 last year, which was driven by a significant rise in milk prices.

Data representative of 15,319 dairy farmers shows that the average income on dairy farms in 2022 was €2,332/ha. This reflects a year-on-year increase of €794/ha.

“Sharply higher” milk prices were observed in 2022, however production costs were up by 32% on average, according to Teagasc’s National Farm Survey 2022.

Dairy farm 2023 outlook

While last year was quite an “excellent” year for Ireland’s dairy and tillage sectors, the same cannot be said for 2023 to date, according to research officer at Teagasc, Trevor Donnellan.

“We saw a very big increase in milk prices internationally in 2022 and an even larger increase in the case of Ireland.

“We are seeing the flipside of that now in 2023 where the Irish milk price is falling to a greater extent than the milk prices in other European countries.

“That’s because the Irish milk prices have reached such a very high level, there is not the same level of international demand for dairy products in 2023,” Donnellan told Agriland.

Very high costs for milk production are continuing at the moment and will squeeze dairy farm margins in 2023, according to the research officer.

Ireland could face a situation where average income levels on dairy farms could be halved, falling back to €75,000 in 2023, Donnellan said.

So far this year Ireland has seen a sharp reduction in milk prices, dropping from very high levels in 2022 back to levels that, he said, are probably considered “more normal” price levels for milk.

“If we are going to contrast what has happened in 2022 with what is likely to happen in 2023, we will see a big income difference in both dairy and tillage in those two income years,” he said.

Global milk production still ‘growing’ – Rabobank : Agriland

JUN 12, 2023

<https://dairynews7x7.com/global-milk-production-still-growing-rabobank-agriland-ie/>

There is likely to be lower milk production in the EU and the US during 2023 which could “stabilise” global market prices, according to a new report from Rabobank.

Overall global milk production is still rising but, according to the bank, it is “losing momentum”. In its latest Global Dairy Quarterly report, Rabobank also warned that there are signs of weakening dairy demand in some markets.

“The cumulative effects of high food-price inflation over the past 24 months, in most cases significantly higher than salary growth, along with slowing economic activity in 2023 have translated into lower dairy demand in developed and emerging markets,” it stated.

As a result it has lowered its 2023 milk production forecast from last quarter’s forecast of 0.7% to 0.5%.

In the report, the bank detailed that slower growth is attributed to “stagnant output in the EU”.

It expects that in quarter three, EU milk production will be flat year-on-year and noted that while some farmers had managed to “sustain production growth” – despite lower farmgate prices – weather volatility in some regions could “slow deliveries further”.

Source: Rabobank

Rabobank also outlined that a contracting dairy herd and lower yields are likely to slow milk production in the US while in New Zealand and Australia the “dairy pool is stabilising”.

“While profitability remains challenging for New Zealand farmers, current estimates suggest that output could be higher next season.

“Meanwhile, Australia’s milk pool is showing signs of stabilisation after a nearly 5% year-on-year decline in the 2022/23 season.

“Water and feed availability should support production growth next season,” the report highlighted.

South American milk production also remains under pressure and according to Rabobank Ar-

gentina, is likely to “experience a significant contraction” in milk production because of low forage after a very dry summer.

The bank also expects to see milk production in China while imports decline.

“Chinese dairy imports (liquid milk equivalent excluding whey) declined by 36% year-on-year in quarter one 2023, adding pressure to already weaker global prices in the short term,” the report outlined.

According to Andres Padilla, senior analyst dairy at Rabobank, some price deflation in dairy could help “sustain” demand levels in key markets during the second half of 2023.

Time to privatize Dairy Development Corporation(DDC) in Nepal

JUN 12, 2023

<https://dairynews7x7.com/time-to-privatize-dairy-development-corporationddc-in-nepal/>

In an agricultural country like Nepal, where 66% of the population are farmers, and livestock covers 32% of agricultural GDP, one would expect the dairy industry to flourish as a testament to their toil. Yet, reality paints a different picture, revealing a disheartening tale of missed opportunities and untapped potential. The Milk Industry in Nepal has long been plagued by inefficiency and financial losses, primarily represented by the struggles faced by the Dairy Development Corporation (DDC). For decades, this state-owned entity has failed to achieve profitability, resulting in significant financial burdens on the nation’s hardworking taxpayers. This article delves into the pressing need for the privatization of Nepal’s state owned DDC, highlighting its inefficiencies and the implications of its continued financial strain on the taxpayers. The article also advocates for a transition of the role of government in this sector that would alleviate this burden and foster a more vibrant and self-sustaining industry.

Firstly, let’s start by talking about the market for milk in Nepal. As per FAO/WHO, the demand for milk in Nepal is 92 liters per person per year, and the country produces 79 liters per person annually. It is estimated that the average current deficit is around 550,000 liters of fluid milk per day with 10-20 % variability during different seasons. According to the Department of Livestock Services (DLS), production is increasing at a rate of 3.4 % annually, but demand is growing at 8%. The average cost of per liter milk production in Nepal is around Rs 56.32. It is lowest in Ilam at Rs 45.37 per liter and highest in Sarlahi, at Rs 67 per liter.

When it comes to dairy development in Nepal DDC is a living history. However, like other state-owned enterprises in Nepal, it has inbuilt difficulties and incompetency. DDC is a significant player in the market, handling a disproportionately high share of 40% of milk production in the country. Regardless of a substantial market share over the past five years, the corporation has been experiencing massive financial losses.

In the fiscal years 2019/20 and 2020/21, the company incurred losses of Rs 158.3 million and Rs 168 million, respectively. The loss trend continues in the year 2022 and 2023 which is substantiated by ongoing protests across various regions in Nepal, led by milk farmers affected by DDC's untimely payment practices. While other dairy companies are flourishing and expanding their portfolio DDC's continuous loss alone is enough to prove its incompetency. Let's delve deeper into the reasons behind the inefficiencies of the DDC, shedding light on the factors that have led to its downfall.

Supply Chain Incompetency

In 2020, DDC requested a concessional loan of Rs 300 million from the Ministry of Finance, facilitated through the Ministry of Agriculture and Livestock Development. DDC had been unable to pay farmers for their milk for the past three months. According to them, there was approximately Rs 1 billion worth of dairy products in stock as they were not able to sell the product. DDC had also requested a subsidy of Rs 5 per liter from the Ministry of Agriculture for the consumption of 17 million liters of milk. This highlights a significant supply chain inefficiency as DDC, despite being a majority shareholder in the market, fails to capitalize on the existing deficit of 550,000 liters per day in the milk market.

Lack of Efficient Decision Making

During COVID, after DDC bought up to 100,000 liters of milk every day, they had problems managing the milk. Hence, the provincial government provided Rs 50 million grant to upgrade the powder plant to be able to operate 24 hours a day and establish a new ice bank. The Biratnagar Milk Supply Scheme (BMSS), which upgraded the powder plant by expecting an increase in milk collection, is now, at times, completely non-operational till the interval of up to half a year due to insufficient milk collection. The BMSS is currently collecting 10,000 liters of milk daily. During the same period last year, the daily collection was 22,000 liters. Not only is DDC unable to meet

the market demand, it has stopped the production of cheese. Their ghee has not been sent to the market for months. The short-term thinking and lack of foresightedness among the decision-makers have cost the taxpayers in millions.

Untimely Payment to Suppliers

In March 2023, the government fixed the minimum purchase price of raw milk containing four units of fat at Rs 65 per liter for the farmers. However, Farmers opt to sell their milk to private companies instead of DDC due to the private sector's provision of more competitive pricing and timely payment, thereby aligning with their economic interests. Private industries are buying milk by paying Rs 5-10 more per liter. The private sector is giving advance payment to the cooperatives, but DDC has been buying milk on credit for two months. Among the farmers, DDC has been known as a 'slow pay' company. The milk collection capacity of BMSS has been decreasing at a rate of 50 percent every year for the past few years. The Biratnagar project is in trouble as DDC is unable to bring milk from Ilam, where it collects the most milk. Until three years ago, about 12,000 liters of milk was collected daily from Ilam, now 3,000 liters are collected daily. Farmers are unwilling to sell milk to DDC due to lack of timely payment. Hence, the reluctance of farmers to sell milk to DDC, despite the milk production capacity of Nepal remaining intact, highlights the perceived inefficiency of DDC in effectively engaging with farmers and establishing a mutually beneficial relationship. This demonstrates the superior efficiency of the private sector in this industry, as it not only offers competitive prices to farmers but also manages to sell milk to consumers at the same price as DDC. Consequently, this approach avoids any loss of taxpayers' money.

Inefficient Use of Resources

In Nepal, there are two seasons based on milk production at the farmers' level. During the lean season, the demand for milk is higher than the supply and during the flush season, the demand

is lower than the supply. Even today, DDC is not able to buy all the milk offered by the farmers, especially during the flush season. As a consequence, DDC imposes a milk holiday on certain days during the period when they do not buy any milk from the farmers. On the other hand, during the lean season, DDC has either been importing skimmed milk powder to meet consumer demand or buying milk from private companies. In the Indian market, the base price of milk stands at Rs 70 per liter, whereas in Nepal, it is merely Rs 64 per liter. The inability of DDC to powder and store milk exclusively during the flush season not only leads to significant financial losses for the organization but also imposes these losses on the general public. If private companies can efficiently utilize resources and maintain a consistent price throughout all seasons, there is little justification for bailing out DDC, which has been purchased from these very private companies at the expense of public losses.

Corruption and Lack of Accountability

Lack of accountability and corruption is a very common cause of inefficiency of Public Enterprises in Nepal. The stakeholders often act on their self-interests rather than the interests of the organization as they have very little incentive to maximize the organizational profit. Additionally, the government often appoints unqualified or underqualified individuals to top positions based on political connections rather than merit, resulting in poor decision-making, lack of accountability, and a culture of corruption. DDC is indifferent to this and has been plagued by inefficiency due to rampant corruption within the organization. This has hindered the corporation's ability to fulfill its objectives and has negatively impacted its overall performance. One glaring example is highlighted in a report from 2016 which exposed DDC officials who were found involved in accepting commissions. Such unethical practices not only undermine the corporation's integrity but also result in the misallocation of re-

sources and compromised decision-making processes. When officials prioritize personal gain over the interests of the organization, it leads to inefficiencies in the procurement, production, and distribution of dairy products.

Furthermore, another report shed light on another form of corruption within DDC which revealed instances where service-seekers were forced to pay bribes to officials in Saptari DDC. This kind of extortion erodes public trust in the corporation and discourages genuine service-seekers from engaging with the organization. It also creates an uneven playing field, where those with connections or the ability to pay bribes receive preferential treatment, further exacerbating the inefficiencies of the organization.

Lack of Audit Reports

The absence of audit reports of DDC for seven consecutive years raises significant questions about the financial transparency and accountability of the organization. Audits play a crucial role in ensuring the accuracy and reliability of financial statements, detecting fraud or mismanagement, and providing insights into the overall financial health of a company. The lack of audits undermines these essential functions, creating an atmosphere of uncertainty and casting doubts on the financial integrity of DDC. These reasons could range from administrative negligence to deliberate attempts to conceal financial irregularities. This raises an alarming question as to why no one has taken action or asked questions about the missing audits. This is related to accountability and governance mechanisms of DDC and the government itself. It is crucial for stakeholders, including government authorities, regulatory bodies, and the general public, to demand transparency and seek answers regarding the reasons behind the missing audits. Without regular audits, it becomes difficult to assess financial performance, identify areas for improvement, and ensure compliance with legal and regulatory requirements. Lack of transparency in the organization has led to mismanagement,

corruption, and resource wastage, further hindering the efficiency of DDC.

To conclude, to enhance efficiency and improve the dairy market in Nepal, it is imperative for the government to adopt effective policies that focus on fostering a thriving milk industry rather than directly engaging in business operations. For instance, one of the major factors contributing to the low milk production in Nepal is the limited milk yield of the local cow breeds. Currently, only 5% of the cattle in Nepal are pure breeds such as Holstein and Jersey, which are known for their higher yield. To address this issue, Nepali farmers have resorted to artificial insemination (AI) to crossbreed their local cattle with Holstein and Jersey breeds. However, despite these efforts, the average milk yield per cow ranges from 500 to 2,000 liters per year, which falls short of desired levels. To tackle these challenges and revitalize the dairy market, the government can facilitate the import of high-yielding dairy cows. By streamlining the process and making it more accessible for businesses and corporations to import such cows, Nepal can significantly boost milk production.

Similarly, encouraging foreign direct investment (FDI) in the dairy sector can yield substantial benefits. For instance, if renowned brands like Amul are allowed to enter Nepal, they can bring advanced technologies, expertise, and cooperative models. It is important to dispel the misconception spread by interest groups that such investment will negatively impact local milk farmers. In reality, international brands will still rely on local farmers for their milk supply. Additionally, the

comparative affordability of milk in Nepal compared to neighboring India ensures that Nepali farmers will not suffer from a lack of demand. In fact, increased competition and demand from foreign brands entering the market will incentivize farmers to produce more milk. Hence, the government should prioritize the best interests of the overall population rather than succumbing to pressure from interest groups.

Lastly, the government must take decisive steps to ensure free market competition in the dairy sector and limit its crucial role in standardizing milk quality through the implementation of effective quality control measures. Introducing a free-market framework and fostering healthy competition are essential as they empower the market to self-regulate, eliminating substandard milk products that fall short of meeting consumer demands. In a truly free market, local participants will be driven to standardize their milk products to compete effectively. As a result, only the highest quality milk will prevail in the market, benefiting consumers by guaranteeing their access to safe and nutritious dairy products. Embracing such a market-oriented approach is pivotal for the industry's long-term growth and sustainability, as it encourages innovation, efficiency, and the continual improvement of product offerings. By facilitating an environment where quality is the hallmark, the government can inspire consumer trust, foster economic development, and position Nepal's dairy sector as a beacon of excellence both domestically and internationally.

World Dairy Innovation Awards 2023 :Shortlist announced

JUN 9, 2023

<https://dairynews7x7.com/world-dairy-innovation-awards-2023-shortlist-announced/>

We are excited to announce the shortlist for the World Dairy Innovation Awards 2023 . With new innovation categories this year, the judges had a tough time selecting the shortlisted entries for each category.

In the dairy product categories, we have some outstanding contenders, including plant-based milk alternatives, strong advancements in children and infant formulas and health and sugar control innovations. In our innovation and business categories, we have some commendable entries bringing new technology into consumers' hands and animal-free intolerance-friendly products.

The winners of The World Dairy Innovation Awards 2023 will be announced in a grand ceremony in a few weeks' time at Zenith's Global Dairy Congress. Stay tuned for more updates, and join us in celebrating the innovators and visionaries who are pushing the boundaries of dairy excellence!

Artisan Product

Inner Mongolia Yijiahao Cheese – Yili professional thick milk premix

Yili Group – Organic Camel Milk Powder

CP-Meiji – Meiji RAY

ElkeMelk – Cow specific milk

Butter/dairy spread

Land O'Lakes – Butter Balls

Milkio – Grass-Fed Sheep Ghee (Clarified Butter) Cheese

Inner Mongolia Yijiahao Cheese – Double-layer cheese lollipops

Castle MacLellan Foods – Barber's Mature Cheddar and Chorizo Cheese Bake

Yili Foodcode – popped cheese

China Feihe – Feihe Zhuoran High-calcium Cheese Lolly

China Feihe – Zhuoran High-calcium Cheese Lumps

Meiji – Hokkaido Tokachi Rich Taste Slices Children's dairy product

Inner Mongolia Yijiahao Cheese – Cheese Bomb Yeeper Dairy (Qingdao) Group – Bekari Quanyangshidai Sheep Milk Powder for Children Yeeper Dairy (Qingdao) Group – Yeeper lamb sheep milk powder for children

China Feihe – Xingfeifan Zhuoyao Infant Formula Stage 1

China Feihe – ASTROBABY Children Formula Stage 4

China Feihe – AstroBaby Platinum Infant Formula (0-6 Months, Stage 1)

China Feihe – ZHUORAN High-Calcium Yogurt

China Feihe – ZHUORAN High-Fiber Yogurt Dairy alternative

HiBarlee – Hazlenut Flavoured Highland Barley Drink

VIETNAM DAIRY – 9 kinds of plant milk (Vinamilk Super Nut)

TCI – VeCollal[®] Biomimetic Collagen Drink

GOE Wellness – Healthfullicious'ly M'yilk Creamy Plant Based Hemp Drink

NotCo – NotMilk Barista™

Daiya – Cutting Board Mexican 4 Cheeze Style Blend Shreds

JÖRÐ – JÖRÐ Oat and Vanilla Drink

Meiji – Choco Koka Cacao Spread

Dairy dessert/confectionery

Inner Mongolia Yijiahao Cheese – Cheese pearls jam of Yili professional dairy

Arla Foods Ltd x Baileys – Baileys[®] Extra Thick Strawberries and Cream

Dairy drink

CP-Meiji – Milk Shake

Hunt and Brew – Hunt and Brew launches Single Origin Cocoa drink, no added sugar!

Arla B.O.B – Arla B.O.B Semi Skimmed Milk That Tastes Like Whole

Meiji Co. – Meiji Five Star Support

Dairy protein product

Inner Mongolia Yili Industrial Group – Satine A2
 Beta-casein Organic Pure Milk
 Nottingham University Hospitals NHS Trust – N-
 ICE Cream (Nottingham High Protein Ice Cream)
 Arla Protein – Arla Protein Chocolate Pudding
 Arla Protein – Arla Protein Salted Caramel Pud-
 ding
 Meiji Co. – Savas Milk Protein Yogurt
 Dairy snack
 Yili Foodcode – popped cheese
 Yasso – Vanilla Bean Poppables
 China Feihe – Feihe Zhuoran Cheese chocolate
 ball
 Ice cream/frozen yogurt
 Inner Mongolia Yili Industrial Group – Xujinhuan
 Cheese Flavored Ice cream
 Arla Foods Ingredients – High protein ice cream
 with Nutrilac® ProteinBoost
 Yasso – Vanilla Bean Poppables
 Jeni’s Splendid Ice Creams – Biscuits With The
 Boss
 Jeni’s Splendid Ice Creams – Butterscotch Pop-
 corn
 Meiji Co. – Dear Milk
 Yogurt
 Bright Dairy & Food Co. – Momchilovtzi
 Inner Mongolia Yili Industrial Group – AMBRO-
 SIAL Youqier
 Meiji Co. – Enhanced Nutrient Absorption Yogurt
 Drink
 Functional dairy
 Inner Mongolia Yili Industrial Group – Zhenhong
 High Calcium
 Inner Mongolia Yili Industrial Group – ShuHua
 AnTangJian Sugar Control Lactose-Free milk
 China Feihe – AIBEN bovine colostrum Milk Pow-
 der
 China Feihe – Aiben Lactoferrin Formula Milk
 Powder
 Meiji Co. – Fat Fighting MI-2 Yogurt
 Meiji Co. – Probio Yogurt R-1 (iron and vitamin C
 fortified)
 Meiji Co. – Meiji Meibalance with Fermented
 Dairy

Dairy alternative Innovation
 JULIENNE BRUNO® – BURRELLA®
 GOE Wellness – Healthfullicious’ly M’yilk Creamy
 Plant Based Hemp Drink
 TCI Co. – Flounder Collagen Bone & Muscle Sup-
 port Drink
 DSM – Plant Power Oat life’s®OMEGA
 VIETNAM DAIRY – 9 kinds of plant milk – Vina-
 milk Super Nut
 Tetra Pak – Whole Soya
 Næra™ Icelandic Snacks – Vegan Oat Skyr Bites
 Imagindairy – Unimaginable dairy without the
 cows by precision fermentation
 Intolerance-friendly Innovation
 New Culture – Animal-free dairy cheese
 MEILU BIOTECH – AusNuotore Qingyue Young
 Children Goat Formula Milk Powder
 GOE Wellness – Healthfullicious’ly M’yilk Creamy
 Plant Based Hemp Drink
 CP-Meiji Co. – Lactose Free Dairy Milk with Malt
 Manufacturing/technology innovation
 Arla Foods Ingredients – Refreshing Fermented
 Protein Drinks
 DSM – AI-powered Culture Co-Creation Platform
 Junlebao Dairy Group Co. – Junlebao® Kefir® K-
 10
 TCI Co. – Flounder Collagen Bone & Muscle Sup-
 port Drink
 Junlebao Dairy Group Co. – Junlebao® Chewing
 Bar Cereal Yogurt
 China Feihe – Low-temperature preparation of
 lactoferrin and its intelligent control
 ElkeMelk – ElkeMelk
 Cell-based innovation
 New Culture – Animal-free dairy cheese
 Imagindairy – Unimaginable dairy without the
 cows by precision fermentation
 Marketing campaign
 Hunt and Brew – Hunt and Brew shows us that
 the hunt for the perfect coffee is an animal in-
 stinct
 Arla Foods Ingredients – Refreshing Fermented
 Protein Drinks with a novel healthy twist

Les Producteurs de lait du Québec – On élève la barre (Raising the bar)
Dairy Farmers of Canada – Meet Daisy and her Mini-Games
Dairy Farmers of Canada – Net-Zero by 2050 – We’re In
Saputo Dairy USA – Frigo Cheese Heads
Inner Mongolia Yili Industrial Group Co. – AM-BROSIAL Environmental Protection marketing campaign
ElkeMelk – Cow specific milk
New/start-up business
New Culture – Animal-free dairy cheese
ElkeMelk – Cow specific milk
Imagindairy – Unimaginable dairy without the cows by precision fermentation
Packaging design

Inner Mongolia Yili Industrial Group Co. – Satine No Printing No Ink Environmentally friendly Edition
Inner Mongolia Yili Industrial Group Co. – Satine PRO UF Milk Limited Edition of Blue and White Porcelain
Inner Mongolia Yili Industrial Group Co. – Satine Limit pasture · Hulunbuir Organic Pure Milk
Fromagerie Milleret & Amcor – Le Brie Baron CSR/sustainability initiative
Joyday – Public Welfare in 2022
Dairy Farmers of Canada – Net-Zero by 2050, We’re In
Inner Mongolia Yili Industrial Group Co. – Satine A2 Beta-casein Organic Pure Milk
Arla Foods – Sustainability Incentive Model

Challenges of Dairy industry in Bangladesh

JUN 8, 2023

<https://dairynews7x7.com/challenges-of-dairy-industry-in-bangladesh/>

World Milk Day was observed across the world, including in Bangladesh on June 1. It is an international day established by United Nation’s Food and Agriculture Organization (FAO) to recognize the importance of milk as a nutrient-rich food and to celebrate the dairy sector. Being observed on June 1 each year since 2001, the day provides an opportunity to raise awareness on the importance of dairy for attaining healthy diets, responsible milk production, and supporting dairy-dependent livelihoods and communities.

This year, the day focused on showcasing how dairy is reducing its environmental footprint, while also providing nutritious foods and improving livelihoods.

Milk and dairy products represent one of the most elemental foods for all age categories because of its nutrient composition. Milk and dairy products are a valuable source of high-quality protein, which is necessary for the growth and repair of body tissues, and the production of enzymes and hormones.

They are also excellent sources of calcium, which is essential for building and maintaining strong bones and teeth. Dairy products, including fortified milk, contain vitamin D. This vitamin aids in the absorption of calcium, promotes bone health and supports the immune system. Milk and dairy products also provide other important nutrients like potassium, phosphorus, magnesium, vitamin B12, and riboflavin, which are necessary for various bodily functions. Some studies suggest that

moderate consumption of milk and dairy products, particularly those low in fat, may be associated with a lower risk of cardiovascular diseases. World Health Organization (WHO) recommends consuming 250 ml of milk per person per day. According to the Household Income and Expenditure Survey-2022, per capita daily milk and milk product consumption in Bangladesh is 34.1 g which is significantly low. The root causes of low consumption of safe and diversified dairy products such as yogurt or local cheese are lack of awareness of the benefits of dairy, mistrust of livestock products due to adulteration, poor intrahousehold allocation of food, and lack of access to affordable dairy products.

According to the Department of Livestock Services (DLS), the growth in production in the last ten years has been linear and amounted to 130.74 lakh metric tons in 2021-22 fiscal but the demand was 156.68 lakh metric tons.

In Bangladesh, most of the produced milk comes from marginal farmers who rear low-yielding local breeds, often leading to inadequate milk supply and slowing growth in the dairy sector. At present, only 40% of the cattle in the country are crossbred, leaving an untapped potential in accelerating milk production, and meeting the national demand for milk faster (report-2019; FAO, UNIDO).

Bangladesh has a warm and humid climate, which can pose challenges for dairy production and storage. Maintaining the quality and freshness of milk can be more difficult in such conditions. Additionally, the country faces limitations in terms of land availability and resources for large-scale livestock farming.

Public and private sector initiatives can play a role in increasing milk production and consumption through greater investment. It was observed that both formal and informal value chains coexist where milk collectors and chilling centres have a lead role. The milk supply chain mostly depends on smallholder milk production and inclusive market development. Behavioural

change communication is also vital to build awareness of milk consumption.

The Feed the Future Bangladesh Livestock and Nutrition Activity, which is supported by USAID and implemented by ACDI/VOCA, has been working with public and private sector partners to increase milk consumption through increased productivity, access, and social behavioural change.

Last year, in collaboration with the Department of Livestock Services, the Activity provided training to 233,882 livestock farmers on animal health management, farm management, feeding practice, fodder production, hygiene and nutrition for increasing livestock productivity and nutrition awareness. In addition, 1,647 animal health and household nutrition campaigns were conducted, 175,731 livestock animals were vaccinated to increase productivity and messages on the importance of milk and product consumption were disseminated to increase awareness.

BRAC Dairy Limited, Akij Dairy Limited and PRAN Dairy Limited have taken initiatives for enhancing milk production and procurement from farmers, they are fortifying the formal market channel and fostering a more inclusive village-level milk collection system. They launched various dairy product lines and undertook myriad branding and market expansion activities to reach last-mile consumers.

Also, the Activity onboarded 49 Dairy MSMEs and Market Management Committee (MMC) to increase access to dairy products. MSMEs are vital to play an important role to increase the dairy product in rural markets. The Activity provided hands-on training to MSMEs on diversified dairy product processing (Mozzarella Cheese, Cottage Cheese, Ghee, Butter, Yogurt & fermented dairy drink varieties). Also, supported them in local and border market linkage as well as financial access.

The project is leveraging public and private sector resources to disseminate messages on the health importance of milk consumption. Private

companies are educating consumers through their marketing strategy on the importance of safe milk consumption. Through a partnership with the Bangladesh National Nutrition Council (BNNC), a large network of community health workers and religious leaders disseminate nutrition and hygiene messages to promote milk consumption. Mass awareness is also generated through community engagement events such as campaigns, day observation, and social media and cable TV networks.

Dr. Md Sahabuddin, District Livestock Officer of Cox's Bazar, said: "To increase milk consumption, it is necessary to increase milk production, and market expansion as well as the behavioural change towards milk consumption. So, we need to work on all those issues simultaneously. Here we may mention that Feed the Future Bangladesh Livestock and Nutrition Activity is working on all the mentioned aspects and bringing good results among the beneficiaries regarding milk consumption."

Twelve cattle-owning farmer Md. Monnasef Howlader Firoz, Rupatoli, Barishal said 'I learned a lot from the project and got technical assistance from the project in feed management, fodder production and animal health management. I am very happy about the 45% increase in milk production. I have started the diversified dairy product processing, but more support is required for

making the market for smallholder dairy processors like me'.

Abu Zahid, Deputy Manager of PRAN Dairy Limited, said according to recent data about 97% of milk is produced in rural areas. Inclusive milk collection from farmers by dairy companies will create an opportunity for economic benefits of supporting local dairy farmers and could also contribute to increased consumption.

In Bangladesh, collaborative efforts between the government, local entrepreneurs, and livestock officers have accelerated progress on both milk production and consumption. Continued support and market development are necessary to sustain the growth of smallholder dairy processors and benefit local farmers. Inclusive milk collection from rural areas can create economic opportunities and further boost consumption among urban and rural Bangladeshis.

Meiji Co. – Sustainability Division Meiji-Ajinomoto Carbon Footprint Plan with Farmers
Tetra Pak – Fibre-based barrier

About the World Dairy Innovation Awards

The World Dairy Innovation Awards, in association with Zenith Global, is a celebration of innovation and excellence across every category of the international dairy industry. Now in their 16th year, these awards are a fantastic way for you to enhance the promotion of your dairy brand and to ensure it gains global recognition.

Carbon insetting vs carbon offsetting: what you should know

JUN 7, 2023

<https://dairynews7x7.com/carbon-insetting-vs-carbon-offsetting-what-you-should-know/>

The UK government strategy for reaching net zero by 2050 is ever more at the forefront of discussion within the agricultural industry, particularly with the NFU setting its own targets for achieving net zero by 2040 in England and Wales.

Net zero means not adding to the amount of greenhouse gas (GHGs) emitted into the atmosphere. It involves reducing GHGs as much as possible, then balancing out any remaining emissions by removing an equivalent amount. Not all emissions can be reduced to zero, which is where the opportunity for offsetting comes into play, as an option for compensating for these shortfalls.

Many private sector companies are becoming increasingly reliant on voluntary offsetting to achieve this status.

Carbon insetting and offsetting are two important approaches for mitigating the effects of carbon emissions and helping the UK reach net zero. Both are options for companies to take the reduce their overall carbon emissions. We discuss the difference below.

Carbon offsetting

Offsetting allows companies to invest in environmental projects around the world as a means to offset their own emissions.

These projects are usually designed to focus on compensating for GHGs already emitted. Many are based in developing countries, and most focus on forestry, conservation, renewable energy, community, and waste energy projects.

Benefits of offsetting include ease of purchase, convenience, improving energy efficiency and the use of renewable energy, as well as helping reduce both direct and indirect emissions.

Figure 1. An infographic indicating the offsetting approach to reducing carbon emissions

Adopting an offsetting approach to manage emissions is inherently beneficial for both the projects (who may not have the funds otherwise to undertake these environmental schemes) and the purchasers (who receive the credits to offset their own emissions). But they are not addressing or changing the actual emission of the purchaser. This is one of the largest draw backs to the use of offsetting, as it does not address the initial emissions and has led to some coining the phrase 'green washing' to describe and discredit its use.

Without these emissions being addressed there may still be environmental damage, and if this approach is undertaken by the majority of emitters, then no real environmental benefit is likely to be seen. So while an essential tool, offsetting should not be used as a substitute to improving and reducing a company's own emissions.

Carbon insetting

Insetting is when companies invest in carbon reduction projects within their own supply chain. By engaging in carbon insetting, companies are investing in making their own products, practices and supply chains more sustainable. This means the investment can be in areas specific to a company's precise needs, such as a company which relies heavily on agriculture implementing agroforestry practices to minimise soil erosion and sequester carbon.

By adopting an insetting approach to decarbonisation, businesses can build stronger relationships with suppliers, as it encourages reductions of indirect emissions throughout the supply chain.

Changing practices requires some planning, from undertaking simple changes through to a total overhaul of processes, and as such require a proactive, rather than reactive, approach to reducing emissions.

Figure 2. An infographic indicating the insetting approach to reducing carbon emissions

GHG emissions

There are three ways of categorising emissions, referred to as Scope 1, 2 and 3:

- Scope 1 refers to the GHGs emissions a company makes directly e.g. running vehicles
- Scope 2 are the ones they make indirectly, e.g. electricity or energy bought for cooling buildings
- Scope 3 refers to all GHGs emissions in an organisations supply chain, similar to Scope 2; however, Scope 3 also include emissions produced by customers using a company's products, as well as the emissions produced by the suppliers feeding into a company's supply chain

Businesses that have focused on offsetting measures are now finding that Scope 3 emissions are accounting for the majority of their carbon footprint. Scope 3 emissions one of the hardest areas to tackle, but, by adopting an insetting methodology, it is possible to reduce them.

While there are many benefits to insetting, there are also some points for consideration. At present there is limited opportunities to inset, and these are very specific to each supply chain and sector. There also needs to be consideration and awareness around the potential for double-counting emission reductions.

Which is best?

There is a place for both insetting and offsetting carbon emissions. Fundamentally utilising a combination of both is best for helping reach net zero.

Insetting allows companies to reduce emissions within their supply chain. By prioritising this, companies can reduce their carbon footprint in a sustainable and cost-effective manner, while improving their own communities and ecosystems. This is because insetting can require a more holistic approach to reducing emission in a tangible way.

Offsetting is frequently seen as a first step for many companies in their move to decarbonise, as it works in a retrospective manor. It helps fund environmental practices in areas where otherwise costs would be prohibitive.

By adopting a mix of both, companies would be able to work towards reducing their own emissions, that of their supply chain, as well as direct

and indirect emissions through contributions to carbon offsetting projects.

Why is it important for farmers to know the difference

We have discussed the types of carbon markets available to farmers. Currently there is potential that they could fall under both insetting and offsetting opportunities.

A number of schemes which generate carbon credits or certificates operate within the voluntary market for offsetting. This means that they are open to anyone to purchase who is looking to offset their carbon footprint regardless of industry. If this happens, the farmer's carbon improvements can no longer be claimed by the farmer or their supply chain partners.

However, if an insetting approach is followed, as carbon footprints within supply chains are overlapping, any reduction in emissions can also be claimed individually and by the supply chain to some extent (Scope 3).

Being aware of how schemes are marketing and selling emission reductions is therefore key, and if unsure, farmers should hold on to enough credits or certificates to cover any claims that they may need to make for their business, or that of their supply chain, and only sell on surplus.

M&S removes use-by dates from milk to reduce waste

JUN 7, 2023

<https://dairynews7x7.com/ms-removes-use-by-dates-from-milk-to-reduce-waste/>

Marks & Spencer has become the latest big retail name to remove use-by dates from its fresh milk in an attempt to prevent millions of pints that are still safe to consume being poured away.

With milk ranking as the third most wasted food in UK homes after potatoes and bread, M&S will encourage customers to use the old fashioned

sniff test to judge whether their dairy is still drinkable, by replacing use-by labels with a best-before date.

A typical household throws away 18 pints of milk a year, usually because the date has expired. This results in waste on an industrial scale, with 490m pints, worth £270m, being

poured away, says Catherine David of the sustainability charity Wrap.

“The main reason is not drinking before the use-by date,” said David of why so much milk is wasted. “By changing to a best-before date, M&S is instantly helping its customers save money and cut waste by giving them more time to consume the milk they buy.”

While use-by dates are about safety, and applied to foods that go off quickly and could cause food poisoning, best-before is an indicator of quality. Food is still safe to eat after this date but the flavour and texture may not be as good.

Use-by dates are often found on products, such as milk and yoghurt, where a best-before one might do, a practice blamed for contributing to food waste. Things are starting to change, however. Last year Morrisons switched to best-before dates on its milk while the Co-op removed use-by dates from its own-brand yoghurt.

The average family with children throws away food worth £60 a month, which experts say is both a waste of money and bad for the planet because about a third of the UK’s greenhouse gas emissions are associated with food and drink.

Last year M&S removed best-before dates across more than 300 fruit and veg lines, in a move designed to encourage customers to use their judgement on what is still good to eat. M&S said shoppers would start to see the new labels – with use-by dates replaced with best-before – on its Select Farms British and organic fresh milk this week. The move could have a big impact on milk waste as it sold more than 12m 4-pint cartons of Select Farms semi-skimmed milk alone last year. The combination of improved shelf life and overall quality of milk in recent years had enabled it to make the switch, meaning “customers can use their judgement before throwing away milk”, M&S added.

Global dairy market fundamentals are likely to remain under stress

JUN 7, 2023

<https://dairynews7x7.com/global-dairy-market-fundamentals-are-likely-to-remain-under-stress/>

In its New Zealand Dairy Seasonal Outlook 2023/24 report, titled The Pressure Is On, report author and senior agricultural analyst Emma Higgins says this forecast is due to farm-gate prices catching up to global commodity market trends. She adds that prices are moving lower in 2023 in part due to global milk supply returning to growth in key production regions, while China rebalancing its internal markets is expected to subdue dairy demand until the latter part of the year.

“At this stage last year, market fundamentals were very tight with limited supplies in export regions, aggressive import demand by Chinese

buyers and supply chain issues exacerbating buyers’ urgency to procure raw materials,” Higgins explains.

“Since then, we’ve seen a return to growth in milk supply across most of the export regions, sluggish Chinese import volumes and widespread demand rationing in many other dairy markets across retail, foodservice and ingredient channels in response to food price inflation and higher sticker prices.”

She adds that global dairy market fundamentals are likely to remain under stress in the short-term future.

As a result, commodity prices for whole milk powder (WMP) and skim milk powder (SMP) fell

between 30 and 40% since peak commodity prices in 2022 and are now at or below the average price over the previous five years. Rabobank says farmgate milk prices are feeling the pressure in most export regions.

Higgins explains that milk prices in export regions have followed the commodity cycle. She says the cycle will turn and prices will rebound – but the timing of this will hinge on meaningful imports from Chinese buyers, whose local inventories are being worked through.

“The short-term outlook suggests more pressure is possible, but later in 2023 we should see more meaningful purchasing activity from China,” she adds. “Coupled with improved demand tension from other buying regions in the face of low buy-side inventories... these factors will help buoy global dairy markets as we move through this year.”

Higgins says China’s ability to increase domestic production will be impacted by New Zealand’s decision to end live exports. Combined Austral-

ian-New Zealand volumes in 2023 set a new record for herd expansion, with the equivalent of Taranaki’s annual milk production being added each year since 2018.

Beyond dairy market supply and demand fundamentals, Rabobank reports that a host of broader macroeconomic and geopolitical uncertainties – including deglobalisation, central bank policies and the threat of war – present both upside and downside risk to the bank’s milk price forecast.

Given rapidly shifting dynamics, the report recommends farmers consider the possible impacts of central banks monetary policies in case of recession or inflation developments – as well as the possibility of conflict with China.

“The world has changed, and one thing is clear: the global trade architecture that we have grown accustomed to and comfortable with is changing, forcing New Zealand to re-evaluate trade relationships and diversify product mix and customers.”

Global dairy price index tumbles down again by 0.9%

JUN 7, 2023

<https://dairynews7x7.com/global-dairy-price-index-tumbles-down-again-by-0-9/>

Global Dairy Trade Event 333 concluded with the GDT Price Index down 0.9% on June 6th 2023. It has been second consecutive fall by almost the same magnitude of 0.9%. Apart from Cheese which is showing a strong growth no other commodities could impress with prices.

Key Results

AMF index up 1.8%, average price US\$4,728/MT

Butter index up 0.5%, average price US\$5,088/MT

BMP index down 2.4%, average price US\$2,322/MT

Ched index up 7.4%, average price US\$4,668/MT

SMP index unchanged, average price US\$2,755/MT

WMP index down 3.0%, average price US\$3,173/MT

A price decline in WMP is somewhere indicating lower Chinese demand as well as from south eastern countries.

In Indian terms the SMP, Butter and AMF (ghee) prices are Rs 240, Rs 440 and Rs 400 respectively. SMP prices may pull the Indian SMP prices also a bit lower. Currently in certain states the SMP is not gaining demand even at Rs 20-270 per kgs.

Butter is also stuck anywhere from Rs 355-Rs 390.

Ground-breaking tech reduce methane emissions in cattle by 17 %

JUN 6, 2023

<https://dairynews7x7.com/ground-breaking-tech-reduce-methane-emissions-in-cattle-by-17/>

The UK government has allocated £30m to technological agriculture projects, including genetic research to reduce methane emissions from cows and the use of drones to monitor animals.

The 'Farming Innovation Programme' is funding research and development projects to help farmers and growers produce food more sustainably. Up to £30m has been awarded to cutting-edge farming projects that are intended to help boost food production, move towards net zero and create a more resilient and sustainable agricultural sector.

The projects announced today include:

- Ground-breaking genetics research projects which could reduce methane emissions in cattle by 17 per cent per generation and produce a reliable UK-grown protein source that can replace soya in human foods.
- Investigations into the use of drones and artificial intelligence to inspect and monitor animals to enable farmers to take action should animals go missing or need attention.
- Efforts to develop biopesticides using fungal strains that help tackle pests in wheat crops, and to pin-point the genetics for creating slug-resistant wheat.

Alongside the £30m to be awarded to more than 50 successful projects – in such areas as nitrogen efficiency, beef genetics, sustainable protein and biopesticides – the government has also made a further £12.5m available to fund innovative projects helping to deliver a more productive, resilient and sustainable agricultural sector.

The funding is all part of the Farming Innovation Programme, run in partnership with UK Research & Innovation (UKRI) and delivered by Innovate UK, which is making £270m in grants available before the end of the government's 2021-24 Agricultural Transition Plan to fund research and development projects to help farmers and growers produce food more sustainably.

Thérèse Coffey, secretary of state for agriculture, said: "Farmers are always forward-looking, and innovation is key to driving forward a resilient, productive and sustainable agriculture sector that puts food on our tables whilst protecting and restoring the environment.

"Alongside our new farming schemes, these grants will help to support farmers and pave the way for a technological transformation that will help produce food sustainably for generations to come".

Katrina Hayter, executive director for healthy living and agriculture at Innovate UK, said: "The competitions once again demonstrate the sheer breadth and quality of innovation within the UK agri-food space.

"We're proud to be able to help deliver these funding and partnership opportunities to the sector, bringing together farmers, growers, technologists and researchers in a common aim of making the UK food system more sustainable and resilient. Whether improving existing production or introducing novel foods and techniques, the winners have all risen to the innovation challenge and we look forward to supporting their development further".

The grants follow the 'Farm to Fork Summit' held earlier this month, at which the government announced a package of support for the farming sector, including new measures to ensure the sector remains at the forefront of adopting new technologies and techniques. This includes substantial investment to unlock the potential of precision breeding following royal assent for the 'Genetic Technology (Precision Breeding) Act' and a working group to bring plant breeders, food manufacturers and retailers together to agree an approach that enables these products to reach our shelves.

Additionally, the new 'On-Farm Environmental Resilience' competition will receive £12.5m to

encourage farmers and growers to apply for up to £1m in project costs to drive the development of new technology and innovative farming methods, with a focus on practical solutions that make a real impact on farms.

Projects could find new ways to detect pests and prevent and manage disease; help farmers to reduce their fertiliser use; boost soil resilience, and manage threats from extreme weather and flooding. Projects researching how gene editing and methods including regenerative cropping could boost productivity and crop resilience are also encouraged to apply.

FAO Dairy Price Index – May 2023-down by 3.2%

JUN 3, 2023

<https://dairynews7x7.com/fao-dairy-price-index-may-2023-down-by-3-2/>

The FAO Dairy Price Index averaged 118.7 points in May, down 3.9 points (3.2 percent) from April and standing 25.5 points (17.7 percent) below its corresponding value in 2022.

The decline in May was led by a steep drop in international cheese prices, principally due to ample export availabilities, including from inventories, amid seasonally high milk production in the northern hemisphere. Following 10 monthly consecutive declines, international price quotations for milk powders rebounded, reflecting an upturn in purchases by North Asian buyers and seasonally falling milk supplies in Oceania.

Meanwhile, butter prices rose slightly, as increased price quotations for supplies from Oceania, due to high purchases by Southeast Asian buyers and seasonally falling milk supplies, were almost offset by a decline in European prices on high export availabil

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