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FORTNIGHTLY NEWSLETTER

Dairy Pulse 186th Edition (16th to 31st, July 2023)



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Indian News

Nestle aims at expansion of out-of-home consumption

JUL 31, 2023

<https://dairynews7x7.com/nestle-aims-at-expansion-of-out-of-home-consumption/>

Nestle reported ITS Q2 results for 2023, which were in line with expectations. The company achieved double-digit growth across all its products, primarily driven by a favourable product mix, increased volume, and improved pricing. Additionally, during the quarter, the out-of-home (OOH) business experienced rapid acceleration. The gross profit margin (GP margin) expanded by 90 bps (0.9%) y-o-y, meeting the estimates.

Management highlighted that the costs of edible oils, wheat, and packaging materials remained in the lower range, while milk



costs remained stable, and there was a softening in fuel prices. However,

the prices of Robusta coffee remained high during this period. The e-commerce channel continued to show strong growth and contributed 6.5% of the sales in 2QCY23. This reflects Nestle's successful efforts to capitalise on the growing online market.

Financials & valuations (₹ b)			
Y/E Dec	CY22	FY24E*	FY25E
Sales	169.0	248.2	228.8
Sales gr (%)	14.6	46.9	-7.9
Ebitda	57.1	57.0	53.7
Margin (%)	22.0	22.9	23.3
Adj. PAT	23.9	37.7	34.8
Adj. EPS (₹)	247.5	298.3	360.9
EPS gr (%)	3.1	20.5	21.0
BV/SA (₹)	255.0	253.4	274.2
Ratios			
RoE (%)	105.2	153.9	136.8
RoCE (%)	98.6	144.6	128.6
Payout (%)	84.7	100.6	94.2
Valuations			
P/E (x)	90.1	74.8	61.9
P/BV (x)	87.5	88.1	81.4
EV/Ebitda (x)	57.2	37.3	39.8
Div. Yield (%)	0.9	1.5	1.5

Source: NCFE

In-line result with estimates

Nestle's net sales grew impressively by 15.1% y-o-y to ₹46.6 billion, exceeding the estimated ₹45.9 billion. This growth was driven by a healthy combination of pricing, volume, and product mix. Domestic sales showed a strong performance, growing by 14.6% y-o-y, while export sales also saw significant growth. Ebitda also demonstrated substantial growth, rising by 25.4% y-o-y to ₹10.6 billion, surpassing the estimated ₹10.3 billion. Overall, the first half of CY2023 was successful.

Category performance

Milk Products: MILKMAID and Peptamen performed well, and new launches like Resource Fibre choice and Everyday Zero added sugar contributed to the growth.

Confectionery: Robust growth led by KIT-KAT and MUNCH.

Beverages: Double-digit growth in this category was primarily led by Nescafe Classic, Nescafe Sunrise, and Nescafe Gold for both hot and cold coffee occasions. A new launch, the cold coffee premix Nescafe all in 1 Frappe also contributed.

Valuation: Nestle maintains its FY24E and FY25E EPS estimates. The company holds a strong position in the domestic food market with an innovative product portfolio. It aims to expand out-of-home consumption and reach rural markets, driving sustained double-digit earnings growth. With substantial investments in capacity enhancement, brand support, and R&D initiatives,

Nestle is well-prepared to capitalise on India's Packaged Foods segment, ensuring

promising long-term revenue and earnings prospects.

Steps being taken to increase milk production Mano Thangaraj

JUL 31, 2023

<https://dairynews7x7.com/steps-being-taken-to-increase-milk-production-says-minister-mano-thangaraj/>

Minister for Milk and Dairy Development T. Mano Thangaraj on Saturday said various steps are being taken to increase the number of livestock of farmers and provide them with a balanced income.



During the inauguration of milk cooling units in Karur, Mr. Thangaraj said to increase procurement, targets for each district were being given to officials and various steps, including purchase of two lakh milch cows, distribution of loans to farmers, and encouraging farmers to cultivate fodder, were being taken. "The gov-

ernment is focusing on increasing milk production which will lead to an increase in milk procurement", he added.

Mr. Thangaraj said due to the steps taken by the government Aavin's procurement of milk has increased. Milk procurement has increased by 3.5 lakh litres in the State in the last two months. Outlining the steps taken for the increase, the Minister said that the quality of milk was ascertained on the spot and the price was fixed, and farmers were paid within ten days, because of which Aavin has received good reception among farmers.

He inaugurated milk cooling units with a capacity of 5,000 litres for ₹1.6 crore at Vallakkulam, Thirumalainathanpatti, Veppangudi, and Manchanayakkanpatti in Karur district and also examined the ongoing construction of a 50,000-liter capacity cooling unit at an estimated cost of ₹3 crore. Collector T. Prabhushankar and other senior officials participated.

Cattle feed prices may halt after Govt prohibits DORB exports

JUL 30, 2023

<https://dairynews7x7.com/cattle-feed-prices-may-halt-after-govt-prohibits-deoiled-rice-bran-exports-until-november/>



Export of de-oiled rice bran under ITC HS code 2306 and under any other HS code is prohibited until November 30, 2013, the DGFT said in a notification.



The government has prohibited the export of de-oiled rice bran until November, a Directorate General of Foreign Trade (DGTD) notification said on Friday.

“Export of de-oiled rice bran under ITC HS code 2306 and under any other HS code is prohibited until November 30, 2013,” the DGFT said in a notification.

The development came after more than a week, when the Centre prohibited the export of non-basmati white rice. The decision has been taken in view of substantially rising milk and milk products prices domestically due to soaring fodder prices in which a major ingredient is de-oiled rice bran (DORB) or rice bran extraction, a key ingredient in cattle, poultry, and fish feed. In the case of cattle feed, about 25 per cent rice bran extraction is used.

The prices of de-oiled rice bran (DORB) have increased sharply to ₹18,000-18,500 a tonne from ₹5,000 per tonne in the last few weeks due to supply tightness. India is a leading exporter of de-oiled rice bran, which is used in the cattle feed industry.

Meanwhile, the International Monetary Fund (IMF) has encouraged India to remove export restrictions on non-basmati rice. The Indian government on July 20 banned the export of non-basmati white rice to boost domestic supply and keep retail prices under check during the upcoming festive season, which constitutes about 25 per cent of the total rice export of the country.

In an official statement, the food ministry said there would be no change in the export policy of par-boiled non-basmati rice and basmati rice, which forms the bulk of exports, according to a report published by the news agency PTI.

Addressing a press conference, Pierre-Olivier Gourinchas, Chief Economist of IMF said that these types of restrictions are likely to exacerbate volatility in food prices in the rest of the world.

Dairy farmers oppose govt's new rate card on milk price

JUL 30, 2023

<https://dairynews7x7.com/dairy-farmers-oppose-govts-new-rate-card-on-milk-procurement-price/>

Dairy farmers in Maharashtra are protesting against the new rate card issued after discussions between the state government and dairies about milk procurement price.

The new rate card, farmers said, would lower their earnings as deductions as per the card is both steep and unreasonable.

Milk procurement prices in Maharashtra had gone into a free fall after dairies talked about low demand for milk and milk products amid excess production. Procurement price per litre of milk with 3.5 per cent fat and 8.5 per cent SNF (solid-not-fat) had touched Rs 38-39/litre early in May, after which the prices went for a free fall.

Currently, milk prices are in the range of Rs 30/litre as dairies continue to talk about excess production and less demand. A shorter than usual summer saw the demand for ice-cream and lassi dip, which led dairies to pile up on skimmed milk powder (SMP) and white butter

Following protests by dairy farmers, the state government held a series of meetings to come up with a new rate card.

As per the new rate card, the base price of milk

has been fixed at Rs 34/litre. Further price would depend upon fat and solid-not-fat percentage of milk, which dairies measure at collection centres. Sachin Patil, leader of Swabhimani Shetkari Sanghatana from Solapur, pointed out the new rate card has resulted in a decrease in almost Rs 0.30 litre per 0.1 per cent decrease in SNF and Rs 1/litre decrease in fat percentage.

"In the previous regime, there was a Rs 0.30 decrease uniformly per 0.1 per cent decrease in fat and SNF," he said.

Anil Ghanwat, leader of the Swatantra Bharat Party, the political wing of the Shetkari Sanghatana, raised concerns over the veracity of the fat and SNF measurement machines used by the dairies at their collection centres.

"Tehshildars are supposed to calibrate these machines but they are never done." On Saturday, Patil led an agitation in Solapur against the new rate card rolled out by the state government. It has given the state government time till August 1 to roll back the new rate card and declare a base price of Rs 34/litre and a uniform deduction of Rs 0.30/litre. "If this is not done, we will stop supplying milk to [Mumbai](#)," he said.

Why Maharashtra's milk cooperatives are in crisis

JUL 30, 2023

<https://dairynews7x7.com/why-maharashtras-milk-cooperatives-are-in-crisis/>



The Maharashtra government has admitted that Mahanand Dairy, once a profitable state government undertaking, is facing an existential crisis, while the cooperative milk sector is in a tight spot as a fall-out of aggressive marketing undertaken by private players.

“The private sector’s share in the State’s milk business has risen sharply, with the use of modern marketing techniques. This has had an impact on the cooperative sector and its sales. The worst affected is Mahanand Dairy, which is unable to even take care of daily expenses,” said Maharashtra Animal Husbandry and Dairy Development Minister Radhakrishna Vikhe Patil, while answering a written question in the State Assembly recently.

The minister admitted that while Mahanand has landed in a financial crisis due to “various reasons”, the other cooperative milk dairies in the State were not facing a financial crisis like Mahanand.

In 2021-22, the average daily milk collection by the government and co-operative dairies in Maharashtra was 0.39 lakh litres and 40.25 lakh litres respectively, compared to 0.50 lakh litres and 40.43 lakh litres respectively in 2020-21. Private dairies in Maharashtra collect over 123-127 lakh kg of milk per day (LKPD).

Interestingly, the Minister said the government has constituted a committee to ensure qualitative growth in the cooperative milk sector. Earlier, the State government had hinted that the State was considering handing over Mahanand to the Centre through the National Dairy Development Board.

Strong private players

The Opposition parties and farmers’ organisations in the State have alleged that milk collection by companies outside Maharashtra, and their sales and expansion, had affected the profitability of the cooperative sector. Mismanagement and political interference were also affecting the functioning of milk cooperatives, and leaders of the Opposition asked the Minister to respond to these issues. However, the Minister dodged the questions.

Private players have a strong foothold, not only in Maharashtra, but also in other top milk-producing States, that accounted for 88 per cent of the country’s milk production as of 2019-20.

Gross Margins For Dairy Companies To Improve In FY2024: Report

JUL 29, 2023

<https://dairynews7x7.com/gross-margins-for-dairy-companies-to-improve-sequentially-in-fy2024-report/>

Raw milk procurement prices are expected to witness correction due to improvement in milk availability with the onset of the flush season in H2 FY2024. Consequently, industry profit margins are expected to start improving sequentially, the rating agency Icra said in a report.

Domestic milk supply was impacted in FY2023 due to the incidence of lumpy skin disease (LSD) in cattle and its impact on the milk yields during the flush season, thus resulting in a demand-supply gap as demand remained steady. Icra expects a healthy improvement in milk



supply by H2 FY2024 as these factors are likely to ease.

Raw milk demand remained buoyant in FY2023 with both liquid milk and value-added dairy product (VADP) segments witnessing a healthy volume growth of eight to ten per cent and 18 to 22 per cent, respectively, for Icra's sample set. This was despite industry-wide raw milk price hikes.

The rating agency expects the raw milk demand to remain healthy in FY2024 from both the retail and the Horeca segments.

Fodder and cattle feed prices increased in FY2023 due to erratic weather conditions. With the delayed onset of monsoons, inadequate and uneven rainfall through June 2023 and consequent year-on-year (YoY) lag in kharif sowing across most crops, fodder and feed prices remained firm.

However, pick-up in monsoon over the last few weeks is likely to accelerate kharif sowing pace, which would determine price corrections. Nevertheless, Icra estimates green fodder availability to be adequate for the season.

Notably, the rating agency's sample set witnessed a YoY increase of 17 to 19 per cent in raw milk procurement prices during FY2023. Although the dairy companies took around 11 to 13 per cent retail price hikes over the last few quarters, the increased costs were not passed on completely.

With the normal flush season in the South in early FY2024, milk procurement prices are witnessing a correction. Prices in North India are expected to moderate during the flush season in H2 FY2024 amid better milk availability.

"The gross margins for dairy companies are thus expected to improve on a sequential basis," it mentioned.

Milk producers in Salem urge government to relax norms for incentives

JUL 29, 2023

<https://dairynews7x7.com/milk-producers-in-salem-urge-government-to-relax-norms-for-incentives/>



The milk producers welcomed the State government's announcement that ₹1 incentive per litre will be given to farmers who give milk to cooperative societies. But, they urge the government to consider relaxing the norms for the incentive.

In a circular dated July 25, the Commissioner of Milk Production and Dairy Development said as per the announcement made by the Dairy Development Minister in the Assembly, incentives will be given to farmers based on milk quality to encourage the production of quality milk. A sum of ₹1 will be given per litre of milk that has 4.3% fat and 8.2% solid non-fat (SNF). The incentive will be paid to the farmers' accounts every month, and milk testing and spot acknowledgement will be ensured, the Commissioner added in the circular.

Welcoming the government's decision, Tamil Nadu Milk Producers Welfare Association general secretary M.G. Rajendran said, "for the past 20 years we have been protesting to give incentives to farmers like in Karnataka. In Karnataka, ₹5 is given per litre to a farmer, who provides milk to cooperative societies. Our two-decade-old demand has been met, and we thank the Chief Minister, Minister, and officials."

In the circular, it was mentioned that the incentive will be provided only to milk, which has 4.3% fat and 8.2% SNF (total 12.5%). The milk quality is determined by the concentrated cattle feed provided to the animal. As the procurement price is lower and the price of cattle feed increases, farmers are already struggling to provide adequate cattle feed, Mr. Rajendran added.

Stating that the present announcement will benefit only 15% to 20% of the members of a society, Mr. Rajendran said if the government provides a 50% subsidy for concentrated cattle feed, farmers will be able to give the milk at the fixed quality. So, the government should consider relaxing norms until the subsidy for the feed is provided. The government shall take a 12.5% total fat percentage and avoid variation in the percentage of fat and SNF. While a cow delivers a calf, the fat percentage will be 3.8 or 3.9%. But a few weeks after lactation, the SNF level will cross 8.7%. So, the government shall consider the overall fat percentage as 12.5 (fat plus SNF) for providing incentives, Mr. Rajendran added.

The Dairy Development Department officials said that the government should take a call in this regard. The officials said that they would bring the demand of milk producers to the government's attention.

Amul takeover of Chittoor Dairy, a welcome step

JUL 29, 2023

It was recently reported that Amul is going to take over Chittoor Dairy per the MoU entered with the State government. Chittoor Dairy was once a successful Vijaya Dairy unit in the State and went out of scene by 2002. By then several private dairies had started their operations in the district. This includes one reportedly backed by a political rival of the ruling party in Andhra Pradesh.

Recently, Andhra Pradesh Chief Minister Y Jaganmohan Reddy too referred to the dairy concerned as a 'conspirator' to destroy Chittoor Dairy. That said, there have been reports of private dairies sabotaging the cooperative dairy in the district.



During one of our field studies during 2004 in the district, farmers pleaded with us to help them revive their cooperative. Interestingly, they admitted to playing a role in destroying it. They were lured by an additional 50 paise per litre of milk offered by private dairies. They were members of Chittoor Dairy which reached 2 lakh litres per day capacity and offered several associated services like artificial insemination, feed, fodder and veterinary care.

However, the private dairies promised quick payment compared to lagged payment from the cooperatives. All the members started giving milk to private dairies and were happy.

Their happiness was short-lived as they started getting lower payments for spoiled milk anywhere in the milk supply line. They also missed the other tangible and intangible services that helped the upkeep of their livestock. The repentant farmers narrated all these aspects.

This story brings out an important flaw in the cooperative movement. Cooperatives members acted as mere customers, rather than owners. Many cooperatives became dysfunctional precisely for this reason.

Therefore, instead of blaming private dairies for the demise of cooperatives, we need to make cooperatives emerge as winners in the competition. Member education, especially in helping them see through the short-term temptations of higher price at the expense of the long-term value of being together, is crucial.

A cooperative or any member-focused organisation is best suited for dairy producers, as the success of Hatsun Agro Products (Arokya milk) reflects. Any dairy firm thinking of milking the producers will have a limited life as there are many elements in the relation between the producers and the dairy unit. Producers expect efficiency in services, and the dairy unit, stable but quality supply. In this context, taking over of Chittoor Dairy by Amul, a powerful brand internationally, is a welcome step. The objection to Amul taking over the dairy is frivolous. It has been said that Amul is an outsider, which will be given a large chunk of land on lease. This looks frivolous in a globalised world where even international brands can operate in the country.

Objecting to Amul, a cooperative body, is not in the interests of the farmers. Amul or no Amul, dairy farmers need a strong organisation to withstand competition from private dairies. The present opportunity to revive a dairy after two decades of inactivity needs to be grabbed.

Milk prices shall remain stable for a couple more quarters

JUL 29, 2023

<https://dairynews7x7.com/milk-prices-shall-remain-stable-for-a-couple-more-quarters-says-dodla-dairy/>



Dodla Dairy's MD, Sunil Reddy Dodla, foresees stable milk prices and positive growth for value-added products.

In an interview with CNBC-TV18, Sunil Reddy Dodla, the Managing Director of Dodla Dairy, shared valuable insights into the current state of the dairy industry and the company's strategic outlook for the future.

He reassured consumers and stakeholders that milk prices are expected to remain stable for the next couple of quarters.

"Milk will remain stable for at least another couple of quarters," he said.

This comes as good news for consumers who have been concerned about fluctuations in dairy prices impacting their household budgets. The stable pricing can be attributed to various factors, including the normalisation of milk production levels.

Dodla Dairy's MD emphasised that the milk production levels have now returned to normal. This normalisation has come as a relief to

the dairy industry, which was previously grappling with challenges posed by the pandemic and other external factors. The restoration of production levels ensures a steady supply of milk to meet consumer demand adequately.

Sunil Reddy Dodla expressed optimism about the growth of Dodla Dairy's value-added product segment. He projected a mid-teens growth rate for these products, which will be primarily driven by a well-thought-out price increase.

"Mid-teens growth for FY24 will definitely be held because it is mostly driven by price increase that we have and our ice cream portion of the business is also doing a little better than last year. So compared to that, we should be able to maintain our value-added revenue growth in the mid-teens," he said.

Discussing the challenges faced by the dairy industry, Sunil Reddy Dodla emphasised the need for caution regarding cattle feed prices.

"We only have to be careful about our cattle feed. The prices might go up because of emerging markets getting impacted with rain price," he said.

As a significant component of dairy production,



fluctuations in cattle feed prices can significantly impact operational costs.

To address the growing demand for dairy products and to bolster their production capabilities, Dodla Dairy is taking strategic steps. Sunil Reddy Dodla revealed that the company is investing in the expansion of its cattle feed plant. The new plant is anticipated to be five times larger than the current capacity, enhancing the company's ability to meet increasing demand while ensuring a consistent supply of quality feed for their cattle

We want to help farmers by increasing milk price : DK Shivakumar

JUL 29, 2023

<https://dairynews7x7.com/we-want-to-help-farmers-karnataka-dcm-dk-shivakumar-on-milk-price-hike-in-state/>



The Karnataka government has announced a hike in the price of Nandini's milk by ₹3 to support farmers.

Deputy Chief Minister DK Shivakumar on Thursday said that "we want to help farmers," after the Karnataka government announced a hike in the price of the state's milk brand, Nandini, by three rupees.

"We have to give money to the farmers. Throughout the country, the price of milk is ₹50-56, and in our state, the price is very less. So, we want to help the farmers by increasing ₹3," he said.

The Karnataka government has announced a hike in the price of Nandini's milk by ₹3.

Notably, ahead of the state assembly elections, Karnataka was in the throes of an Amul vs Nandini row, with the Opposition — Congress and pro-Kannada groups lashing out at the BJP government for allowing Amul to sell fresh milk and curd in Bengaluru, alleging that it would hurt the business of the local brand Nandini.

Nandini' is owned by Karnataka Milk Federation.

IVRI Unveils Groundbreaking Cattle Feed for Milk Yield Boost

JUL 29, 2023

<https://dairynews7x7.com/ivri-unveils-groundbreaking-cattle-feed-for-unprecedented-milk-yield-boost/>

In a remarkable stride towards transforming the dairy industry, pioneering scientists at the renowned ICAR-Indian Veterinary Research Institute (IVRI) has unveiled a groundbreaking advancement to redefine milk production.

His game-changing innovation is a revolutionary cattle feed meticulously enriched with various phytonutrient ingredients derived from time-tested medicinal plants. The dinner promises to amplify milk yield, enhance procreation, and bolster immunity in milch animals, such as cows and buffaloes.

The IVRI-developed cattle feed represents a significant



leap forward in addressing

these invaluable creatures' critical need for a highly nutritious diet. While an assortment of cattle feed options already exists in the retail market, this cutting-edge product stands unparalleled, packed with phytonutrients that have been carefully selected to meet the precise requirements of these remarkable animals.

Unveiling a Perfect Harmony of Nature and Science

This remarkable achievement by IVRI's brilliant minds brings together the power of nature's bounty and scientific prowess. The newly developed cattle feed encompasses an optimal blend of essential minerals and proteins, ensuring the animals receive a well-rounded and balanced diet. However, including specific plants renowned for their immune-boosting properties truly sets this innovation apart. These potent botanical extracts augment the

animals' natural defence mechanisms and shield them against infections, cultivating a healthier and more resilient livestock population.

A Testament to Unyielding Dedication and Collaboration

The culmination of tireless efforts and unwavering commitment, the IVRI team has conducted extensive trials on milch animals across multiple research sites. These trials have demonstrated this pioneering cattle feed's remarkable efficacy and transformative potential. The IVRI, headquartered in Izatnagar, Bareilly, under the visionary leadership of Dr Triveni Dutt, has consistently proven itself as a beacon of excellence in veterinary research.

Technology Transfer to AIMIL Pharmaceuticals – Pioneering the Path to Commercialization

On the occasion of the 95th Foundation Day of the Indian Council of Agricultural Research, witnessed by Union Animal Husbandry and Fisheries Minister Parshottam Rupala, A novel dietary supplement developed by Dr Narayan Dutta of the Department of Animal Nutrition of the Institute was transferred to M/s Emil Pharmaceuticals (India) Ltd., New Delhi. Feeding this novel feed supplement increases the appetite of cattle. The physical condition, immunity, and general health of the animals also improve. It increases the reproductive capacity of cattle and increases the milk production capacity of milch animals. AIMIL, renowned for its expertise in herbal drug manufacturing and recognized for groundbreaking ayurvedic medicines, is poised to usher in a new era of dairy farming with the commercial availability of this transformative product. This collaboration signifies a harmonious convergence of scientific

ingenuity and pharmaceutical prowess, guaranteeing widespread access to this remarkable innovation.

A Promising Future for Dairy Farming

With this groundbreaking development, the Indian dairy industry is poised for an unprecedented surge in milk production, catalyzing economic growth and ensuring a sustainable future for dairy farmers. The IVRI's revolutionary cattle feed not only empowers farmers to enhance milk yield but also nurtures the reproductive health of their animals, leading to

healthier offspring and improved overall herd vitality. As the news spreads throughout the agricultural landscape, farmers and industry experts eagerly anticipate the imminent availability of this game-changing cattle feed in the retail market. The dawn of a new era in dairy farming is upon us, one where innovation and scientific progress converge to revolutionize the very essence of milk production. IVRI's visionary breakthrough promises a brighter future for farmers, animals, and the dairy industry.

Bridging the gaps: Supply Chain Leaders of India

JUL 29, 2023

<https://dairynews7x7.com/bridging-the-gaps-supply-chain-leaders-of-india/>



Indian companies' supply chain leaders are essential in bridging the nation's supply chain landscape's gaps. These companies have optimised operations and cut costs by developing transparent and effective platforms that connect manufacturers, suppliers, and enterprises effortlessly by encouraging ethical supply chain practises. Following are 4 such brands:

ShakeDeal – One of the top B2B commerce sites in India for industrial goods, Shakedeal serves as a link in the supply chain between businesses and manufacturers. Their wide selection of products, efficient logistics, and prompt deliveries help businesses strengthen their supply chain and procurement. Through the use of technology, cutting lead times and costs for clients, the brand is bridging the supply chain gaps in the industry.

Stellapps – An innovative agritech company in India, Stellapps specializes in dairy technology solutions. With the use of AI-driven platforms, they provide dairy farmers with up-to-date information on cattle health, milk production, and quality. Stellapps' cutting-edge technology has transformed the dairy industry, leading to increased efficiency and profitability for farmers.

Intugine – Intugine is an innovative platform that offers real-time visibility and digitalization for businesses' logistics operations. By utilizing advanced technologies like IoT, AI, and data analytics, Intugine enables companies to optimize their logistics, improve efficiency, and make well-informed decisions. With its user-friendly interface, the platform ensures

smooth monitoring and management of shipments, contributing to a more efficient and agile supply chain.

SupplyNote – SupplyNote is a prominent provider of supply chain solutions in the F&B industry. Leveraging AI and data analytics, they enable data-driven decisions, enhances inventory management, and fosters better supplier relationships. With real-time tracking and end-to-end transparency technologies, Supplynote boosts efficiency, minimizing errors, and empowering businesses to concentrate on strategic expansion.

Indian supply chain brands are driving transformation by addressing gaps in the industry. By utilizing technology, data insights, and collaborative platforms to improve logistics, reduce lead times, and optimize procurement processes, they are contributing to the industry's growth. These innovators set new standards for a sustainable and connected supply chain network in India and the country is witnessing their growth!

Akshayakalpa Organic introduces UHT pack to its product portfolio

JUL 28, 2023

<https://dairynews7x7.com/akshayakalpa-organic-introduces-ugt-pack-to-its-diverse-and-nutritious-product-portfolio/>



Akshayakalpa Organic, India's first certified organic dairy company and producer of the country's most popular organic milk and milk based products, has expanded its market to 42 cities in the country to play a bigger role in the Indian dairy sector. With over 13 years of promise of bringing clean nutrition through milk and milk products, Akshayakalpa ventures into new markets across Karnataka, Tamil Nadu, Telangana, Andhra Pradesh, Maharashtra, and Kerala with its all-new Ultra High Temperature (UHT) milk pack.

Akshayakalpa Organic's expansion comes with the shift observed in consumer preferences

and the increasing awareness and demand for organic dairy. The new UHT pack combines the organic benefits and a promise to deliver nutritious milk to consumers.

Since it was founded in 2010, Akshayakalpa has created new benchmarks for sustainable farm practices that help produce milk and milk products that are free from antibiotics, synthetic additives, and chemical pesticide residue. All Akshayakalpa Organic products are sourced from happy and healthy cows living in organic farms and nourished with an organic diet.

Shri. Shashi Kumar, CEO, and Co-founder, Akshayakalpa Organic said, “Akshayakalpa Organic is on a grassroots movement to offer the right and nutritious food choices to consumers. We have been present in the key cities of the South market and able to reach out to 1 lakh consumers. This launch has enabled us to reach out to wider audience across 42 new cities and make them witness the goodness of organic dairy. Further, we are transforming the organic milk sector by retailing wholesome and nourishing organic milk in UHT pack accessible to consumers across major cities. Our UHT pack is a milestone in delivering the goodness of organic milk while maintaining its natural integrity. At Akshayakalpa, we believe in the power of organic farming for the well-being of consumers, farmers and the planet.”

With UHT milk pack consumers can now enjoy the immense health benefits of organic milk without compromising on convenience. Healthy cows living in stress free environment, eating nutritious fodder grown in chemical-free soil and milk untouched by human hands makes Akshayakalpa milk organic and pure. Akshayakalpa Organic milk contains no antibiotics, induced hormones, or chemical residues thus preserving the naturally occurring nutrition of organic milk.

With innovations in the organic dairy market, Akshayakalpa is now focusing on foray into new markets and product categories. Consumers in cities like Kochi, Coimbatore, Mysore,

Bangalore, Chennai, and Hyderabad and others can buy UHT milk packs from their nearest retail stores.

About Akshayakalpa Organic: Akshayakalpa Organic, founded in 2010, is India’s first certified organic dairy enterprise that offers milk and milk products that are free from antibiotics, synthetic additives, and chemical pesticide residue. The organization stands true to its name with its vision of building a healthier world through nutrition, based on clean science, and a sustainable farming ecosystem accessible to the entire nation.

Akshayakalpa has crafted a world-class model that not only creates a new industry benchmark in dairy farming practices but also nurtures farmers in line with its mission to create a holistic ecosystem-led transformation through its Farmer- Entrepreneurship Initiatives.

The nutrition-rich products of Akshayakalpa include Milk, Ghee, Cheese, Butter, Paneer, Curd, Buttermilk, Bread, Honey, Batter, Coconut, and Virgin Coconut oil, and many new products to be launched in the pipeline. Akshayakalpa currently has about 1 lakh customers across Bengaluru, Chennai, and Hyderabad and growing.

National Programme for Dairy Development report -July 2023

JUL 26, 2023

<https://dairynews7x7.com/national-programme-for-dairy-development-report-july-2023/>



Department of Animal Husbandry & Dairying (DAHD) is implementing National Programme for Dairy Development (NPDD) scheme across the country since Feb-2014. The scheme has been restructured/realigned in July 2021 for implementation from 2021-22 to 2025-26 with the following two components and their respective objectives:

(i) The Component “A” of NPDD focuses on creating/strengthening of infrastructure for quality milk testing equipment as well as primary chilling facilities for State Cooperative Dairy Federations/ District

Cooperative Milk Producers' Union/SHGs/Milk Producer Companies/Farmer Producer Organizations throughout the country.

(ii) The Component 'B' of the NPDD scheme "Dairying through Cooperatives" aims to increase sale of milk and dairy products by increasing farmer's access to organized market, upgrading dairy processing facilities and marketing infrastructure and enhancing the capacity of producer owned institutions.

Component B of NPDD scheme is implemented in 9 states namely Bihar, Uttar Pradesh, Punjab, Rajasthan, Madhya Pradesh, Andhra Pradesh, Telangana, Uttarakhand and West Bengal with the total outlay of Rs. 1568.28 Crore including Rs. 924.56 Crore as an Official Development Assistance (ODA) loan from Japan International Cooperation Agency (JICA), Rs. 475.54 Crore as Government of India's (GoI) contribution and Rs. 168.18 Crore as State/Participating Institution's (PI) contribution.

Annexure

State-wise details of approved outlays and funds released under "National Programme for Dairy Development" (NPDD) scheme (As on 18.07.2023)

(Rs in crore)

Component-A				
S. No.	Name of State	Total Approved Cost	Central Share	Funds Released
1	Andhra Pradesh	235.05	162.25	62.19
2	Arunachal Pradesh	11.91	11.26	8.84
3	Assam	34.36	32.65	4.55
4	Bihar	263.23	210.19	204.07
5	Chhattisgarh	23.39	20.96	11.14
6	Goa	16.90	13.93	8.74

7	Gujarat	327.77	201.27	201.30
8	Haryana	25.24	21.33	19.32
9	Himachal Pradesh	46.43	42.67	41.08
10	Jammu & Kashmir	151.12	139.81	115.50
11	Jharkhand	20.94	17.66	11.30
12	Karnataka	374.38	261.19	162.21
13	Kerala	170.64	125.97	115.01
14	Madhya Pradesh	66.89	56.70	54.70
15	Maharashtra	51.77	46.46	38.84
16	Manipur	30.29	27.85	23.41
17	Meghalaya	63.94	57.80	45.39
18	Mizoram	11.01	10.31	10.31
19	Nagaland	13.06	12.15	12.15
20	Odisha	62.60	55.33	46.78
21	Puducherry	4.38	4.21	3.22

22	Punjab	251.21	167.19	125.32
23	Rajasthan	257.07	192.91	157.01
24	Sikkim	53.72	49.62	37.69
25	Tamil Nadu	236.80	167.88	136.42
26	Telangana	65.12	54.91	37.71
27	Tripura	22.92	20.26	14.22
28	Uttar Pradesh	81.84	68.43	45.08
29	Uttarakhand	75.04	64.12	41.32
30	West Bengal	4.03	3.93	3.63
	Total	3053.03	2321.22	1798.44

(Rs in crore)

Component-B*					
S. No.	State	Total Approved Outlay	ODA Loan	Grant	PI's Contribution
1	Andhra Pradesh	129.00	63.82	62.94	2.24
2	Bihar	58.05	19.44	34.88	3.72

3	Madhya Pradesh	76.50	50.00	0.00	26.50
4	Punjab	371.18	286.37	54.52	30.29
5	Rajasthan	276.95	184.49	72.73	19.74
6	Telangana	90.71	71.53	12.46	6.72
7	Uttar Pradesh	121.86	29.90	86.41	5.53
8	Uttarakhand	6.39	0.00	5.76	0.63
	Total	1130.64	705.54	329.70	95.37

ODA loan- Official Development Assistance Loan from JICA; PI-Participating Institution

*Note: Till date, an amount of Rs.9.31 crore has been released by DAHD to National Dairy Development Board (NDDB) under Component B of NPDD scheme.

This information was given by Shri Parshottam Rupala, Union Minister of Fisheries, Animal Husbandry & Dairying in a written reply in Lok Sabha today.

Flush season ahead for these three dairy stocks say analysts

JUL 26, 2023

<https://dairynews7x7.com/flush-season-ahead-for-these-three-dairy-stocks-say-analysts/>

Dairy demand is seeing an uptick as procurement prices are coming down, leading to margin expansion, say analysts.

- As spending power increases, demand for other value added products like ice creams, paneer, cheese and whey are growing.
- Arihant Capital says that there is huge upside in stocks like Parag Milk Foods, Dodla Dairy and Heritage Foods.

It wasn't as if the last financial year (FY23) was without disruptions for the dairy sector. Fodder prices shot up and the cattle health and thus



productivity was affected due to a skin disease. Yet, three sectoral stocks have given over 50% returns in the last one year – and have been on an upswing since March.

Heritage Foods and Dodla Dairy are up over 57% in the past six months. Parag Milk has done only better seeing a rise of 62% in the same period. What's more, analysts opine that there is more to milk from these stocks as the sector is headed for a smoother pasture as procurement prices fall in the second half of the current financial year (FY24).

"The industry is seeing brighter times with the anticipation of a healthy flush season which will lead to high milk production in the country, and subsequent softening in the procurement prices of milk from now lower feed costs. The impact of lumpy skin disease is starting to fade away," said a report by Arihant Capital Markets.

Indian companies are making steady investments in cattle feed, improving the breeds, and moreover cattle population is growing at a rate of around 1.5% per annum. The incoherent monsoons that disrupted farmers, might not have a large impact on dairy farmers.

"Farmers tend to invest more in cattle rearing during weak monsoon years as they fear lower agri (farming) income. However, we believe there is only one potential concern of higher food-grain prices which may inflate cattle feed prices and result in higher milk procurement prices for dairy companies," says ICICI Securities.

COMPANY	ONE YEAR RETURNS
Heritage Foods	85%
Dodla Dairy	59.6%
Parag Milk Foods	53.1%
Hatsun Agro	26.5%

Curdling opportunities: Margin growth ahead

India's dairy industry is vast and most of it has been traditionally unorganised, consumer preference is moving towards organised players.

"Rising incomes of consumers resulted in an increased demand for protein-rich dairy products. These products play a vital role in meeting

the nutritional requirements of a large vegetarian population,” say Abhishek Jain and Anushka Chitnis of Aриhant Capital.

An Elara Capital report also says that they see robust sales growth for the sector. “Demand continues to see an uptick, led by rising mobility towards urban and educational centres,” it says.

Moreover, the sector’s margins are set to recover after gross margins fall to a cyclical low in FY23. There has been a correction in milk procurement prices in May and June months and it would also get better during the second half of the year.

“We model the spread between selling prices and milk procurement price to increase in FY24 and model 100-200 basis expansion in earnings before interest tax depreciation and amortisation (EBITDA) margin for the dairy companies under our coverage,” says ICICI Securities which covers three companies – with a buy rating on Heritage Foods and Dodla Dairy; and hold on Hatsun Agro.

The dairy companies are working towards building a value added products (VAP) portfolio beyond curds – which will only increase margins. For most companies, over two thirds of their VAP sales come from curds whose margins are twice as that of liquid milk. But they are also working on flavoured milks and yoghurts, paneer, ice creams and more.

Huge upside ahead, say analysts

Thanks to the structural growth in the sector, there is a huge upside in stocks like Dodla Dairy, Heritage Foods and Parag Milk Foods, says Aриhant Capital.

Telangana based Dodla Dairy already gets around 27% of its revenues from VAP products, and are constantly churning out new products and intend to grow its VAP share by 1-2% every year, going forward. It’s also investing in adver-

tising and promotion and setting up retail parlours, while expanding aggressively into untapped markets and is also net debt free.

“We believe that Dodla is well poised to grow ahead of the industry to cement itself as a market leader in the years to come. It does not shy away from organic and inorganic expansions. We assign a target price of ₹1,366, indicating an upside of 121%,” says Aриhant.

Andhra Pradesh-based Heritage Foods boasts of a wide distribution network across 11 states, both offline via franchises, retail reach and more – and is also now on e-commerce sites. It has plans to invest ₹100-125 crore per annum for the next three years to build procurement and processing infrastructure. It intends to fund capex with cash flows and is also net debt free.

It also has aggressive plans to grow its VAP revenue contribution from 25% currently to 40% in four years. “Volumes will return as harvests improve, and the higher VAP sales will drastically improve realisations and margin profile going ahead. We assign a target price of ₹448 valued, indicating a 88% upside,” says Aриhant.

Parag Milk Foods that runs the Gowardhan brand, boasts of one of the largest distribution reach in the country. It’s one of India’s leading private dairies, with a 20% market share in ghee, and a 35% market share in cheese as of FY23.

They pioneered the concept of farm-to-home premium dairy and have been advertising aggressively over the last two years as their ad spends went up by 2.5 times. It’s also present in the fast-growing segment of whey protein.

Even as most other dairy players are scrambling to gain market share, Parag has well cemented its presence as an industry leader for decades.

“Parag Milk Foods is a good play in the private dairy space, considering its heightened focus

on and market dominance in the value added product and premium space. We expect it to grow in the high teens. We assign a target price

of ₹450 indicating an upside of 231%," says Arihant Capital.

A 30 liter tank for making lab made milk cost Rs 1.5 crores

JUL 25, 2023

<https://dairynews7x7.com/a-30-liter-tank-for-making-lab-made-milk-cost-rs-1-5-crores/>

Milk Made By Sugar, Water, And Bacteria: Milk and milk products have come a long way in the last few years. Despite this, these products made from plants cannot exactly match dairy. According to a report by the Good Food Institute (GFI), plant-based milk beverages made from ingredients such as soybeans, almonds, and oats make up to 15% of total milk



sales in the USA market and 11% in Western Europe.

Making Milk Using Bio-Chemical Process

With the hope of becoming a part of the Rs 70 lakh crore global dairy market, some companies are now making milk in new ways without cows or plants. These companies of synthetic dairy are making milk through bio-chemical processes. Some bacteria are placed between sugar and water in a special tank.

Lactose Is Removed

These bacteria convert the sugar into milk protein after some time in a controlled environment. This type of milk also has benefits. Lactose, to which some people are allergic, and hormones, which are linked to some adult diseases, can be removed from milk in this manner.

Efficient Than Traditional Dairy

This is useful in these times of growing concerns about food security and climate change. It uses less water. It requires less energy and space than traditional dairy production. Emissions of greenhouse gases are also low, which account for more than 3% of global warming emissions in the region.

Tanks More Expensive Than Cows

The tanks used in this process are very expensive. A tank that can hold about 30 liters of milk can cost up to Rs 1.5 crores. On the other hand, buying a cow, which can give almost this much milk in a day, will cost only Rs 1.5 lakhs.

Stray cattle menace , your dairy hurdles on Chennai roads

JUL 25, 2023

<https://dairynews7x7.com/stray-cattle-menace-your-dairy-hurdles-on-chennai-roads/>

The bustling Velachery 100 Feet Road came to a brief halt on the night of July 15 after a herd of cattle strayed on to the two-kilometre stretch that falls between the flyover and Phoenix Mall. While cattle on the streets is not a rare sight, lack of proper enforcement of the regulations continue to create traffic bottlenecks in the city.

According to the Greater Chennai Corporation's veterinary officer Dr Kamal Hussain, more than 7,000 stray cattle were impounded by the corporation last year. Despite penalties levied on the owners, stray cattle continue to roam free on link roads and arterial roads.

M Ramcharan, a resident of Kotturpuram, takes the 100 feet road to travel to his office in Madipakkam on his two-wheeler. "There is no median in the entire stretch barring the signals. If cattle move from the sideways to the main road, it creates traffic congestion. There is also the threat of cattle being hit by speeding vehicles," said Ramcharan.



Raghukumar Choodamani, a social activist based in Perambur, says that rearing cattle in the open is detrimental to both traffic and the animals, and the same can be curbed only by putting in place proper restrictions and levying fines. Photographer M Hemanathan, however, is of the opinion that open dumping of food

wastes is what attracts stray cattle to the link roads.

For his work, Hemanathan travels from Mogappair to Egmore. He told TNIE, "I find stray cattle near the Aminjikarai bridge. But it is not a big problem yet. Since it is an important area, traffic police are available throughout the day to clear any congestion due to cattle. But the same cannot be said for other areas." The general plan of action for corporation officials is to seize stray cattle based on complaints and raids, and send them to cattle depots.

Chennai has two major cattle depots, namely in Perambur and Pudupettai, maintained by GCC's veterinary assistant surgeons. The owners are tracked down and the cattle are let off only after a fine and maintenance charge is levied on them. A written affidavit is also obtained. This, however, has not curtailed the menace.

"We conduct inspection every day in all the 15 zones.

We seize stray cattle and impose fines on the owners. Cattle would be marked with a tag with owner details, but the owners rip off the tag and let them out again. Repeated offenders' cattle are seized and handed over to the blue cross. But it's a collective effort. We have requested the police department to create awareness among cattle owners. We conduct a quarterly meeting with cattle owners in every zone to sensitise them on best behaviour," said Hussain.

Soaring cattle feed prices to drive milk prices higher

JUL 24, 2023

<https://dairynews7x7.com/soaring-cattle-feed-prices-to-drive-milk-prices-higher/>

Retail milk prices that have shot up nearly 22% in three years, including about 10% in the last one year, are expected to increase further in the coming three-four months as feed and fodder prices are on the rise amid the monsoon deluge. The prices of de-oiled rice bran (DORB), a key ingredient in cattle, poultry, and fish feed, have increased sharply to 18,000-18,500 a tonne from 15,000 per tonne in the last few weeks. Maize, a major feed grain and a standard component of livestock diets, is being sold at 24,500 a tonne in Tamil Nadu's Erode, a 20% increase in one month, people in the know in the spot trade



said. "The rise in prices is recorded not only in de-oiled rice bran but also in grains. Maize (corn), jowar, bajra prices are also very high due to heavy rainfall increasing moisture content in crops. While the ideal moisture content in maize is around 14%, it has gone up to 18-19%. This raises concerns over crops being infected by fungus, which will eventually lead to damage," said Maharajan Sakthivelayutham, CEO of Krishi Nutrition Co. Pvt. Ltd, an animal feed company. "Additionally, mismatch in demand and supply, and lower MSP (minimum support price) hike than expected pushed up maize prices," he said. The northern states were hit with extreme rainfall in the second week of July. The standing paddy crops in Punjab and Haryana were badly hit, thus affecting the supply of rice bran which is used for animal feed, and is a by-product of rice. These two states have seen rainfall in large excess of 96% and 91% above long period average, during 1 June-

to 12 July. "Any natural calamity that raises agricultural prices will eventually lead to higher feed and fodder prices," said Samarth Setia, CEO of Mr. Milkman, a SaaS platform for dairies to manage their operations from production to consumption. "There is already pressure on prices due to floods. Feed and fodder prices are seen to be under pressure and consequently milk prices, despite the fact that production usually increases in winter." 48-50 a litre retail price of milk in Tamil Nadu is expected to go up by 2 a litre, while consumers across the rest of India may have to spend 2-4 more per litre, industry experts said. "Considering the changes in weather and floods, there is a high chance that milk price would increase. The cost of milk production is expected to go up in the next three-four months. The estimation is between 2-4 hike per litre," a dairy industry expert said, requesting anonymity. "When I say a 4-rupee-hike, it will happen in multiple months and multiple iterations. If it is 2, price rise will be reflected in one or two iterations." Queries sent to the Consumer Affairs and Animal Husbandry and Dairying ministries remained unanswered till the time of going to the press. Some experts see a little impact on retail milk price because of the seasonality and demand from consumers getting hit if retail price of milk is increased beyond a level. Rainfall in second half of monsoon season (June-September) will play a key role in prices of feed and fodder, and eventually milk. "The deluge, which took place in the early part of the monsoon, may delay the arrival of certain crops, but I don't expect this to cause any material damage so far. However, a marginal increase in prices is expected because everybody has planned for certain months and suddenly, if the material is not available for the planned duration, a supply crunch will emerge," said Sandeep Singh, CEO-

animal feed Godrej Agrovet Ltd. "DORB prices have already gone up, and may go up further by 500-1,000 a tonne, but I don't see an upward inflationary pressure. The rise is expected simply because of the late arrival of crops." Kharif paddy crops that usually start arriving in mid-October may be expected to arrive in markets from late October or early November due to the deluge, he said. "However, it will depend on how monsoon progresses in August and September." The heavy rain in the northern states, especially Punjab and Haryana, has submerged standing paddy crops, and farmers are now required to re-sow or re-transplant them. Paddy prices were already rising because of the rainfall deficit. After the heavy downpours, prices of paddy and its by-products like rice bran, have shot up significantly. "Due to the

deluge in some major grain producing areas, crops have been impacted. Other grain crop too may be hit. But, as far as green fodder is concerned, production of these will increase in flooded areas as farmers will pick short-term crops like maize," said Rupinder Singh Sodhi, president of Indian Dairy Association. "There will be temporary shortage of feed and fodder as grain production ultimately may be less, but green fodder production will be better. Presently, feed cost has shot up because people realise that paddy production will be less." Though feed prices are expected to remain high, the price of milk is unlikely to rise as it has increased a good 15-16% in the last one and a half years. Consumer demand will crash if prices are increased beyond a level.

Dr. Meenesh Shah appointed Chairman, IRMA

JUL 24, 2023

<https://dairynews7x7.com/dr-meenesh-shah-appointed-chairman-irma/>



**Dr Meenesh
Shah
Appointed
IRMA
Chairman**

Dr. Meenesh Shah, Chairman & Managing Director, National Dairy Development Board (NDDB), has been appointed Chairman of the Institute of Rural Management Anand (IRMA). He is also a member of IRMA's Society and Board of Governors and has been unanimously elected by the Board as its Chairman.

Assuming the position, Dr. Shah said, "I feel proud to be given this responsibility and thank

the Board of Directors and the Society members for bestowing faith in me. This is a privilege to handle the responsibilities of Chairman of IRMA which was set up in 1979 under the leadership of Dr. Verghese Kurien with financial support from NDDB, Swiss Agency for Development Cooperation, Government of India, Government of Gujarat and the erstwhile Indian Dairy Corporation."

Dr. Meenesh Shah further said, "Over the last four decades, IRMA has continued to play a pioneering role in rural management space giving the country the finest rural management professionals who are traversing a path less travelled and are contributing to the rural prosperity and nation building. I am looking forward for bringing about positive changes while working with all the stakeholders."

Dr. Shah is the first alumnus from IRMA to take over as Chairman IRMA. He is a Dairy Technologist and has recently been felicitated with the

prestigious Dr. Kurien Award and is the recipient of an Honorary doctorate degree by Kamdhenu University for his exemplary contribution to the Dairy Sector.

Dr. Shah has an illustrious and multifaceted career of more than 38 years in NDDB. He has been a great proponent of innovations and has been instrumental in conceptualising, planning and implementation of several interventions in dairy and allied sectors for bringing about efficiencies, effectiveness, sustainability and more importantly enhancing the income of small and marginal dairy farmers.

Dr. Shah is also the Chairman of Mother Dairy Fruit & Vegetable Pvt Ltd, Indian Immunologicals Ltd, IDMC Ltd, NDDB Dairy Services, NDDB Mrida Ltd and NDDB Calf Ltd, which are furthering the objectives of NDDB and catering to various value chains of our dairy sector from animal & human health, dairy machineries, institution building, marketing of milk & milk products to manure management. He also chairs Pristine Biologicals, New Zealand, Anan-

dalaya, Animal Breeding Research Organisation and NDDB Foundation for Nutrition. He is also on the Governing Boards of many premier institutions like NCDFI, Vidya Dairy, Foundation for Ecological Security (FES), North East Dairy and Foods, Bharatiya Beej Sahakari Samiti Ltd, National Cooperative Organics Ltd and Dairy Sustainability Framework etc.

He is the Member Secretary of Indian National Committee of International Dairy Federation (INC-IDF), Member of the Standing Committee on Dairy Policies and Economics of IDF. He has spearheaded successful organisation of the World's largest Dairy Conference IDF-WDS 2022 in India in September 2022. He also ensured successful implementation of the World Bank funded Central Sector Scheme 'National Dairy Plan Phase I'.

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ID FRESH EYES US RELAUNCH AND POSSIBLE M&A IN USA

JUL 24, 2023

<https://dairynews7x7.com/id-fresh-eyes-us-relaunch-and-possible-ma-in-the-region/>



Bengaluru-based ready-to-cook brand ID Fresh Food is looking at strategic acquisitions in the US as it plans on re-entering the market with improved product and packaging. The company, most known for its ready-to-cook batters, is also on the lookout for a country head for the US to oversee its expansion plans in these markets.

“We are looking at acquisition targets in the US market which can offer us manufacturing capability, technical know-how, access to market and a team,” PC Musthafa, Founder and CEO of iD Fresh Foods, told YourStory. He added that the company was evaluating target companies with revenue of \$5 million to \$10 million with product adjacencies.

This would include brands in the US known for their ready-to-cook range. The company is set to announce a country head for the US soon who will drive the expansion. “We thought that we needed an experienced entrepreneur to lead the market. A person who is of Indian origin, has worked in the US for a while, built a

business from zero to X, and now wants to become an entrepreneur. They can hire their own team for the US market,” says Musthafa, adding that this would be the right approach before the brand targeted the market at scale.

The Premji Invest-backed company—which has raised \$119 million across multiple rounds of equity funding—is looking to fund its expansion from its books, with the target of clocking Rs 700 crore in revenues for FY2024 as compared to Rs 420 crore in FY2023. Registering a global footprint The company, which has a strong presence in India, UAE, Saudi Arabia, and Oman, is also planning on starting operations in Qatar, Kuwait, and Bahrain by end of July. Apart from its relaunch in the UK and the US, it is also planning to launch in Southeast Asia with its entire range in Singapore over the next year and half.

“Expansion for us has three aspects—one is to penetrate existing markets, launch new products and geographic expansion,” says Musthafa. For these regions, iD fresh will launch more packaged food products like parottas that have a longer shelf life, as per Musthafa. It operates five batter manufacturing plants including one in the UAE and four in India, across Anekal (Karnataka), Delhi, Mumbai, and Hyderabad.

The company plans on opening manufacturing facilities in other global markets over time. Back home, iD Fresh is also expanding into North India where it does not have a strong presence yet, starting with Delhi and expanding to Chandigarh and Agra. The brand also launched a clean-labeled bread in Bengaluru, apart from its offerings of batter for idli-dosa, vada, paneer, curd, parotta, chapatis among others. According to an estimate by global professional services firm Alvarez and Marsal, the branded packaged batter market is estimated to be between Rs 600 crore to Rs 700 crore as of FY2023, making up less than 10% by volume penetration of the overall batter consumption in the country.

So for iD Fresh, expanding its market beyond India will help increase its total addressable

market or TAM. “Categories of fresh packaged food like batter and parotta are transitioning from unpackaged to packaged, and it is a sustainable long-term story. We have previously seen brands like MTR, Haldiram catering to the Indian diaspora and growing in international markets,” Rishav Jain, Managing Director, Consumer and Retail Lead at Alvarez and Marsal told YourStory.

Transitioning from family run to fully fledged business For iD Fresh, expansion also equates to evolution—as the company progresses to becoming a professionally managed entity from a family-run businesses. “Previously it was mostly me and my cousins...with Premji Invest coming on board in 2017, we decided to bring in a more professional team. Over the last few years we have built a strong CXO team and a CHRO is all set to join us soon,” says Musthafa.

The key appointments iD Fresh has made at the leadership level include Pavan Kumar BVS, Chief Business Officer appointed in 2019, who joined the company from dairy company Danone; Rahul Gandhi, Chief Marketing Officer, who joined the company in 2020 from HT Media; and Jaipal Singal, who joined as CFO in 2020 from online furniture brand Urban Ladder. The company also appointed GLN Murthy as the Chief Manufacturing Officer in 2021, Sidharth Saxena as Chief Product Officer in 2023 and Enakshi Dasgupta, Head of New Product Development in June, 2023.

“We have kept a reasonably good pool for ESOPs—close to 12.5%—and we are using that to recruit, reward and retain the right talent,” says Musthafa. He adds that most of the CXO appointees join as founder-employees as they see potential in the company. By the numbers iD Fresh Foods clocked in losses of Rs 70.37 crore on a consolidated basis for FY2022, as per filings with the Registrar of Companies. The company is yet to file earnings for FY2023. “If I were to cut down on marketing spends from 14% to 8%, that itself will give me a double-digit EBITDA.

For core products in core markets like Bengaluru and Pune we are double-digit EBITDA profitable. However, we are yet to turn profitable in our new markets,” says Musthafa. He adds that the company is funding its expansion from profits from other markets and follows a negative working capital model with its cash-on-delivery business. Also Read How ID Fresh Grew From A 50 Sq Ft Store Into A Rs 182 Crore Brand iD Fresh also operates a HoReCa (Hotels, Restaurants, and Catering) vertical supplying to businesses in order to avoid wastage.

According to the CEO, the business-to-business vertical contributes 8% to 9% of the company’s revenues and accounts for a fourth of the sales. “The UAE market contributes to nearly a

third of our revenues,” says Musthafa adding that the largest share of revenue at 33% comes from sale of batter, followed by 25% from sale of parotta and chapatis.

Modern trade including grocery stores, supermarkets and kiranas continues to be the primary sales channel with nearly 45% contribution, followed by 30% sales coming from online channels. For iD Fresh, the key will be in cracking distribution. “Fresh food as a category has a shelf life attached to it and the front-end becomes important, especially distribution and shelf management. Players who can execute these well have a better chance of success,” adds Jain of Alvarez and Marsal.

Dairy farmers lose as sales drop in Nepal

JUL 24, 2023

<https://dairynews7x7.com/dairy-farmers-lose-as-sales-drop-https-kathmandupost-com-money-2023-07-22-dairy-farmer-incomes-plunge-as-sales-suffer/>

Tirtha Acharya of Fikkal Bazaar, Ilam has been a dairy farmer for decades. He makes ghee and dog chew from the milk produced on his farm. He also buys milk from other farmers to make his various dairy products.



Last March, the government raised the price of milk paid to farmers, and since then, his sales have plunged. His products became just too costly.

The price paid to farmers was hiked by Rs9 per litre.

With business at a standstill, Acharya started supplying milk to the Biratnagar-based milk

plant of Dairy Development Corporation (DDC). But when the plant stopped paying him, he sank into deep financial trouble.

“The factory owes me Rs1.5 million for my milk, and I have not received any money,” he said.

As the milk plant has not been making timely payments, Acharya says he has been buying cattle feed on credit.

According to Acharya, things were going well before the price of milk was raised. He used to sell ghee for Rs750 per kg and dog chew for Rs1,050 per kg.

“Now the price of each product has increased by Rs150 per kg. People have stopped buying dairy products. We have not received orders from buyers either.”

Dairy farmers at Hanse Dhunse Dairy Cooperative in Damak-3, Jhapa are similarly distressed.

The Biratnagar plant of DDC owes more than Rs3 million to the dairy farmers.

Gehanath Pokharel, president of Hanse Dhunse Dairy Cooperative, says the cooperative has been supplying milk collected from 325 farmers to the plant. The plant has not paid them since mid-April.

“The farmers have asked for their money several times, but the company officials are always making excuses,” said Pokharel.

The paddy transplanting season has started, and farmers need money to buy fertilisers and pay the farm hands.

Private dairies in Biratnagar say that customers have decreased sharply after the rise in prices of dairy products.

“Before the price hike, Nepali dairy products were exported to India. But now it is the other way around. Indian products are flooding our market,” said trader Dilli Ram Baral. “We have been forced to slash prices because no one is buying.”

According to local traders, around 40,000 litres of Indian milk enters Nepal daily through unofficial channels. They say local authorities have done little to stop the contraband.

Farmers in Koshi province have been selling their products to private dairies and the state-owned DDC in Biratnagar. But the farmers have not been receiving payment on time because of the decrease in sales.

Premeshwor Chaudhary, chief of the Dairy Development Corporation’s plant in Biratnagar, says they collect 26,000 litres of milk daily, but they are able to sell only 6,000 litres.

Moreover, milk deliveries from farmers have increased.

“Until a few years ago, farmers in Fikkal, Ilam and Garamani, Jhapa used to supply 200 to 300 litres of milk daily. But now they are bringing more than 6,000 litres a day,” said Chaudhary. “Milk is imported illegally from India.”

DDC said that sales of all dairy products like curd, cheese and sweets have plummeted because of the high prices.

“We have no option but to make milk powder from the milk,” said Chaudhary. He says their warehouse in Biratnagar contains 50 tonnes of butter and 20 tonnes of milk powder.

“As the inventory has been piling up, we are planning to move some of it to our warehouse in Kathmandu.”

According to Chaudhary, the increment in milk collection from the farmers and the drop in sales have disrupted the payment cycle.

In the past, the DDC plant in Biratnagar used to pay farmers every 15 days, but now it has not made any payment since mid-April.

“The total amount due to the farmers is around Rs60 million,” Chaudhary said.

Birendra Kumar Yadav, chief district officer of Morang, says they are serious about controlling milk smuggling from India.

According to the Directorate of Livestock and Fisheries Development in Biratnagar, there are 510,032 cows and 387,968 buffaloes in Koshi province. The annual output of milk is 525,155 tonnes.

“Milk production has been increasing lately, but sales have not been able to keep pace,” said Pashupati Dhungana, director of the directorate.

Lekh Raj Dahal, secretary of the Ministry of Industry, Agriculture and Cooperatives of Koshi province, said that more than 3,200 head of cattle had died due to the [lumpy skin disease](#) in

Koshi province, but milk production is still growing.

“To deal with the problem of excess milk, we have requested private dairy plants to produce powder milk and other products such as chocolate,” said Dahal.

NDDB, GCMMF organise Jan Bhagidari event on women

JUL 23, 2023

<https://dairynews7x7.com/nddb-gcmmf-organise-jan-bhagidari-event-on-women-led-development-through-dairy-cooperatives/>

NDDB and GCMMF, and W20 organised a one-day event on Jan Bhagidari – Women-led Sustainable Development through Dairy Cooperatives under W20, an official engagement group of G20 at NDDB, Anand on 20 July 2023.

On the occasion, Jagdish Vishwakarma, Minister of State for Co-operation, Government of Gujarat said that women should take the lead in managing dairies and cooperatives.

We need to work for reducing the cost of milk production in order to raise profit and technological interventions will address the challenge of shortage of workers, which our women dairy farmers are aware of. We can think of having community cattle sheds in villages and take up fodder production commercially to tackle fodder scarcity.

In his video message, Parshottam Rupala, Union Minister of Fisheries, Animal Husbandry & Dairying advised the delegates to focus on the changing role of women in the dairy sector from women-oriented development to women-led development.

Rupala also said that there are 18 all-women dairy cooperatives and through these women have achieved economic independence and

social recognition. The new cooperative policy of Government of India has also set a target of involving more and more women in the cooperative sector.

About 700 women dairy farmers representing cooperatives and producer organisations from across the country participated along with delegates from USA, France, Italy, UK, Kenya and Argentina, officials of the Central and state governments, revered institutions related to the dairy sector, and other stakeholders.

In her address, Dr Alka Upadhyay, Secretary, DAHD informed that India accounts for 24 per cent of global milk production. It is the collective responsibility of women to ensure the better health of livestock because it is directly linked with human health. Timely vaccination must be undertaken, and we must also aspire to become the vaccine hub of the world for animal vaccines. Another key challenge includes balanced nutrition for livestock as well as reduced use of antibiotics. Integrating the service sector with dairying will enable women and the younger generation to take up marketing, financing and other activities related to animal husbandry and dairy management in the future.

Dr Meenesh Shah, Chairman, NDDB said that we're fortunate to host so many women leaders from across the country today. Without the contribution of women dairy farmers, Indian dairying wouldn't have reached the pinnacle of



success that we see now. He also congratulated all women achievers for being the beacon of light for millions of women out there who will get motivated by their achievements.

Dr Shah conveyed that NDDDB would implement the Zakariyapura model in 25 other locations to set up biogas plants through women's contribution under the government's Gobar Se Samridhi initiative. The Dairy Board will continue to promote the inclusive growth of women by ensuring progressive change in the role of women dairy farmers from household dairy activities to entrepreneurial and governing roles in dairy cooperatives and other related institutional structures.

Speaking about the contribution of women in the dairy sector, Shamalbhai Patel, Chairman, of GCMMF, said that Gujarat has played a key role in putting the dairy sector on the global map. Women in the dairy sector are in fact catalysing the upliftment of society both economically and socially through their participation. We're grateful to the Union and state governments' support and NDDDB's technological guidance to empower, educate and upskill women to adopt sustainable dairying practices to improve yield. We are proud of the fact that about 12 lakh women are associated with GCMMF.

Dr Sandhya Purecha, Chair, W20, said that W20 has organised 165 events covering 15 states including task force meetings, Jan Bhagidari meetings, and discussions with policymakers. Dairy cooperative model has been long recognised as a successful model in enabling women

to become catalysts of sustainable development by providing them market access and augmenting their income.

Jayen Mehta, MD, GCMMF conveyed that Amul is the best example of women-led cooperative development. At the foundation of Amul's resounding success are the women dairy farmers. India and Amul can set an example for the world on how women are at the centre of the milk revolution across Gujarat and across the country. In fact, 26 per cent of women are on the board of various milk unions whereas some 77,000 women (38 per cent) are members of the management committees of village dairy cooperative societies at Amul. I am thankful to W20 for making Amul an institutional partner.

Bharati Ghosh, Ex-IPS mentioned that she was privileged to be present on this occasion of Jan Bhagidari. She informed that India is home to 12 million self help groups (SHGs), 88 per cent of which are all-women members. A total fund of 5.5 lakh crore has been disbursed, which has opened up a plethora of opportunities for women.

The Jan Bhagidari event highlighted the role of the dairy sector in empowering women through a series of success stories from across the country. Women members of cooperatives and producer organisations shared their journey of resilience. Success stories of women dairy farmers covered key priority areas of W20 – women entrepreneurship, grassroots women leadership, bridging the gender digital divide, education & skill development, and climate action.

Nandini milk price expected to go up by ₹3 a litre from August 1

JUL 23, 2023

<https://dairynews7x7.com/nandini-milk-price-expected-to-go-up-by-₹3-a-litre-from-august-1/>

The consumer price of Nandini brand milk being sold by the Karnataka Milk Federation (KMF) is set to go up by ₹ 3 a litre from August 1, as the government has given its consent for the rise at a meeting on Friday, according to KMF president Bheema Naik.

A formal notification regarding the increase in sale prices would be issued after a clearance from the State Cabinet, he said, adding that the decision was aimed to strengthen the co-operative dairy sector that is reeling under distress.

The meeting on Friday was attended by representatives of



KMF, presidents and directors of district milk co-operatives and senior officials and convened by Chief Minister Siddaramaiah.

The KMF president said, "The district milk co-operatives and KMF had sought an increase of ₹ 5 a litre on selling price of milk. The Chief Minister has permitted an increase of ₹ 3 a litre and instructed that the full financial benefit of the hike in selling prices should be passed on to milk farmers."

He said the KMF had also sought an increase in prices of milk products and milk powder. The government is expected to take a call in this regard in the coming days, he said.

Co-operation Minister K.N. Rajanna, who was also present in the meeting, said increase in milk prices was inevitable to protect the interest of milk farmers.

It may be noted that the consumer prices of milk had been last increased in November 2022 when a hike of ₹ 3 per litre had been effected by the KMF. However, the then Chief Minister Basavaraj Bommai had intervened and pegged the hike at ₹ 2 a litre.

Despite the hike in November 2022, the selling price of KMF's milk in Karnataka is much cheaper when compared with that of other private companies. While the KMF milk's price starts from ₹ 39 a litre, private firms are selling their milk in the range of ₹ 48 to ₹ 52 a litre.

Recently, the district milk unions had reduced the procurement prices of milk by ₹ 2.85 paise per unit. While the milk unions maintained that prices had been reduced as the summer months during which the milk production would be hit was over, the farmers had expressed concern that the milk production had become financially unviable due to low procurement prices.

Dodla Dairy Q1: Net profit rises 40.32% to Rs 34.97 crore, revenue up 14.84%

JUL 23, 2023

<https://dairynews7x7.com/dodla-dairy-q1-net-profit-rises-40-32-to-rs-34-97-crore-revenue-up-14-84/>

Dodla Dairy reported a consolidated net profit of Rs 34.97 crore for the quarter ended June, up 40.32 percent from Rs 24.92 crore in the year-ago period.



On July 21, the company reported a 14.84 percent YoY (year-on-year) rise in consolidated revenue from operations at Rs 823.42 crore against Rs 716.99 crore a year ago.

EBITDA grew by 33.9 percent YoY to Rs 60.3 crore in Q1 FY24.



EBITDA margin expanded by

104 bps YoY to 7.3 percent owing to lower raw material prices (44 bps YoY) and decline in other expenses (89 bps YoY). However, employee expenses grew by 29 bps YoY in Q1 FY24.

Average milk procurement during Q1 FY24 was at 15.9 LLPD as compared to 14.8 LLPD in Q1 FY23, registering 7.4% YoY growth. Average milk sales during Q1 FY24 were at 11.1 LLPD as compared to 10.4 LLPD in Q1 FY23, registering 6.2% YoY growth, the company said in an exchange filing.

“The industry has already started to experience some benefits of the upcoming flush season of 2023-24 which is likely to peak by September-October 2023.” said Mr. Dodla Sunil Reddy, Managing Director of Dodla Dairy.

On 21 July, share price of Dodla closed 3.13 percent up to Rs 765 on NSE.

Dodla Dairy's Returns On Capital Not Reflecting Well On The Business

JUL 22, 2023

<https://dairynews7x7.com/dodla-dairys-returns-on-capital-not-reflecting-well-on-the-business/>

What are the early trends we should look for to identify a stock that could multiply in value over the long term? Firstly, we'll want to see a proven *return* on capital employed (ROCE) that is increasing, and secondly, an expanding *base* of capital employed. Basically this means that a company has profitable initiatives that it can continue to reinvest in, which is a trait of a compounding machine. However, after briefly looking over the numbers, we don't

think **Dodla Dairy** has the makings of a multi-bagger going forward, but let's have a look at why that may be.

Understanding Return On Capital Employed (ROCE)

Just to clarify if you're unsure, ROCE is a metric for evaluating how much pre-tax income (in percentage terms) a company earns on the

capital invested in its business. To calculate this metric for Dodla Dairy, this is the formula:

Return on Capital Employed = Earnings Before Interest and Tax (EBIT) ÷ (Total Assets – Current Liabilities)

$0.13 = ₹1.3b \div (₹13b - ₹2.2b)$ (Based on the trailing twelve months to March 2023).

Therefore, **Dodla Dairy has an ROCE of 13%**. In absolute terms, that's a pretty normal return, and it's somewhat close to the Food industry average of 12%.



NSEI:DODLA Return on Capital Employed July 21st 2023

Above you can see how the current ROCE for Dodla Dairy compares to its prior returns on capital, but there's only so much you can tell from the past.

What Does the ROCE Trend For Dodla Dairy Tell Us?

When we looked at the ROCE trend at Dodla Dairy, we didn't gain much confidence. Around five years ago the returns on capital were 22%, but since then they've fallen to 13%. Although,

given both revenue and the amount of assets employed in the business have increased, it could suggest the company is investing in growth, and the extra capital has led to a short-term reduction in ROCE. And if the increased capital generates additional returns, the business, and thus shareholders, will benefit in the long run.

On a side note, Dodla Dairy has done well to pay down its current liabilities to 17% of total assets. That could partly explain why the ROCE has dropped. Effectively this means their suppliers or short-term creditors are funding less of the business, which reduces some elements of risk. Some would claim this reduces the business' efficiency at generating ROCE since it is now funding more of the operations with its own money.

The Key Takeaway

Even though returns on capital have fallen in the short term, we find it promising that revenue and capital employed have both increased for Dodla Dairy. And the stock has followed suit returning a meaningful 51% to shareholders over the last year. So while the underlying trends could already be accounted for by investors, we still think this stock is worth looking into further.

While Dodla Dairy doesn't shine too bright in this respect, it's still worth seeing if the company is trading at attractive prices.

While Dodla Dairy may not currently earn the highest returns, we've compiled a list of companies that currently earn more than 25% return on equity.

First-ever credit guarantee scheme for livestock sector launched

JUL 21, 2023

<https://dairynews7x7.com/first-ever-credit-guarantee-scheme-for-livestock-sector-launched/>

The government has launched the first-ever “Credit Guarantee Scheme” for the Livestock Sector for rebooting the rural economy by leveraging Micro, Small & Medium Enterprises (MSMEs).

For operationalising the scheme, the Department of Animal Husbandry & Dairying (DAHD) has established a Credit Guarantee Fund Trust of Rs 750 crore, which will provide credit guarantee coverage up to 25 per cent of the credit facilities extended to the MSMEs by the eligible lending institutions.

The credit guarantee scheme facilitates access to finance for the un-served and under-served livestock sector, making availability of financial



assistance from lenders to mainly

first-generation entrepreneurs and under-privileged sections of society, who lack collateral security for supporting their ventures.

The main objective of the scheme is to ensure that the lender gives importance to project viability and secures the credit facility purely on the basis of primary security of the assets financed.

The establishment of credit guarantee fund trust was approved under the Prime Minister’s AtmaNirbhar Bharat Abhiyan stimulus package of Rs.15000 crores “Animal Husbandry Infrastructure Development Fund” (AHIDF) for incentivising investments by individual entrepreneurs, private companies, MSMEs, Farmers Producers Organizations (FPOs) and Section 8 companies to establish (i) the dairy processing

and value addition infrastructure, (ii) meat processing and value addition infrastructure, (iii) Animal Feed Plant, (iv) Breed Improvement technology and Breed Multiplication Farm (v) Animal Waste to Wealth Management (Agri Waste Management) and (vi) Setting up of Veterinary Vaccine and Drugs Manufacturing facilities.

The DAHD has formed a trust with NABSarakshan Trustee Company Private Limited, a wholly owned subsidiary of NABARD for the establishment of a Credit Guarantee Fund Trust for extending the credit guarantee to Micro, Small & Medium Enterprises under the AHIDF scheme. This fund trust established in March 2021 is the nation’s first ever fund trust under the credit guarantee scheme of AHIDF in the agriculture and Animal Husbandry sector and is a path-breaking initiative taken by DAHD which would exponentially increase the number of MSME units getting benefits of the AHIDF scheme and strengthen the ecosystem for the collateral-free credit from the banks.

The credit guarantee portal has been developed as a rule based B2B portal and implemented the enrollment of eligible lending institutions under Credit Guarantee Scheme, issuance/renewal of Credit Guarantee Cover and Settlement of Claims.

Notably, the initiative of credit guarantee scheme taken by DAHD is expected to greatly increase the participation of MSMEs engaged in livestock sector leading to increased flow of credit to the sector and strengthen the MSMEs to boost the overall rural economy through strengthening the Livestock sector which is of one of the most potential sector seeking development.

Why Is Single Origin Milk A Hit With The Masses? Find Out

JUL 21, 2023

<https://dairynews7x7.com/why-is-single-origin-milk-a-hit-with-the-masses-find-out/>

Milk sourced from a specific region or farm, offering distinct qualities and flavours is called Single Origin Milk. It is the current rage among weight watchers, fitness freaks and people who just want to live healthily, that includes almost half of the world's population.

For the uninitiated, its benefits to consumers include traceability, knowing the exact source of their milk, supporting local farmers, and promoting sustainable farming practices. The unique environment imparts special characteristics to the milk, ensuring a more flavourful and authentic experience for consumers seeking high-quality and ethically produced dairy products.



“Single Origin Milk is the epitome of excellence, providing a premium and unparalleled dairy experience that ensures the highest quality and a host of unique advantages. Our Single Origin Milk is meticulously collected from our own farms that exemplify superior farming practices and maintain the highest standards for dairy herds. This deliberate approach allows us to have complete control over every aspect of the milk production process, from the cow's diet and well-being to the stringent hygiene standards applied during milking and packaging,” says Akshali Shah, Executive Director, Parag Milk Foods.

The standout benefit of Single Origin Milk lies in its incomparable taste and consistency. Shah believes by sourcing milk from their own farm,

they capture the distinct flavour profiles resulting from factors such as the cow's diet, breed, and the geographical location of the farm. “Each bottle of our Single Origin Milk delivers a truly unique taste experience, allowing consumers to savour the subtle nuances and exceptional flavours that make it truly extraordinary,” adds Shah.

Single origin milk has gained popularity due to its unique taste and quality. “Produced from cows that graze in specific regions, the milk carries distinct flavors influenced by the local environment. Consumers appreciate the transparency and traceability of its sourcing, knowing precisely where their milk comes from. This trend aligns with the growing demand for ethically produced, sustainable, and high-quality food products, making single origin milk a hit with the masses,” says Suruchi Khanna, nutritionist.

Furthermore, single origin milk guarantees unrivalled freshness. Through quality control measures and a short farm-to-table supply chain, it is ensured that the milk reaches consumers at the peak of freshness. This preserves the natural flavours and nutritional properties of the milk, elevating its overall quality and purity.

Transparency and traceability are additional key benefits offered by Single Origin Milk. With each bottle, consumers can confidently trace the milk back to the specific farm it originates from, fostering a deeper connection between consumers and the dairy farm responsible for their dairy products. This transparency builds trust and provides assurance regarding the ethical and sustainable practices employed throughout the production process.

New arrangement for scaling up indigenous knowledge system

JUL 20, 2023

<https://dairynews7x7.com/new-tech-transfer-arrangement-for-scaling-up-indigenous-knowledge-system-can-help-integrate-sustainable-practices-in-livestock-production-system/>

A technology transfer arrangement can help to scale two environment-friendly technologies—an indigenous herbal formulation with the potential to control Mastitis, an ailment common among dairy animals, and an indigenous herbal supplement with positive influence on growth performance of broiler chicks, for end users.

The National Innovation Fund (NIF)-India, an autonomous body of the Department of Science and Technology (DST), Government of India has recently entered into a Technology Transfer arrangement for these indigenous technologies with Indian Genomix, a Hyderabad-based company which has



W.H.O.G.M.P. certification ensuring quality assurance for medicinal products. This initiative is a step towards scaling up of outstanding traditional knowledge which has been sustained by society over generations. These technologies were scientifically studied and found effective in control of mastitis in dairy animals and as poultry feed supplements.

NIF had embarked on integrating outstanding indigenous knowledge systems with farmers with the support of regular service providers or formal systems. Farmers rely on these knowledge systems for cost-effective, sustainable practices in livestock production systems.

Mastitis is an ailment causing huge losses to dairy farmers. The ailment is primarily caused by bacteria which need to be diagnosed and treated at the earliest. Indian farming system faces challenges in early diagnosis, availability

of onsite treatment, and drug resistance. Further, lack of effective technology in field situation calls for alternative technologies. This indigenous herbal formulation was found to control major causative bacterial organisms like *Staphylococcus aureus*, *Pseudomonas aeruginosa*. This herbal formulation has multiple phyto-constituents which produce effective results against field bacterial strains. The unique formulation of the Knowledge holders was evaluated for its efficacy in clinical bacterial mastitis among dairy animals.

Similarly, in Broiler industry, birds are fed with nutrients for meeting enhanced metabolic rates thereby optimum growth performance in less period of time. This causes huge stress on metabolism of broilers and they need supplements to minimize health risks and enhance feed conversion ratio. A study conducted by NIF found that an outstanding indigenous herbal supplement had a positive influence on growth performance of broiler chicks. The supplementation indicated better nutrient absorption properties (had resulted in higher villi: crypt ratio). This had enabled broiler with improved feed efficiency and resulted in higher body weight gain.

NIF had value added to these herbal knowledge practices with scientific evidence and helped them to be patent protected. Indian Genomix, a leading industry player in the field of manufacturing products for animal healthcare and veterinary diseases will assist in realization of market potential of these knowledge systems. This NIF-Indian Genomix, engagement can integrate such technologies with regular livestock service providers thereby scaling environment-friendly technologies for end users.

Tiruchi Aavin struggles to woo back milk suppliers

JUL 20, 2023

<https://dairynews7x7.com/tiruchi-aavin-struggles-to-woo-back-milk-suppliers/>

Notwithstanding efforts to bring back farmers who have switched over to private dairies in the recent past, the Tiruchi District Milk Producers' Union, popularly known as Aavin, is struggling to achieve the normal average milk procurement levels.

The procurement generally goes down in April and May due to shortage of green fodder, drinking water for cattle and other reasons related to hot weather. The procurement gradually goes up in June and July with the onset of the south-west monsoon.

According to sources, milk procurement has not shown any significant improvement in the



current month. It hovers around 4.90 lakh li-

tres as against the average procurement level of about 5.60 lakh litres, a drop of about 70,000 litres.

Though the average milk procurement has gone up when compared to June, official sources say it is nominal. It has gone up by just 500 litres to 600 litres a day. While officials attribute the continuous dry weather to the low

procurement, sources in the cooperative milk societies say the sharp procurement price offered to milk suppliers between private dairies and Aavin is the main reason for the issues being faced by Aavin.

Informed sources told *The Hindu* that a sizeable number of farmers, who were members of milk cooperative societies, had started supplying to private dairies which offered a higher price. While Aavin paid about ₹35 a litre for cow milk, the private dairies offered between ₹28 and ₹40 a litre. Only farmers, who had a long-term association with the milk societies, continued to supply to Aavin. Farmers could be brought back into the Aavin fold again if the State government hiked procurement prices on a par with the private players. However, Tiruchi Aavin was better placed in procurement when the shortfall was between 20% to 50% in unions along border districts such as Coimbatore, Theni and Tiruppur.

When contacted, a senior official of Tiruchi Aavin said the aspirations of the member societies had been conveyed to senior officials. Several steps had been taken to increase milk procurement. It would go up if the rural parts of Tiruchi, Perambalur and Ariyalur districts received good rain for a few days.

Amul model of 75 % remuneration to milk producers superlative

JUL 20, 2023

<https://dairynews7x7.com/amul-model-of-75-remuneration-to-milk-producers-superlative/>

Union Minister of State for Animal Husbandry, fisheries and Dairy, Parshottam Rupala, on Tuesday hailed the Amul model of paying 75 per cent remuneration to milk producers as “superlative”, as it is rooted in the “culture of animal rearing” of India.

Stating that “worshipping diversity” is a part of India’s culture, Rupala also urged people to “coexist and cohabit without fighting” to attain prosperity.

Rupala was speaking at the inaugural session of ‘International Symposium on Sustainable Livestock Transformation’ organised by the NDDB



and
FAO
as
part
of
the
G20

programme in Anand. He said that it was only in India’s Amul model that the gap in the market cost and the purchase price from the producer had been reduced. Citing the example of the sky-rocketing tomato prices, Rupala said,

“The most significant aspect of the animal husbandry industry is what does the farmer get from animal farming... Amul is a superlative model. There is a vast difference between what the consumer pays and what the producer gets... Tomatoes are purchased from farmers at Rs 10 per kg and sold in the market for Rs 100 per kg. Headlines speak of how the prices are touching the skies but these skies do not reach the homes of the farmers.”...

“It is due to the Amul model that the producers get 75 per cent of the actual value. This is our real success... We should show this to the world. It is a model of our country, of Anand. We have to be proud of this. It is important that 75 per cent of what the consumer pays goes to the consumer. The world should know this and discuss this.”

Rupala also urged for “compassion” towards animals, citing the “cultural practices” of India where animals are worshipped. “We need to change our attitude towards animals. We need to treat them with compassion and love. We call them animals, we have elevated ourselves... that we are human and they are animals...”

Bengal govt to build Rs 65 cr greenfield modern dairy project

JUL 20, 2023

<https://dairynews7x7.com/bengal-govt-to-build-rs-65-cr-greenfield-modern-dairy-project-at-haringhata/>

The West Bengal government will build a greenfield modern dairy project worth Rs 65.48 crore at Haringhata in Nadia district, the first since 1970s.

Ice Make Refrigeration Limited has received the turnkey contract from West Bengal Livestock Development Corporation Limited (WBLDCL), which is the executing agency for Banglar Dairy Ltd, owned by the state government's animal resources department.



“This will be a modern dairy project with a processing capacity of 1.5 lakh litres of milk, but in the first phase, it will be one lakh litres a day. It will process fresh milk and value-added milk

products. This fresh public sector dairy project is coming up after decades, since the 1970s,” WBLDCL managing director Gouri Shankar Koner told PTI.

“Commercial production is expected by September 2024,” he said.

Under this contract, Ice Make will be responsible for the project, which includes the design, supply, installation, and commissioning of civil, mechanical, and electrical work for 1.0 LLPD (expected to expand to 1.5 LLPD) on a turnkey basis.

It is the largest order for Ice Make, its CMD Chandrakant Patel said. He added that their various products and business verticals are consistently gaining market share, and their new manufacturing facility ‘ICEBEST’ in West Bengal was successfully commissioned.

Hatsun Agro's Q1 profit jumps on higher milk demand

JUL 20, 2023

<https://dairynews7x7.com/indian-dairy-firm-hatsun-agros-q1-profit-jumps-on-higher-milk-demand/>

Indian milk processing firm Hatsun Agro Product said on Wednesday its quarterly profit surged 54% as a rise in input costs was offset by higher milk prices on the back of strong demand.

Milk prices in India hit its peak during the June quarter on account of lower output and robust demand, while the coinciding summer season with the quarter increased demand for ice-creams and curds.

The company, which sells products under brands like Arun Ice Cream and Arokya Milk, said its profit after tax rose to 801.6 million rupees (\$9.8 million) for the quarter ended June



30, from 519.5 million rupees a year earlier.

Its revenue also rose nearly 7% year-on-year to 21.51 billion rupees.

However, the Chennai-based company said its raw material costs rose nearly 12% to 15.14 billion rupees, accounting for nearly three-fourths of the total expenses.

To protect margins, dairy companies in India kept the prices of their products unchanged even when there was a fall in procurement prices.

Analysts at ICICI Securities on the dairy sector said cattle feed prices also stabilised during the quarter.

The company procures milk from most of the southern states — including Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, besides the western state of Maharashtra — a region which according to analysts has seen a decline in milk inflation through the first half of the year.

Analysts added they expect milk procurement prices to further slide in the coming quarters due to the monsoon season and commencement of the flush season.

Hatsun Agro Product declared an interim dividend of six rupees per share, while its stock closed 0.65% up ahead of the results.

(\$1 = 82.0691 Indian rupees)

Chitale Dairy modernizes its portfolio of business-critical apps

JUL 19, 2023

<https://dairynews7x7.com/chitale-dairy-modernizes-its-portfolio-of-business-critical-apps-with-vmware-tanzu/>

Chitale Dairy, a leading producer of Dairy products based in Pune India, extended its partnership with VMware to modernize its business-critical application with Tanzu. Chitale Dairy was looking to digitize every aspect of its business, from animal feed procurement to delivering dairy products to customers. Chitale Dairy modernized existing applications and developed a hybrid cloud environment which helped the dairy accelerate the delivery of new capabilities and boost efficiency while providing the flexibility to capitalize on multi-cloud environments in the future. The organization has been working with VMware since 2005 when they launched the revolution-



ary “Cows to Cloud” program that helps farmers improve their stock and increase milk production.

With this extended partnership, Chitale Dairy has now launched “Grass to Glass” to meet changing customer requirements and adapt to new competitive conditions. VMware’s premier partner, Sunfire Technologies, worked with Chitale’s development team to containerize key applications that run on Kubernetes clusters drawn from the VMware Tanzu portfolio. Sunfire helped the dairy containerize existing apps, implement an agile DevOps methodology and build continuous integration/continuous delivery (CI/CD) pipelines.

Key aspects of ‘Grass to Glass’ program include the following:

- Digitized every aspect of the business from feeding animals (grass) to delivering dairy products to consumers (in glass) – transitioning all software to modern, containerized apps.
- Infused digital technology at every step of production.
- Implemented VMware Tanzu Service Mesh, VMware Cloud Foundation, and VMware NSX Advanced Load Balancer to create cloud-native apps.
- Modernized existing applications and developed a hybrid cloud environment.

VMware Tanzu is a modular, cloud-native application platform that helps to accelerate development, delivery, and operations across multiple clouds. By adopting Tanzu, Chitale Dairy has streamlined its application development and deployment processes, enabling faster time-to-market for new products and services. The robust capabilities of Tanzu have allowed Chitale Dairy to enhance its overall agility, scalability, and security in a rapidly evolving digital landscape. By integrating virtualization, cloud computing, and data analytics, VMware worked towards helping create a digital foundation that will drive innovation and help Chitale Dairy achieve its business goals.

“Our collaboration with VMware and the adoption of Tanzu have revolutionized our application landscape,” said Vishvas Chitale, CEO and CTO, of Chitale Dairy. “Our motto is ‘do more with less’ and VMware has helped us make that transition possible in an agile manner. By modernizing our business-critical apps, we have significantly improved our ability to innovate, respond to market changes swiftly, and deliver exceptional experiences to our customers. Tanzu’s advanced capabilities have empowered our teams to work more efficiently

and collaboratively, accelerating our digital transformation journey.”

Harihar Deshpande, Director, Sunfire Technologies, said, “To move forward with app modernization and become cloud-ready, Chitale Dairy digitized every aspect of the company’s operations. This is an amazing story of how technology can bring prosperity to the dairy community, develop quality products, and deliver exceptional services to consumers while being focused on growth, profitability, and sustainability. We look forward to this continuing partnership between Sunfire Technologies, VMware, and Chitale Dairy and we will continue in our efforts to make Chitale Dairy a leading adopter of the latest in technology.”

Prashant Sharma, Director Enterprise Sales, VMware India, said, “Chitale Dairy has been proactive in adopting technology since its inception and has stayed ahead by embracing modern advancements. By modernization of their existing apps, we effectively addressed the demand for scalable solutions. At VMware, we prioritize supporting our customers on their path to success. Combining Chitale Dairy’s industry knowledge with VMware’s cutting-edge technology will help to unlock fresh opportunities in the sector. Together, we aim to establish a digitally connected dairy ecosystem that enhances efficiency, agility, and sustainability.”

Shocking hygiene failings discovered in dairy colonies

JUL 19, 2023

<https://dairynews7x7.com/milk-containers-kept-open-exposed-to-flies-shocking-hygiene-failings-discovered-in-dairy-colonies/>

A Delhi High Court-appointed court commissioner, tasked with inspecting nine dairy colonies in the city, has found egregious violation of norms, including poor hygienic conditions, overcrowding with very little space for the cattle to move, and poor health of the milch animals.

The inspection report, which was submitted to the court last week, found several common issues such as the presence of solid waste over-



flowing from open drains at each colony.

Court commissioner advocate Gauri Puri, following a High Court order, carried out inspection at the colonies in Ghazipur, Shahbad (Rohini), Jharoda, Bhalaswa, Masoodpur, Goela, Madanpur Khadar, Nangli Sakrawati, and Kakrola. The court commissioner found

solid waste on the road and inside the colonies. She also found milk containers in the units kept next to solid and wet waste of the cattle. Some of them were even kept “open, exposed to dust, flies and bovine dung odour”.

The inspection also revealed that calves were tied separately from their mothers and that most of them appeared to be losing hair which was indicative of skin infections. “Ropes around the neck of the cattle and calves were tied tightly which restricted their movement,” the report added.

“Animals appeared to be tied all day and night without any exposure to sunlight (which was the primary cause for skin infections), hard floor surface which caused bruises/sore wounds on the legs of the buffaloes/cows, the soft carpets used were old and dirty and were filled with cow dung which made it very slippery for the animals,” the report stated.

Norms flouted

The court commissioner highlighted that “some dairy owners and caretakers therein admitted to injecting a medicine (from transparent plastic white bottles) into the animals to increase milk production”. The report said the usage of the substance (purported to be oxytocin) to increase milk in the cows or buffaloes was in contravention of Sections 11(1-C) and 12 of the Prevention of Cruelty to Animals Act.

Notably, no dairy owner had any licence issued by the Food Safety and Standards Authority of India (FSSAI).

Majority of the units visited by the court commissioner did not have a licence issued by the Municipal Corporation of Delhi (MCD). The licences were to be issued on a yearly basis and upon an inspection of the premises.

Taking a grim view of the report, which also stated that the extraction of milk, twice a day, was done using injections of an unidentified transparent liquid, a Bench of Chief Justice Satis Chandra Sharma and Justice Sanjeev Narula ordered the authorities to ensure that the dairies are compliant with the norms.

The court, in its July 12 order, ordered the local authorities to submit an action-taken report within three months.

SWOT analysis of AMUL

JUL 19, 2023

<https://dairynews7x7.com/swot-analysis-of-amul/>



Amul, also known as the Gujarat Cooperative Milk Marketing Federation (GCMMF), is an Indian dairy cooperative that has become a household name in India and beyond. Founded in 1946 by Tribhuvandas Patel, Amul has grown to become the largest dairy cooperative in India and one of the most successful brands in the country.

It started as a small cooperative in Gujarat to empower local farmers and provide them with a platform to market their milk and milk products. Today, it has expanded its operations to over 18,700 villages nationwide, with a network of over 3.6 million milk producers.

The company has become synonymous with quality and affordability with a wide range of products, including milk, butter, cheese, ice cream, and more. It has successfully captured the Indian market and made its mark globally, exporting its products to over 60 countries.

Its success can be attributed to its innovative marketing campaigns featuring the iconic Amul girl, a cheerful cartoon character known for her witty and timely comments on current events.

These campaigns have helped build brand loyalty and become integral to India's popular culture.

While Amul has seen tremendous success, it has faced its fair share of challenges. However, it has consistently adapted and innovated to stay ahead. With over 30,000 employees, Amul continues to uphold its core values of integrity, quality, and sustainability. Its commitment to empowering farmers, providing nutritious products, and contributing to the development of rural India has made Amul a remarkable brand in the dairy industry.

Below, there is a detailed **Amul SWOT Analysis** to better understand its position in the global market.

Amul Strengths

Below, there are some of the reasons Amul is an industry leader in the global market:

Market Leader

As the market leader, Amul enjoys the benefits of economies of scale, allowing it to optimize production costs and maintain competitive pricing. Its vast distribution network and strong brand recognition make it accessible to more consumers across India. Amul's market leadership is further reinforced by its consistent focus on product innovation and diversification.

It continuously introduces new and relevant products to cater to evolving consumer preferences, further solidifying its position in the market. Furthermore, its strong relationship with its cooperative farmers and commitment to their welfare ensures a steady supply of high-quality milk, a key ingredient for the brand's success in the dairy industry.

Quality Assurance

The second on the list is Amul's commitment to quality assurance, evident in its rigorous quality control processes encompassing every production stage, from sourcing milk to packaging the final product. This ensures the products meet the highest safety, hygiene, and nutritional standards.

The brand's adherence to international quality certifications, such as ISO 9001 and HACCP (Hazard Analysis and Critical Control Points), demonstrates its dedication to delivering consistent and superior quality products to consumers, reassuring consumers regarding the reliability and safety of Amul's dairy products. They also enhance customer satisfaction and contribute to building long-term trust and loyalty among consumers.

Diverse Product Range

With a diverse product range, Amul can cater to consumers' tastes and preferences. Whether someone is looking for basic dairy essentials like milk and butter or indulgent treats like ice cream and cheese, it has something to offer for everyone.

This builds customer loyalty, as consumers can rely on the brand for their dairy needs across different categories. It also helps Amul penetrate different market segments and reach a larger consumer base. Its ability to consistently deliver high-quality products across its diverse range further enhances its reputation and strengthens its position in the market.

Cooperative Structure

Amul's cooperative structure has fostered a strong sense of community and collaboration among the farmers involved. Farmers can pool their resources, share knowledge, and collectively negotiate better prices and terms, ensuring economic well-being. This cooperative model also empowers farmers by giving them a direct stake in the business and decision-making processes, leading to a more sustainable and inclusive dairy industry.

Amul's cooperative structure also benefits the farmers and promotes rural development. It provides a platform for farmers to sell their milk and earn a fair income. In turn, Amul contributes to rural communities' economic growth and upliftment, improving their quality of life.

Wide Distribution Network

Amul's vast distribution network is a key strength that sets it apart in the dairy industry. By reaching over 18,700 villages across India, Amul ensures its products are easily accessible to consumers even in remote areas, fostering inclusivity and catering to a broad customer base. This enables timely delivery and provides the freshness of its dairy products, further strengthening trust among consumers and enhancing Amul's market position and customer loyalty.

Its ability to maintain a strong presence in rural and urban areas gives it a competitive edge, allowing the brand to tap into the vast consumer market in India, capture consumers' diverse preferences and demands of consumers from different regions, and contribute to its market leadership.

Strong Supplier Relationships

Amul's strong supplier relationships with farmers are a cornerstone of its success in the dairy industry. The company has fostered long-term partnerships based on trust, transparency, and fair business practices, creating a mutually beneficial ecosystem.

By working closely with farmers, Amul maintains a reliable and consistent supply of high-quality milk, essential for its diverse range of dairy products. This collaborative approach also allows Amul to support and uplift farmers' livelihoods actively, promoting their economic well-being and fostering sustainability in the dairy sector.

Cost-effective pricing strategy

Another key strength is its cost-effective pricing strategy, instrumental in capturing a significant market share in the Indian dairy industry. By offering value-for-money products, Amul ensures that its dairy products are accessible and affordable to a wide range of consumers, including those with price-sensitive preferences.

Its competitive pricing attracts price-conscious consumers and creates a competitive advantage over rivals, allowing Amul to penetrate the market and maintain a strong foothold. Its ability to provide quality products at competitive prices reinforces its position as a preferred choice among consumers, contributing to its continued success and market leadership.

Commitment to Social Responsibility

Beyond business operations, Amul is committed to social responsibility. It actively engages in initiatives to improve the well-being of the communities it serves. Through programs focused on rural healthcare, education, and skill development, it strives to uplift the quality of life in rural areas and create opportunities for sustainable growth.

Amul also fosters goodwill and positive brand perception among consumers by actively participating in social responsibility initiatives. This aligns with the values of socially conscious consumers and strengthens the brand's reputation as a responsible and caring organization.

Strong Brand Identity

The company's strong brand identity is a testament to its consistently delivering quality products at affordable prices. It has successfully built a reputation for reliability and trustworthiness, earning the loyalty of millions of consumers across India.

Its widespread recognition and popularity have made it a household name, deeply embedded in the country's cultural fabric. The brand's iconic logo and memorable advertising campaigns have further contributed to its strong brand identity, creating a lasting impression in the minds of consumers.

Innovative marketing strategies

More than ever, Amul constantly innovates its marketing strategy. The iconic Amul girl, a beloved cartoon character, has become a hallmark of the brand's marketing approach in its advertisements. Her witty and timely commentary on current events and popular culture has entertained consumers and created a strong emotional connection.

These creative and often humorous campaigns have effectively resonated with the target audience, increasing brand recall and engagement. Amul's ability to consistently deliver fresh and engaging marketing content has set it apart from its competitors, allowing the brand to maintain a strong and enduring relationship with its consumers.

Amul Weaknesses

Despite its numerous successes, here are some weaknesses that Amul needs to work on:

Price Sensitivity

Amul's strong focus on cost-effective pricing can make it more susceptible to raw material cost fluctuations. Increases in the cost of inputs like milk can pressure the brand's profit margins, especially if passing on those cost increases to price-sensitive consumers is challenging.

Additionally, market dynamics such as increased competition or shifts in consumer preferences towards premium or niche products may challenge Amul in maintaining its market share and profitability. To solve this, the company needs to carefully manage its pricing strategies, monitor raw material costs, and explore cost-saving measures.

Cooperative Structure

While fostering a sense of ownership and collaboration, Amul's cooperative structure can lead to slower decision-making processes than more centralized corporate structures. The need for consensus among cooperative members may result in delays in responding to market changes or implementing strategic initiatives.

Furthermore, the cooperative structure may face challenges regarding agility and adaptability to rapidly changing market dynamics. To address these challenges, Amul could explore strategies to streamline decision-making processes, enhance communication and coordination among cooperative members, and balance maintaining cooperative values and fostering agility in the ever-evolving business landscape.

Brand Perception outside Dairy

The company's strong brand perception as a dairy specialist makes it more challenging to establish credibility and recognition in non-dairy food segments. Consumers may perceive Amul as primarily focused on dairy, potentially limiting their willingness to try or accept non-dairy products from the brand.

As such, Amul needs to build brand awareness and consumer trust to venture into non-dairy segments successfully. It could consider strategic partnerships, acquisitions, or brand extensions to enter non-dairy food segments while leveraging its existing brand equity to mitigate this limitation.

Inadequate Infrastructure

In regions with inadequate infrastructure and cold chain logistics, Amul may face challenges in ensuring the freshness and quality of its perishable dairy products during transportation and storage. Inconsistent or suboptimal infrastructure can lead to issues such as temperature fluctuations, product spoilage, and delivery delays, negatively impacting customer satisfaction.

Addressing infrastructure challenges requires investments in building and maintaining a robust cold chain network, including refrigerated storage facilities, transportation systems, and last-mile delivery capabilities. Collaborating with logistics partners and investing in technology and monitoring systems can help Amul ensure the integrity of its products throughout the distribution process and mitigate potential infrastructure-related issues.

Intense Competition

The intense competition in the Indian dairy industry pressures Amul to continuously innovate, differentiate its offerings, and stay ahead of competitors. Rival brands may introduce similar products, competitive pricing strategies, or aggressive marketing campaigns, which could challenge Amul's market share and profitability.

Amul must consistently deliver high-quality products, leverage its strong brand reputation, and actively monitor market trends to anticipate and respond to competitive challenges to maintain its competitive edge. It should implement effective marketing and branding strategies, enhance product diversification, and focus on customer loyalty to withstand the competition and retain its market leadership.

Limited International Presence

Although Amul has a presence in over 18,000 villages, it needs to strengthen its international presence further. If not, this will hinder its ability to tap into the full potential of global markets and capitalize on the growing demand for dairy products worldwide. Competing with established international dairy brands that have a wider reach and stronger market presence could pose challenges for Amul's expansion and market share growth on a global scale.

To overcome this weakness, Amul can focus on strategic international expansion plans, exploring new markets, establishing strong distribution networks, and adapting its products and marketing strategies to cater to the preferences and demands of global consumers.

Amul Opportunities

Here are some of the opportunities that Amul can take advantage of:

E-commerce

The growing popularity of e-commerce and online retail platforms presents an opportunity for Amul to expand its distribution channels and reach a broader consumer base. Amul can tap into the convenience and accessibility offered by online platforms.

It can establish its online platform or partner with existing e-commerce platforms to make its products available to consumers across various regions, allowing for direct-to-consumer sales, eliminating intermediaries, and expanding profit margins.

Additionally, it should leverage digital marketing and data analytics to understand consumer behavior better, personalize marketing efforts, and drive targeted promotions, ultimately enhancing customer engagement and loyalty in the online space.

Rising disposable incomes

Increasing disposable incomes in emerging economies allow Amul to tap into the expanding consumer base with its affordable yet quality dairy products. By targeting these markets, the company can capture new customers and drive revenue growth. As disposable incomes rise in emerging economies, consumers have greater purchasing power and are willing to spend on higher-quality and branded products.

The company can leverage this opportunity by positioning itself as a trusted and affordable brand, offering superior-quality dairy products that cater to the aspirations of this growing consumer segment.

Innovation in product offerings

Amul can leverage consumer insights and market research to identify emerging trends and develop products that align with evolving preferences. For example, introducing dairy products with natural or organic ingredients can appeal to health-conscious consumers seeking clean-label options.

Packaging innovations, such as portion-controlled or on-the-go formats, can provide convenience and cater to busy lifestyles. Additionally, creating value-added products like fortified milk with added nutrients or probiotics can address specific dietary needs and offer enhanced nutritional benefits to consumers.

Health and Wellness Trends

More so, Amul can capitalize on the health and wellness trend by expanding its range of healthier dairy products. This includes developing low-fat or reduced-sugar options that cater to consumers looking for healthier alternatives. It can explore the growing demand for plant-based dairy alternatives, such as almond milk or soy-based products, to cater to the increasing number of consumers adopting a vegan or lactose-intolerant lifestyle.

Furthermore, fortifying dairy products with essential vitamins, minerals, or probiotics can offer health benefits and appeal to health-conscious consumers. This way, it positions itself

as a trusted brand for those seeking nutritious and wholesome dairy options.

Partnerships and Collaborations

Strategic partnerships and collaborations with international dairy brands are key to expanding its global reach and entering new markets. This helps Amul gain access to new customer bases and distribution channels.

Collaborating with retailers and distributors domestically and internationally can also help the company enhance its market penetration and increase product visibility. Such partnerships can enable Amul to reach a wider range of consumers and establish a stronger foothold in various regions. Furthermore, technology collaborations with dairy industry players can facilitate knowledge sharing, innovation, and process improvements.

Sustainable Certifications

To minimize its environmental footprint and contribute to a more sustainable dairy industry, Amul can invest in sustainable farming practices, such as organic farming, efficient water management, and renewable energy adoption.

Promoting animal welfare through ethical treatment and responsible sourcing can resonate with consumers prioritizing animal rights and welfare. Obtaining certifications like Fairtrade, organic, or sustainable agriculture certifications can provide tangible evidence of Amul's commitment to sustainability and ethical practices.

Amul Threats

While Amul has done well for itself in the dairy sector, below, there are threats that it needs to pay attention to and tackle:

Counterfeit Products

First, Amul should collaborate with relevant authorities, industry organizations, and law enforcement agencies to combat counterfeit

products. This can involve sharing information, conducting joint operations, and raising awareness about the risks associated with counterfeit dairy products.

It can actively engage with consumers through educational campaigns, social media platforms, and product labeling to help them identify genuine Amul products and report suspicious or counterfeit items. This sends a strong message and deters potential counterfeiters from targeting the brand.

Market Saturation

The company should conduct market research to counter the market saturation threat and identify untapped regions with potential demand for its products. By doing this, Amul can tap into a larger customer base and diversify its revenue streams.

Adapting its product portfolio to cater to the specific preferences and needs of the target markets can also facilitate successful market expansion. This may involve introducing localized flavors, packaging, or product variations that resonate with the cultural and dietary preferences of the new markets.

Supply Chain Disruptions

Amul should diversify its supplier base and establish strong relationships with multiple suppliers to minimize the risk of disruptions, such as conducting thorough due diligence on suppliers, implementing contingency plans, and regularly reviewing and monitoring supplier performance.

Investing in technology and systems that enhance supply chain visibility and traceability can help Amul identify and address potential bottlenecks or disruptions in real time. Furthermore, collaborating with logistics partners and having alternative transportation routes or storage facilities in place can provide flexibility and reduce unexpected disruptions in the supply chain.

Regulatory Challenges

Amul should establish a dedicated regulatory affairs team to stay updated on the evolving regulatory landscape and ensure compliance with relevant laws and standards. This team can monitor changes in food safety regulations, labeling requirements, and environmental regulations and proactively implement necessary adjustments to products, processes, and packaging.

Regular audits and inspections of manufacturing facilities can help identify and address compliance gaps, ensuring the brand maintains high quality and safety standards. Additionally, fostering strong relationships with regulatory authorities and industry associations can provide valuable insights and guidance on navigating complex regulatory challenges.

Negative Consumer perceptions

More than ever, Amul should engage in transparent and open communication with its customers to tackle negative consumer perceptions about dairy. This can involve sharing information about sustainable farming practices, animal welfare initiatives, and efforts to minimize the environmental impact of its operations.

Amul can also invest in sustainability initiatives, such as reducing carbon emissions, implementing waste management strategies, and

promoting eco-friendly packaging options. This way, Amul can promote the nutritional benefits of dairy products, highlighting their role in a balanced and healthy diet, and address any misconceptions or myths that can help overcome health-related concerns.

Conclusion

In conclusion, Amul has established itself as a leading player in the Indian dairy industry, leveraging its strengths in market leadership, quality assurance, diverse product range, cooperative structure, extensive distribution network, strong supplier relationships, cost-effective pricing, commitment to social responsibility, strong brand identity, and innovative marketing strategies.

While facing specific weaknesses and threats, such as price sensitivity, reliance on a cooperative structure, limited international presence, infrastructure challenges, strong competition, and market saturation, Amul has numerous opportunities to capitalize on, including e-commerce, rising disposable incomes, innovation in product offerings, health and wellness trends, partnerships and collaborations, and sustainable practices.

By addressing these weaknesses and leveraging the opportunities, the company can continue strengthening its market position, expanding its reach, and maintaining its strong brand reputation. This also ensures it is well-positioned to meet the evolving needs of consumers and sustain its growth in the dynamic dairy industry.

RBI uses milk supply data for dairy farmer loans

JUL 18, 2023

<https://dairynews7x7.com/rbi-uses-milk-supply-data-for-dairy-farmer-loans/>



For many farmers or dairy farmers, getting a bank loan is impossible for want of any credit history. But here is a solution: A new platform by the Reserve Bank Innovation Hub that enables a borrower to tap into the data on milk sold by the dairy farmer to Amul or the land records available with the state government to determine the payment capacity.

The “frictionless credit” initiative, which is so far ready for farm and dairy loans, is proposed to be expanded to education loans (using the Digi Locker), MSMEs (based on Udyam registration and GST and tax records) and even vehicle and personal loans as tests have shown that a loan can be sanctioned in less than 10 minutes. RBI’s own survey had earlier showed that it used to take two-four weeks to process farm loans and used to cost around 6% of the loan amount.

“It will be the equivalent of ONDC for lending. Banks will be able to tap into data from multiple sources to decide on giving loans,” said an RBI official.

The entire process is app-based, which can either be used by the borrower or the bank’s officials, who will deploy hand-held devices and use biometric authentication to verify borrowers’ credentials as well as consent and disbursement of the loan. In case of farm loans, for instance, banks will use PAN, voter ID or other government-issued ID cards and the digitised bank records to process a loan. Currently, five states are on board with more joining in. Similarly, for milk, only Amu’s database of 30 million farmers can be accessed at the moment.

But satellite data or soil health reports can also be accessed by banks, on request, to determine the creditworthiness, for say, a loan to grow wheat, paddy or maize. Based on a Nabard-developed formula, loans are sanctioned according to the land holding.

When the project started a key challenge was to get banks to rework their processes since their loan origination systems did not interact. “Even if they could access land record details, KYC, credit score or other details, it was not integrated. Similarly, each bank had to get into separate tie-ups with states, making the task tough,” explained another RBI official.

Retail milk price will increase in FY 24 by 4-5%

JUL 18, 2023

<https://dairynews7x7.com/retail-milk-price-will-increase-in-fy-24-by-4-5/>

The increase is likely as retail milk prices have already risen 10% in a year and 22% in three years. Sharma also notes that poor monsoon and higher fodder prices could further impact milk prices.

Prices of retail milk are expected to go up 4-5% year-on-year in FY24 because of dairy processors fail to recover the cost, which has been hit throughout pandemic, especially during the second wave amid higher commodities prices pushing up fodder prices and weighing on milk productivity, Crisil director Pushan Sharma told Mint in an interview. This comes at a time when retail milk prices have shot up by 10% in a year and nearly 22% in three years. Milk



prices may also rise if productivity gets hit because of anticipated poor monsoon in August and September and fodder prices continue to remain sticky or increase.

Sharma further said that poor kharif sowing was caused initially by rain deficiency, with the situation exacerbated by the rain deluge; which may lead to resowing thereby disturbing the crop calendar and switching to short term crops. In the middle term, rice prices are likely to remain firm because of lower FCI stock and the government announcing higher minimum support price for paddy. After a significant rise in almost all vegetable prices, especially tomato, the agriculture economist sees onion prices going up as most of stocks to be exhausted by around mid-September.

Also, rising global temperature causing more pest attacks may weigh on farm crop productivity and thus production in coming days as there is a correlation between metabolic rate

of pests and temperature. Speaking about edible oil import outlook, Sharma said India may rely more on Brazil than Argentina to meet its soyoil demand, as the soybean production in the US is hit because of a drought-like situation. Edited excerpts:

Milk inflation remains significantly high in June though slightly eased month-on-month. How is the dairy sector doing and what could be expected as far as milk prices are concerned in the coming months?

The dairy industry has seen a different impact through the pandemic as the artificial insemination of animals was hit especially during the second wave in 2021 when there was a concern over oxygen cylinder not being available. Nitrogen production was diverted towards oxygen and nitrogen is required to keep the semen of animals. This affected artificial insemination in animals, resulting in lower calf birth and consequently a decline in milk production.

Milk production was also affected because of farmers being unable to take care of animals well in the pandemic when commodities prices shot up influencing fodder prices. This left a significant impact on overall milk productivity which then manifested in shortages of ghee, butter etc. over a year and half.

The procurement price for milk (dairy processors pay to farmers) also went up because of lower milk production and high cost of fodder. Some of the cost was passed to the retail customers. When we look at the profitability of various dairy processors, it has been coming down over the last couple of years and this implies dairy processors are not being able to completely pass on the cost increase that they have faced to final retail buyers.

As a result, we have seen a significant hike in milk prices and this year, too, we are expecting a 4-5% year-on-year rise in FY24. The reason for the anticipated rise is because of the under-recovery in cost over the last year. Additionally, if there is a productivity issue because of poor monsoon in August and September and fodder prices continue to remain sticky or increase, it could contribute to the hike.

How flood in northern India in July from deficit rainfall in June is likely to influence kharif crops this season?

Though the monsoon started weak, it has caught up very fast in the last two weeks. At some point we were at 53% long period average (LPA) rainfall deficit and today it has returned to normal at 293.5 mm. Heavy rainfall in Punjab and Haryana has reportedly led to submergence of standing paddy. While the affected paddy area is likely to be resown once the heavy rainfall situation normalizes, a marginal shift towards short duration crop like maize is expected, especially in Punjab.

In the case of UP, the recent heavy downpour has adversely impacted the western part of the state. Maize and groundnut crops in districts like Bareilly, Kannauj and Farukhabad have been reported to be washed away. While re-sowing of maize is likely to be attempted, area under groundnut is expected to decline in the state.

Further, the recent heavy rainfall is observed to have been detrimental for vegetable crops across all three states. Standing crops of tomato, cucurbits, chilli and okra have been reportedly washed away or significantly damaged.

The geographical distribution of southwest monsoon has been skewed from the beginning of the season. While all the northern states, barring UP have witnessed rainfall in excess to large excess, few key states like Bihar, Odisha, Maharashtra, Telangana, Karnataka and Kerala have received rainfall in deficit during the same period ranging from 20-31% below LPA. Sow-

ing in these states, except Bihar has been reported to be lower on year as on 14th July. While sowing momentum in Maharashtra and Karnataka will depend on how rainfall pans out in the next 10 days, in other states like Bihar, Odisha and Telangana where paddy is the key kharif crop, sowing window can be extended up to first week of August, thereby giving some respite.

From productivity point of view, following delayed sowing and anticipated resowing due to the erratic monsoon, the crop calendar is expected to be disturbed and extended this season. Productivity of cotton, pulses and oilseeds could be hit. However, how the rainfall pans out during critical stages of crops such as flowering and grain or fruit formation in August-September remains a key monitorable as there might be lower rainfall in these two months due to El Nino effect.

Retail food inflation in June spiked to 4.49% year-on-year against 4.31% in May because of higher food and vegetable prices. What is your outlook on food prices in the coming months?

We have had a sharp increase across the food basket over the last couple of years. A lot will depend on how the monsoon pans out this year and the production. Because of El Nino, there might be some productivity loss in case of pulses. If that is the case, that could give a positive price queue to the pulse category. In the case of paddy, lower FCI stock and higher MSP as around 45% of paddy typically gets procured will likely remain prices firm. As far as the vegetables are concerned, one could see a rise in onion prices as we see a lot of stocks to be exhausted by around mid-September.

Do we yet see a food security concern amid sudden changes in weather conditions and ahead of El Nino compromising rainfall in August-September?

IMD is still maintaining a normal rainfall forecast. So, the severity and intensity of rainfall according to their analysis show that it is not

expected to be that severe. If the severity is high, we can then look at some of the past instances when El Nino was severe in 2014-15 and 2015-16. In these years, food crop production was 6-7% lower despite a very severe situation. Our irrigation over the last 7-8 years has improved although not substantially. So, we are in a better position from the risk point of view than we were 7-8 years ago. Given these, I don't see a severe impact on crop production this year considering the El Nino will not be as severe as expected.

Edible oil imports in the first eight months of the oil year (November-October) till June was 22% high. What have been the factors behind this jump? What is your outlook for India's edible oil import in OY23?

The rise is due to healthy imports of all the oils barring soybean oil. The bearish price trend on a high base of last fiscal coupled with lower ending stock at the end of OY22 has led to higher imports of palm oil and sunflower oil. While higher stocks and slower demand in the domestic market this year has led to a decline in imports of soybean oil. For OY23, we expect edible oil imports to be higher due to healthy demand for palm and sunflower oil.

In the case of soybean oil, share of imports from Brazil has gone up to 39% while that of Argentina has declined to 56% because of lower output amid drought-like situation. For OY23, we expect Brazil to maintain its share in India's soybean oil import basket at 40% and export around 1.4 million tonnes to India. Argentina typically accounted for 62% share in India's soybean oil import basket and Brazil contributes 30%.

How is the rising global temperature expected to hit agriculture crop productivity in the coming years?

Structurally, we are seeing a gradual increase in temperature and different crops will react differently to the increase in temperature.

What a lot of people do not talk about is the metabolic rate of pests. With every degree increase in temperature, the metabolic rate of pests goes up and they consume more crops. This is something that we believe will hamper productivity of crops. There is a correlation between metabolic rate and temperature and this correlation is positive which implies that productivity will suffer with an increase in temperature.

The one way of looking at it is that farmers are required to apply more pesticides and insecticides if temperature is high. More crop damage is expected if farmers do not use pesticides, which could potentially bring down farm production.

Rice prices have gone up 20-30% in the past three months. What are the factors behind this steep rise and what is your outlook?

This is the lean season for paddy as most of the Rabi crop was out in the market by June and kharif season crop will start hitting the market by October. Because of the lean season, one should not take the price trend seriously for July-September. About 20% lower stock of rice year-on-year as on 1 June with FCI (Food Corp. of India) and 7% higher announcement of paddy MSP (minimum support price) could be positive queues for rice price going ahead.

Why are the government interventions to curb prices of key cereals and pulses failing?

While the government tries to intervene, the quantum that was offloaded out of total production is not significant. For e.g., the production of wheat crop is over 100 million tonnes (MT). What the government offloaded into the market was close to about 3 MT in February-March, 3% of overall production. Secondly, some of the supply chain issues we are grappling like the Russia-Ukraine crisis, Indonesia imposing temporary ban on palm oil exports, labour shortages in Malaysia causing palm oil production etc.

Wholesale prices contract but milk inflation at 8.59%

JUL 18, 2023

<https://dairynews7x7.com/wholesale-prices-contract-but-milk-inflation-at-8-59/>

Wholesale prices contracted for the third consecutive month in June on the back of lower prices of manufactured items, reiterating the fact that falling commodity prices are contributing to a cost deflation in the Indian economy.

The Wholesale Price Index (WPI) contracted by 4.12% in June reaching its lowest value since October 2015 according to the data released by the ministry of commerce and industry on July 14 (Friday).

Even in absolute terms, the WPI index was 149



in June, the lowest since March 2022. The WPI data

has come days after Consumer Price Index (CPI) accelerated by 0.5 percentage points to reach 4.8% in June on the back of higher food prices. The June CPI and WPI values are the latest the Reserve Bank of India's Monetary Policy Committee (MPC) will look at when it meets in August to decide on interest rates. Most economists expect RBI to continue with the pause in interest rate hikes for an extended period, without dropping its guard on inflation.

The June WPI sprang a big positive surprise. A Bloomberg poll of economists had a median projection of 3.3% contraction in WPI for the month of June. With the latest inflation num-

ber, the wholesale price inflation for the quarter ending June 2023 is (-)2.8%. To be sure, one reason for the lower WPI print in the June quarter is a favourable base effect as the index grew in double digits for 18 consecutive months from April 2021.

A disaggregated analysis of WPI shows that prices are contracting across all major categories. Manufactured products, which have a two-thirds share in the WPI basket, saw a contraction of 2.7% in June. Primary articles saw a contraction of 4.1% and fuel and power category saw a contraction of 12.6%. Food items, which include both primary and manufactured products, saw an annual contraction of 1.2% in wholesale prices. Vegetable prices contracted by 21.98%, while pulses and milk witnessed inflation rates of 9.21% and 8.59%.

"The decline in the rate of inflation in June, 2023 is primarily due to fall in prices of mineral oils, food products, basic metals, crude petroleum & natural gas and textiles," the commerce ministry said in a statement.

Going forward, experts believe that WPI will continue to maintain a deflationary trend despite some upside risks. "Reversal in base effects from July and seasonal rise in food prices may put some upside pressure on WPI in the near term, but falling commodity prices and therefore, input costs, may continue to keep it in deflation in y-o-y (year-on-year) terms," said Rahul Bajoria, managing director and head of EM Asia (ex-China) economics, Barclays, in a note.

Global News

Plant-Based Milks Lack Naturally Occurring Nutrients

JUL 31, 2023

<https://dairynews7x7.com/plant-based-milks-lack-naturally-occurring-nutrients/>

More people are drinking milk alternatives made from plant sources such as oats, soy, or almonds, but do plant-based products deliver the same nutrition as cow's milk? Results from a new study suggest that most don't.

Cow's milk is an important source of calcium and vitamin D, both of which are identified in the 2020-2025 Dietary Guidelines for Americans as nutrients of public health concern for underconsumption. Cow's milk is also a major



source of protein in the American diet.

To assess how the nutritional content of plant-based milk alternatives compares to that of cow's milk, researchers examined more than 200 plant-based milk alternative products being sold in the U.S. in 2023 — many more products than were included in previous studies. Compared to cow's milk, only 12% of the milk alternative products contained comparable or greater amounts of all three nutrients studied: calcium, vitamin D, and protein.

Abigail Johnson, assistant professor and associate director of the University of Minnesota School of Public Health Nutrition Coordinating Center, will present the findings at Nutrition 2023, the annual flagship meeting of the American Society for Nutrition held July 22-25 in Boston.

“Our results provide evidence that many plant-based milk alternatives are not nutritionally equivalent to cow's milk,” said Johnson.

“Based on these findings, consumers should look for plant-based milk alternative products that list calcium and vitamin D as ingredients. They may also want to consider adding other sources of calcium and vitamin D to their diets.”

The University of Minnesota's Nutrition Coordinating Center maintains a database of approximately 19,000 foods for assessing dietary intake in human research. “We know from our dietary assessments for nutrition studies that consumers are choosing more plant-based milk alternatives,” said Johnson. “This project aimed to increase the number of these milk alternatives available in the Nutrition Coordinating Center's database of foods.”

The study included nutrition information from nutrition facts labels and ingredient information for 233 plant-based milk alternative products from 23 different manufacturers. For each product, the researchers applied a nutrient calculation program to estimate full nutrient information. They then compared the nutritional content of different products within a category — for example, almond milk, oat milk, and soy milk — to each other and to cow's milk. Compared to dairy milk, just 28 of the plant-based alternatives had similar or more calcium, vitamin D and protein.

Almost two-thirds of the products included in the study were made from almonds, oats, or soy. The researchers found that 170 of the plant-based milk alternatives were fortified with both calcium and vitamin D and that the level of fortification tended to be similar to dairy milk. Specifically, 76% of the oat-based

products, 69% of soy-based, and 66% of almond-based alternatives were fortified with both calcium and vitamin D. The median protein content was 2.0 grams (g) of protein per 240 milliliters (ml) of liquid, with a large variability that ranged from 0 to 12 g. Only 38 (16%) of the milk alternatives studied had a protein level greater than or equal to the 8 g per 240 ml found in cow's milk. Soy- and pea-based alternatives were more likely to have higher protein.

"Our findings point to a need to ensure that consumers are aware that many plant-based

milk alternative products in the marketplace today are not nutritionally equivalent to cow's milk," said Johnson. "Product labeling requirements and dietary guidance to the public are among the approaches that may be helpful in alerting and educating consumers."

Next, the researchers plan to explore other nutrients in plant-based milk alternatives that make them different from cow's milk. For example, many of these products contain fiber, suggesting that they may help meet some nutritional needs that cow's milk doesn't.

What Can the Dairy Industry Do to Fight Hunger?

JUL 30, 2023

<https://dairynews7x7.com/what-can-the-dairy-industry-do-to-fight-hunger/>

I have seen many advertisements and public service announcements lately about food insecurity. It's difficult to grasp the scope of this national issue in terms of what I can do, or what the dairy industry can do.



Let's first focus on Pennsylvania and the needs within our borders. The problem seems too big otherwise.

According to the latest information from Feeding America, 1 of 11 in Pennsylvania's general population, including 1 in 8 children, don't have enough to eat.

Based on its Map the Gap study in 2021, the organization reports an average meal in Pennsylvania costs \$3.65. Therefore, the food-insecure population requires \$7.85 million per year to meet its food needs.

We do compare well with the rest of the country, like most of the northern states, but with a

child hunger rate of 12.5%, we have a lot of work to do.

McKean, Forest, Cameron, Clearfield, Mercer and Fayette counties have the highest food insecurity rates in the state.

So while we compare well with the rest of the country, I am not certain that is something to be happy about given that we are an agriculture state.

The 12.5% child hunger rate is too high for me, and information published in 2020 by Penn State's Pennsylvania Population Network notes tremendous variances in the types of individuals and households dealing with food insecurity.

Unemployed people, households in which the primary income earner has only a high school degree, Hispanic and Black households, and households with only one adult or parent have much higher rates.

Rural populations have slightly higher insecurity rates than urban citizens, and children ages 6 to 18 are most vulnerable among all children.

Where does the dairy industry fit into this problem and its solution?

Two important government initiatives that involve dairy have been proposed by Gov. Josh Shapiro.

One is the Fresh Food Financing Initiative designed to improve access to Pennsylvania agriculture products, including milk and dairy foods. The \$2 million investment would help ensure that the underserved populations noted above will have greater access to good nutrition through dairy.

A second proposal is one that would provide free breakfast to every child in Pennsylvania public schools.

We know this breakfast would include milk and hope that flavored lower-fat offerings continue to be a choice, and that whole milk will soon be back in schools.

I have written extensively over the past few months about the nutrition provided in just one 8-ounce serving of milk and have also written about the health benefits of full-fat dairy.

Both initiatives will involve our Pennsylvania producers and processing companies.

There is also an extensive food bank network in the state. Many of those pantries provide healthy dairy products to their patrons.

Federal commodity purchasing programs have provided large quantities of fresh milk and other dairy products to the food bank distribution centers in the state.

We know that one of the drawbacks in the distribution network is that some of the smaller food pantries lack refrigeration space. Many of these pantries, for example, operate out of the basement of a church or other community space and likely cannot offer fresh milk or other dairy products.

What about local efforts to provide two or three used refrigerators to these facilities? Would that work? I think it might. Just a thought.

I contacted several processors to find out what they are doing to help in their communities.

One donates surplus products to a food bank distribution center.

“We hate to see any food go to waste,” the manager told me.

He has found that working with the larger distribution center ensures that the donated products get to where they are needed most. He said lack of refrigeration in some smaller pantries is an issue and another factor in the choice to donate to the larger food bank.

One family-owned business has been donating dairy in its area for decades, and last year gave over \$60,000 in dairy products to 17 food pantries.

The company also sells milk monthly at minimum wholesale prices to a county food bank as part of the Fill a Glass With Hope program, and donates support in the form of delivery and financial contributions. During the pandemic, this company participated in the USDA food box program, and it also bids regularly on solicitations from USDA to sell fluid milk to food banks as part of the commodity purchasing program.

Another family-owned processor told me that its business contributes regularly when notified of a need at local food banks, pantries and shelters.

These are just a few examples of how the dairy industry, through state and federal programs, and private efforts, is working to lessen and hopefully eliminate food insecurity in the commonwealth.

The Pennsylvania Milk Marketing Board is supportive of all these efforts and encourages readers of this column to find ways to help.

Tetra Pak Launches Dairy Processing Decarbonization Task Force

JUL 28, 2023

<https://dairynews7x7.com/tetra-pak-launches-dairy-processing-task-force-for-decarbonization-efforts/>

Tetra Pak, a food processing and packaging company, has taken a step toward promoting sustainability in the dairy sector.

The company has established the Dairy Processing Task Force, which is in part of its efforts to reduce greenhouse gas emissions and participate in global efforts for a net-zero dairy industry. The task force coalition aims to bring together key stakeholders from the dairy sector to collaboratively explore technologies and systems that will contribute to the decarbonization of dairy processing.



together key stakeholders from the dairy sector to collaboratively explore technologies and systems that will contribute to the decarbonization of dairy processing.

The Dairy Industry's Environmental Impact

Dairy production accounts for approximately 2.7% of the world's greenhouse gas emissions. With the global population projected to reach 10 billion by 2050, the role of dairy in meeting nutritional needs is crucial. However, the industry faces the challenge of mitigating its environmental impact to align with sustainable food systems and combat climate change effectively.

The Goals of the Dairy Processing Task Force

The primary objective of the Dairy Processing Task Force is to identify and implement strategies that drive down greenhouse gas emissions across dairy production systems and regions.

The Dairy Processing Task Force, under the leadership of Tetra Pak, has identified several deliverables that will work to alleviate the amount of greenhouse gas emissions produced by the dairy industry.

The coalition is focusing on a select set of deliverables, which include measuring emissions, collaborating with industry partners, and deploying reduction solutions. By assessing current dairy process emissions, the task force can determine measures to reduce them.

Even more, by collaborating with industry leaders and sharing reduction solutions, there is more dialogue about practical, tangible steps about minimizing the environmental impact of dairy production.

Most importantly, the task force is developing industry-standard sustainability guidelines and reporting frameworks that can promote consistency and a shared purpose in achieving sustainable dairy processing, according to Tetra Pak.

Task Force Collaboration Efforts

Sustainability challenges require collective efforts and collaboration among all stakeholders in the dairy value chain. By inviting other leading members of the dairy sector to join the Dairy Processing Task Force, Tetra Pak aims to accelerate climate change action and foster a more sustainable future for the entire industry.

Charles Brand, executive vice president for processing solutions and equipment at [Tetra](#)

[Pak](#), acknowledged the need for optimizing performance, reducing resource pressures,

and enabling a transition to sustainable dairy practices.

China dairy price boost ‘unlikely’ as demand stalls

JUL 26, 2023

<https://dairynews7x7.com/china-dairy-price-boost-unlikely-as-demand-stalls/>

Wweak Chinese demand for dairy, coupled with strong global supplies, shows no sign of improving as a number of processors cut their base price for June milk supplies.

Tirlán cut its base price to 38.08c/L, a 2c drop, with its chairman John Murphy saying: “Dairy market prices have weakened significantly in recent weeks and unfortunately this must be reflected in a reduced milk price.



“The hoped-for improvement in market sentiment does not appear to have materialised.”

Dairygold also cut its June milk price by 2c/L to 38c/L and said: “Global dairy markets have weakened significantly in the last month, and this has reduced the returns on milk.”

Carbery reduced its base milk price for June by 1c/L and is allocating 3c/L support from its Stability Fund. The cuts come as prices continued to weaken at the latest Global Dairy Trade (GDT) auction.

According to New Zealand bank ASB’s analysis of the GDT, Chinese purchases are still weak and buyers are in no rush to secure product.

It said there remains “a bit of volatility under the hood” and that “a rapid recovery in Chinese demand looks unlikely”.

“We’d need to see a substantial stimulus effort from the [New Zealand] government to lift consumer confidence. With growth slowing in most other parts of the world, there is unlikely to be much demand offset from other regions.

“On balance, we don’t expect a sharp contraction on the supply side either. Drought conditions in Europe look likely over the latter half of the year, but that comes off the back of months of excess output.”

Kerry Group, which held its base price for June milk at 37c/L, said the (global) demand for dairy has declined further, with end users well stocked, slow to call off existing orders and slow to contract new volumes.

“Milk supply is currently more than enough to cover falling demand, adding to downward price pressure,” it said in a statement.

There have been industry warnings that dairy farmer margins will be tight this year given milk price cuts and the slow rate of input price decreases.

IFA Dairy Committee Chairman Stephen Arthur said it is taking longer than anticipated for dairy markets to recover.

“This, along with very challenging weather conditions, has put significant pressure on dairy farms,” he said. “Farmgate milk has dropped by 33pc [Ornua PPI including the Ornua Value Payment, Jun 22 vs Jun 23], while the cost of our inputs have only declined by 6.7pc [CSO ag input price index, May 22 vs May 23].”

ICMSA Dairy Chairman Noel Murphy called on co-ops occupying “disappointingly low positions” in the ICMSA Milk Price Tracker to consider mid-year ‘top-up’ payments to their suppliers to help restore overall payments to “something resembling the correct levels”.

ICMSA said the 4c/L difference between top and bottom payers would be alarming in December, but “is a public disgrace” in June.

Get ahead of the day with the morning headlines at 7.30am and Fionnán Sheahan’s exclusive take on the day’s news every afternoon, with our free daily newsletter.

Startups are producing real dairy without a cow in sight

JUL 21, 2023

<https://dairynews7x7.com/startups-are-producing-real-dairy-without-a-cow-in-sight/>

The global dairy industry is undergoing a remarkable transformation, thanks to the innovation and ingenuity of startups.



These companies are challenging the traditional methods of dairy production by creating real dairy products without a cow in sight. Using advanced techniques such as precision fermentation, these startups are revolutionizing the way we think about dairy and paving the way for a more sustainable and ethical future. One of the key players in this emerging field is Better Dairy, a three-year-old British startup that is making waves with its synthetic dairy products. What sets Better Dairy apart is its use of precision fermentation, **a process that involves deriving milk proteins from yeast**. By feeding these microbes sugar, they are able to convert it into milk proteins, replicating the taste, texture, and functionality of conventional dairy products like cheese.

But Better Dairy is not alone in this endeavor. Remilk, an Israeli startup, and Perfect Day, a

Californian company, are also making significant strides in the field of synthetic dairy. Remilk has recently received approval to sell its fare in America, Israel, and Singapore, while Perfect Day has already established partnerships with industry giants like Nestle and Starbucks.

The allure of synthetic dairy lies in its numerous advantages over conventional dairy production. Firstly, synthetic dairy products can be tailored to meet specific dietary requirements and preferences. Lactose, which is problematic for some individuals, can be eliminated from the production process, making these products suitable for the lactose-intolerant population.

Furthermore, synthetic dairy production eliminates the need for hormones, which have been linked to certain adult diseases. By using precision fermentation, startups can strip out these undesirable elements, ensuring that their products are safe and healthy for consumers.

Another significant advantage of synthetic dairy is its positive impact on the environment. **Conventional dairy production is resource-intensive, requiring vast amounts of**

water, energy, and land. It is also a major contributor to greenhouse gas emissions, with cows being responsible for a significant portion of these emissions.

In contrast, precision fermentation requires less water, energy, and land, making it a more sustainable alternative. It emits fewer greenhouse gases, helping to combat climate change. As the world grapples with food security and environmental concerns, synthetic dairy presents a promising solution that addresses these pressing issues.

While synthetic dairy holds great promise, startups in this field face several challenges. One of the main hurdles is winning consumer trust. For many people, the idea of cheese or milk produced without cows may seem unfamiliar and unappealing. A survey conducted in America revealed that a quarter of respondents were not keen to try “precision-fermented” fare.

To overcome this skepticism, startups are employing various strategies. For instance, they prefer to use the term “animal-free” rather than “precision-fermented” when marketing their products. This shift in terminology aims to make the concept more relatable and less alienating to consumers.

Regulatory hurdles also pose a challenge for startups in the synthetic dairy industry. While these companies are confident that their products will eventually receive regulatory approval, the process can be time-consuming. In America, it takes approximately nine months to navigate the regulatory landscape, while in Europe, it can take twice as long.

Another concern is labeling disputes. As synthetic dairy products are relatively new to the market, there are ongoing discussions about

how they should be labeled and marketed. Clear and accurate labeling is crucial for consumers to make informed choices about the products they purchase.

Despite these challenges, the synthetic dairy industry is poised for growth. Investment in precision fermenters has been substantial, **with startups raising nearly \$3 billion from investors since the start of 2021.** This influx of capital demonstrates the confidence that investors have in the potential of synthetic dairy.

The future of dairy production is being reshaped by startups that are pushing the boundaries of innovation. Synthetic dairy offers a sustainable and ethical alternative to conventional dairy products, addressing the concerns of both consumers and the environment.

As the technology continues to evolve, we can expect to see even more advancements in the field of synthetic dairy. Startups like Better Dairy, Remilk, and Perfect Day are continuously refining their processes and expanding their product offerings. Soon, we may witness the emergence of a fully vegan cheddar, thanks to the development of synthetic bovine casein.

In conclusion, the rise of startups in the synthetic dairy industry is changing the way we think about dairy production. With precision fermentation and other innovative techniques, these companies are creating real dairy products without the need for cows. By offering a sustainable, healthy, and customizable alternative, synthetic dairy has the potential to revolutionize the global dairy market. As consumer awareness and demand continue to grow, it is clear that the future of dairy is being shaped by startups that are reimagining what is possible.

Government to partner with Fonterra to cut coal use in dairy

JUL 20, 2023

<https://dairynews7x7.com/government-to-partner-with-fonterra-to-cut-coal-use-in-the-dairy-sector/>

The Government has announced it will partner with Fonterra in an attempt to cut coal use in the dairy industry, and reduce agricultural emissions.

The relationship will see the dairy giant commit to cutting coal usage across six of its manufacturing sites which it says will result in 2.1 million tonnes of early CO₂e reductions. This equates to taking 120,000 cars off the road.

The changes are expected to deliver 2.69% of all New Zealand's required emission reductions between 2026-2030.



Under the partnership, Fon-

terra will undertake an emissions reduction programme across its business, focussing especially on the remaining coal sites it uses to process dairy.

The Government says it will co-fund up to \$90 million from the Government Investment in Decarbonising Industry (GIDI) Fund, which is paid for through the Emissions Trading Scheme.

Fonterra says it has \$790m in investment planned to meet the revised decarbonisation target and is anticipating a combination of energy efficiency, biomass, existing heat pump technology and newer innovative solutions will deliver the reductions.

Prime Minister Chris Hipkins says partnering with Fonterra means the New Zealand dairy sector will cut its coal use quicker.

"This investment enables Fonterra to accelerate their emissions reductions, with an expected halving of their coal use by 2030, and delivers a big chunk of New Zealand's overall pollution cuts," Hipkins said.



The changes are expected to deliver 2.69% of all New Zealand's required emission reductions between 2026-2030.

"The current international environment is challenging for Fonterra and farmers, so we are teaming up to reduce more emissions faster."

Fonterra is the country's largest exporter with 27 manufacturing sites spread across the country. The co-operative has committed to end coal use for industrial heat by 2037 as part of its ambition to be net zero by 2050.

Its plan had been to cut 30% of the emissions from activities where it has operational control by 2030, but it's now aiming for a 50% reduction by then, from a 2018 baseline.

To achieve the new target, Fonterra would continue improving energy efficiency and switching to renewable energy across its milk collection fleet and manufacturing sites, Chief executive Miles Hurrell said.

The co-operative had carried out decarbonisation projects at five sites over the past five years, and was assessing biomass, electrification and heat pump technology for its Clandebye and Edendale sites.

Fonterra is also talking to its farmer suppliers about a target for farm emissions, with an estimated 91% of Fonterra's emissions behind the farm gate.

The partnership comes just months after the Government signed a deal with NZ steel to cut emissions, with the Fonterra partnership the second-largest in magnitude in terms of the target emissions reductions.

Hipkins says it is important to work with industry to achieve their emissions reductions goals.

"The Government is getting runs on the board with our Emissions Reduction Plan. These partnerships with big emitters are reducing pollution, helping build momentum and ensuring we are keeping up with our international competitors."

Govt announce NZ Steel plan to reduce emissions by



800,000 tonnes

[https://imasdk.googleapis.com/js/core/bridge3.581.0_en.html#goog_1816068593Play Video1](https://imasdk.googleapis.com/js/core/bridge3.581.0_en.html#goog_1816068593PlayVideo1) NEWS

"NZ's biggest ever emissions reduction project" will eliminate 1% of the country's annual emissions, equivalent to taking all the cars in Christchurch off the road.

"It demonstrates our Government's commitment to climate action now, and how much further and faster we can go if we make investments sooner, rather than later," Hipkins said.

Climate change minister James Shaw says the deal is momentous for the dairying sector.

"This is a decarbonisation deal of national significance. It is expected to deliver over seven percent of the targeted cuts to pollution from the energy and industrial sectors, in our second emissions budget, and over four per cent of our third emissions budget," Shaw said.

"I congratulate Fonterra, one of New Zealand's largest emitters, for showing what can be done, what must be done."

79% of Dairy Consumers Will Buy Cheese Made By Microbes

JUL 20, 2023

<https://dairynews7x7.com/79-of-dairy-consumers-will-buy-cheese-made-by-microbes-says-study-a-dairy-revolution/>

European precision-fermentation leader Formo has teamed up with the University of Saskatchewan on a landmark study, shedding light on the promising intersection of precision fermentation, the cheese market, and greenhouse gas reduction initiatives within the dairy industry.

The new research, published in *International Food and Agribusiness Management Review Journal*, suggests that even with a 25 percent

price premium, a sizable number of consumers will adopt animal-free cheese, accounting for an initial 22 percent market share.

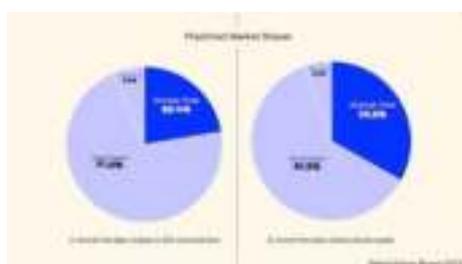
The findings

When prices for cheese like Formo's, which utilizes precision fermentation to generate milk from microorganisms, become equivalent to conventional cheese, the researchers forecasted that animal-free cheese will claim a 33

percent market share. As consumer adoption, industry alliances, and technological progress intensify, these figures are expected to increase accordingly.

The findings draw on data from more than 1,200 U.K. residents.

“The question of whether society will embrace the next generation of food has loomed over the cell-ag space for quite some time,” Associate Prof. Peter Slade of the University of Saskatchewan said in a statement. “As long as precision-fermentation dairy can achieve competitive prices, it is poised to revolutionize markets.”



New research predicts precision fermentation will pull a significant market share | Courtesy

According to Oscar Zollman Thomas, lead researcher at Formo, the observations indicate that higher cheese prices do not necessarily lead to a decrease in consumer cheese consumption. “Instead, consumers seek out alternative options,” he said. “The advent of animal-free dairy, produced through fermentation, introduces a completely new market paradigm. When presented with choices that respect their connection with cheese while addressing their existing concerns, consumers readily embrace the transition.”

The study results are compelling; the findings imply that while the global dairy sector experiences an upsurge in demand, animal-free dairy cheese is set to replace a substantial portion of traditional dairy cheese consumption, thus greatly mitigating the environmental harm of rising dairy demand.

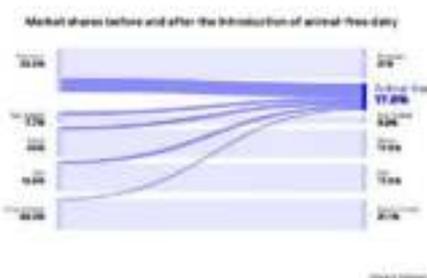
The study further found that an overwhelming 79 percent of consumers seeking animal-free

dairy cheese will have previously opted for conventional dairy cheese. This finding highlights the potential for a substantial new market within the global dairy industry, valued at more than \$1 billion.

‘Precision fermentation will conquer mass markets’

“The results demonstrate an increasing public awareness of the costs associated with industrialized dairy and a readiness for products that provide delightful experiences without the social repercussions,” Formo’s Founder and CEO, Raffael Wohlgensinger said of the study.

“The overwhelming demand from mainstream cheese consumers confirms our hypothesis: Precision fermentation will conquer mass markets rather than catering solely to the vegan segment. With Formo on track to achieve cost parity with conventional dairy, we anticipate a paradigm shift in the supply and consumption of dairy and dairy-like products. We are witnessing nothing short of a dairy revolution,” he said.



Precision fermentation will surpass nut-based cheese | Courtesy

The study also measured the effectiveness of efforts including livestock emission taxes versus precision fermentation for curbing dairy consumption. According to the findings, precision fermentation has a more potent impact on reducing livestock emissions than carbon taxes.

“These figures indicate precision fermentation dairy being 10x more effective at reducing animal-dairy consumption than carbon taxes at current levels,” Wohlgensinger said. “This

highlights the superior impact of precision fermentation in curbing dairy consumption and

should be a wake-up call for governments to back this groundbreaking technology.”

Dairy Report: All-Milk Prices Continues its Descent

JUL 20, 2023

<https://dairynews7x7.com/dairy-report-all-milk-prices-continues-its-decent-dairy-losses-kept-to-a-minimum-during-historic-vermont-flood/>

Lower milk prices continue to be the story for the dairy industry, and USDA is predicting this trend will continue for a while. Forecasters once again cutting this year’s all-milk price projections in the latest supply and demand report, dropping the price 40 cents to \$19.55 per cwt. Milk production projections for 2023 were left unchanged from last month, ending at 228.4 billion lb. If that is realized, milk production for the year would be up just a



fraction compared to last year.

The 2024 milk production forecast was lowered by 200 million lb. to just over 230 billion lb. That’s due to lower dairy cow inventories and slower growth in milk per cow. Butter prices did get a bit of a boost for this year while cheese, dry whey and nonfat dry milk prices all took a negative hit.

Vermont Flooding

New England is a big area for dairy production. And with those recent floods, many producers were concerned they would have to dump milk. Vermont’s ag leader says despite historic flooding, losses were kept to a minimum. The Vermont Digger reports that despite having roads damaged across the state, most of what farmers produced made it to a processing facility.

Haulers and dispatchers worked together to communicate which roads in the state were creating the greatest problems. Those roads were then put on a priority list for the agency of transportation to address. One agency milk inspector would even go ahead in his car to the next farm scheduled for pickup in order to scout out the best route. Other inspectors then did the same around the state.

IDFA Announces Dairy Forum 2024 — ELEVATE

JUL 19, 2023

<https://dairynews7x7.com/idfa-announces-dairy-forum-2024-elevate/>



The International Dairy Foods Association (IDFA) is excited to announce that registration for Dairy Forum 2024 opens today.

Now in its fifth decade, IDFA’s Dairy Forum is known around the world as the premier annual event for dairy industry leaders to exchange ideas, foster innovation, and cultivate meaningful connections. More than 1,000 dairy leaders convene each year at Dairy Forum to **ELEVATE** their businesses, advance their expertise, and actively contribute ideas that will shape the future of the global dairy industry.

The event returns in 2024 to Phoenix, Ariz. with a top-notch agenda that makes Dairy Forum the industry's most anticipated event each year.

"We are so pleased to invite leaders from across the dairy supply chain to join us in January at Dairy Forum 2024," said Michael Dykes, D.V.M., president and CEO of IDFA. "This year's Forum will feature innovative and inspiring sessions that will **ELEVATE** dairy leaders' understanding of emerging trends in technologies, personalized health and nutrition, sustainability, domestic and international markets, policy and regulation, and leadership skills needed to attract and retain a diverse workforce."

Dairy Forum includes main sessions, deep dive sessions, panel discussions, special presentations by conference partners, and numerous opportunities to connect with leaders in the dairy industry.

Dairy Forum 2024 will take place January 21-24, 2024, at the JW Marriott Phoenix Desert Ridge Resort—a five-star resort with awe-inspiring vistas, bespoke service and state-of-the-art facilities. The resort boasts 17 brand-new pickleball courts, two championship PGA golf courses, and a spectacular pool experience with five pools, a lazy river, luxury cabana cottages and pool suites. Six in-house dining operations include the creations of celebrity chef

Angelo Sosa at the resort's newest culinary addition, Tia Carmen.

The IDFA Dairy Forum offers various levels of sponsorship opportunities. Sponsorship is one of the best ways for an organization to brand itself among the dairy industry's top leaders and thinkers.

To register for Dairy Forum 2024 and to learn more about sponsorships, visit www.dairyforum.com.

The International Dairy Foods Association (IDFA), Washington, D.C., represents the nation's dairy manufacturing and marketing industry, which supports more than 3.2 million jobs that generate \$49 billion in direct wages and \$794 billion in overall economic impact. IDFA's diverse membership ranges from multinational organizations to single-plant companies, from dairy companies and cooperatives to food retailers and suppliers, all on the cutting edge of innovation and sustainable business practices. Together, they represent most of the milk, cheese, ice cream, yogurt and cultured products, and dairy ingredients produced and marketed in the United States and sold throughout the world. Delicious, safe and nutritious, dairy foods offer unparalleled health and consumer benefits to people of all ages.

Dairy prices fall as volumes rise at auction- GDT events

JUL 19, 2023

<https://dairynews7x7.com/dairy-prices-fall-as-volumes-rise-at-auction-gdt-events/>



International milk prices fell while volumes were up at this month's second Global Dairy Trade (GDT) auction on Tuesday.

SWP not offered
WMP index down 1.5%, average price US\$3,100/MT

The GDT Price Index was down 1%, with an average selling price of \$3,289 per metric ton. The index fell 3.3% at the previous auction on July 4, with an average selling price of \$3,334, according to GDT Events.

Dairy commodity prices have continued to decline in recent months. Economists at ANZ Bank now [forecast](#) a farmgate milk price of \$7.75/kg milksolid (MS) for the 2023-24 season.

A total of 25,956 tons of dairy products were sold at the latest auction, up about 4.5% from the previous sale, the auction platform said.

Milk price forecast drops sharply

We have revised down our farmgate milk price forecast for the 2023-24 season by 50c to \$7.75/kg milksolid.

Key Results

AMF index up 3.4%, average price US\$4,745/MT

Butter index down 2.7%, average price US\$4,705/MT

BMP index not available, average price not available

Ched index down 10.1%, average price US\$3,955/MT

LAC not offered

SMP index down 0.6%, average price US\$2,503/MT

Our forecast for 2022-23 remains at \$8.20/kg milksolid.

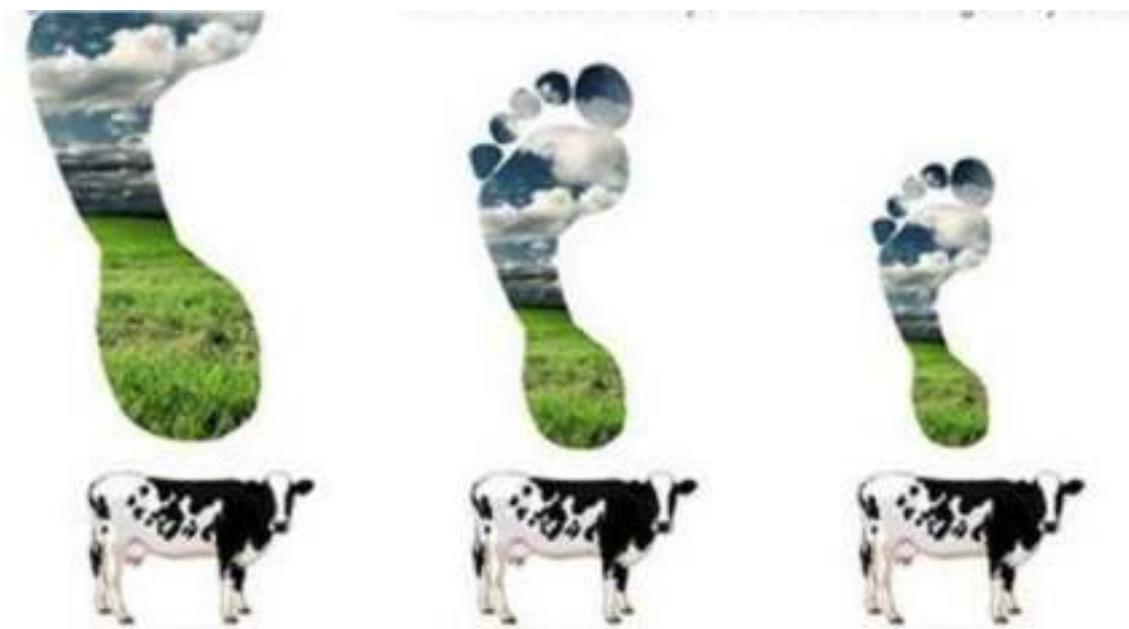
Global demand for dairy products has been impacted by deteriorating economic conditions affecting consumer demand, particularly in China.

The relatively weak NZD remains supportive of the farmgate milk price but is not sufficient to offset the impact of lower returns for dairy commodities.

Dairy products export can reduce GHG emissions

JUL 18, 2023

<https://dairynews7x7.com/dairy-products-export-can-reduce-ghg-emissions/>



Think globally, act locally. It's an oft-quoted rallying cry spoken at environmental policy conferences. However, both dairy trade and scientific literature tend to report on environmental impacts and results within geo-political boundaries, bringing attention to the major dairy producing countries. In doing so, a major facet of sustainability — to keep people fed with safe nutritious food — is often sidestepped.

According to the International Farm Comparison Network (IFCN), the growing demand for milk and dairy products is already greater than the current supply. These days, the calls for more dairy products come from low-income countries in which there are often deficits in resources, technology, skills, and/or cattle. These limitations restrict their dairy industry's ability to satisfy domestic demand. As a result, nations resort to importing milk and dairy products.

As demand grows for dairy products, several key global milk-producing regions are reducing cattle populations to meet mandated future greenhouse gas (GHG) emission goals. These

include countries such as the Netherlands, New Zealand, and France. "Major food marketing companies are searching for new suppliers to meet the increasing demand of their customers," shared John Metzger, senior director of food industry engagement at Elanco. "They are increasingly looking to the United States," he went on to say.

The United States ranks second in the world, next to India, which is not a milk exporting nation, in annual milk production at 226.3 billion pounds in 2021. While 2022 data is available in some countries, 2021 data will be the foundation for a direct yearly comparison. Among the major dairy-producing nations, the U.S. ranks first in annual milk per cow at 23,949 pounds per year, followed by Denmark at 22,259 pounds and Canada at 21,267 pounds. With respect to dairy exports, the U.S. ranks third to New Zealand and the 27 countries of the European Union, having exported 17.1% or 38.7 billion pounds of milk equivalents in 2021.

The positive, untold story

Herein lies the overlooked positive impact U.S. milk producers are having on the mitigation of GHG emissions, also known as the carbon footprint, for the global dairy industry. Lacking both affordable mitigation tools and approved rumen technology to reduce methane (CH₄), the most prevalent GHG source from dairy farming, the most effective way to reduce methane emissions is by improving milk production efficiency as measured by milk per cow.

Because U.S. producers have, on average, the highest milk per cow in the world, milk from U.S. dairy cows has the lowest enteric or rumen produced methane footprint per gallon of milk. That being the case, U.S. producers are helping importing nations avoid elevating their carbon footprint and thereby mitigating the overall global carbon footprint.

A country-by-country comparison

Details in the table break down U.S. dairy exports in 2021 by country of destination to help support this assessment. Thirteen countries import 81% of the dairy products, exported from the U.S., Mexico and China accounted for 40%. By considering a circumstance in which a country was no longer able to import milk, and that product could only be replaced with domestically produced milk, we can determine the number of additional milking cows required in the importing country.

Using Mexico as an example, they imported 8.5 billion milk equivalent pounds from the U.S. in 2021. If this milk was to be produced in country by Mexico, then the nation would need 793,000 more cows. One arrives at that number by dividing 8.5 billion by the native annual yield per cow of 10,723 pounds per year. Indeed, Mexico would need the equivalent of all the dairy cows in Idaho and Vermont to replace the lost U.S. imports.

Making this calculation for each country and summing them, the total number of global cows required to replace U.S. exported milk would be 5.52 million plus their respective replacement heifers.

When adjusting for the number of U.S. cows required, accounting for 2021 U.S. imports (100 million-pound equivalent) and for the 1.62 million U.S. cows that produced the exported milk, we find the balance is a savings of slightly more than 3.9 million cows. That is approximately the dairy cow population of Germany or the combined populations of California, Wisconsin, Idaho, and New York. To make a conservative estimate of the savings of enteric methane emissions, we only need to account for maintenance energy requirements for the 3.9 million cows. There is no savings from the lactation energy required because the milk is still being produced by U.S. cows.

At an average of 15 pounds of dry matter intake per cow per day for maintenance, that requires 10.7 million tons of feed annually on a dry matter basis. Each pound of feed will result in an average of 0.21 pound of enteric methane, resulting in approximately 2.04 million metric tonnes (MMT) of methane annually. Converting to the carbon footprint, the savings is 55.4 MMT of carbon dioxide-equivalent (CO₂-e). This is for the cows only.

Accounting for replacement heifers to support the cows will nearly double the annual carbon dioxide equivalent savings. Furthermore, it is only a fraction of the savings. Savings of carbon dioxide equivalent from other sources like manure generated methane, electricity, and fuel use have not been factored in, nor have other savings such as land and water been estimated for this example.

Critics of long-haul movement of food claim that transportation is a substantial environmental cost. While there is some cost, when considered on a per-pound basis of milk, it is typically 2% to 4% of the overall environmental impact. This minimal cost is a major reason why it is environmentally responsible to grow human food where it can be grown with the fewest amount of resources and move it to where the demand exists.

Through a domestic lens

This is a simple illustration of thinking globally when evaluating the U.S. carbon footprint. If we evaluate the domestic impact of the national dairy herd, then we should appropriately subtract the cows and milk that is not consumed domestically. This means that a U.S. carbon footprint evaluation should only be made on the 7.84 million cows required to produce domestically consumed milk and dairy products (187.6 billion pounds milk equivalent) in 2021.

Comparing these statistics to 1985 when milk exports were basically nonexistent, there were 10.9 million cows that produced 143 billion pounds of milk. Consequently, in 36 years, U.S. dairy farmers are producing 31% more domestically consumed milk with just 72% of the cows.

Dairy manure helps cut emissions

JUL 18, 2023

<https://dairynews7x7.com/dairy-manure-helps-cut-emissions/>

One of the world's pharmaceutical giants is using dairy-cow manure and food waste to help reduce its reliance



to cut carbon emissions at the same time.

United Kingdom drug company AstraZeneca is partnering with Vanguard Renewables, based in Massachusetts, to use biogas for heat and power in all its U.S.-based research and manufacturing facilities. The change is expected to be complete by the end of 2026.

From June 2023, AstraZeneca will begin purchasing renewable natural gas produced by Vanguard Renewables for its Newark Campus in Delaware, where the company packages 26 medicines for distribution across the United

The narrative does change by separating the milk and cows for domestic dairy product needs from exported milk. It shows how U.S. dairy farmers have continued to improve environmental impact for both the domestic market and the global market.

In the fossil fuel business, consuming countries are charged for the carbon footprint of burning imported oil, gas, and coal. Why is exported food not evaluated the same way instead of charging it all to the producing country? If it were so, then we would truly be impacting sustainability globally by giving credit to exporting nations for the efficiencies gained within their own borders.

States. The campus also makes medical formulations for global supply.

By 2026 this collaboration is intended to enable as much as 650,000 million British thermal units, or 190,500 megawatt hours per year, of renewable natural gas to be used across AstraZeneca's U.S. sites. That's equivalent to the energy required to heat more than 17,800 homes across the United States for one year.

Pam Cheng, chief sustainability officer at AstraZeneca, said, "We recognize the interconnection between the health of people and the planet, and are committed to driving deep decarbonization across our operations and value chain.

"Our innovative partnership with Vanguard Renewables in the United States is an illustration of how we are collaborating at scale to deliver sustainable science and medicines, as part of

the transition to net-zero health systems and a circular economy.”

AstraZeneca is taking a science-led, patient-centric approach to deliver improved health outcomes, she said, with a reduced environmental footprint. Because heat and power are critical to the manufacture of medicines, the decarbonization of healthcare requires access to clean sources of heat – such as renewable natural gas.

The new partnership with Vanguard Renewables is an important milestone in delivering emissions reductions in line with AstraZeneca’s flagship “Ambition Zero Carbon” program. The company states it’s on track to reduce greenhouse-gas emissions from its global operations by 98 percent by 2026, from a 2015 baseline. AstraZeneca aims by 2030 to halve its entire value-chain footprint on the way to becoming science-based net-zero by 2045 at the latest. The use of renewable natural gas at AstraZeneca sites in the United States will further enable the company’s transition to 100 percent renewable energy for heat and power.

The new agreement will utilize Vanguard Renewables “Farm Powered” process, allowing Vanguard Renewables to work with dairy farmers as well as food and beverage manufacturers, retailers and distributors to produce renewable natural gas using farm-based anaerobic digestion from food and dairy-cow manure.

Once the renewable natural gas is produced and captured through anaerobic digestion, it will be injected into existing natural-gas infrastructure for use in AstraZeneca’s medical research and manufacturing processes. Through the partnership with Vanguard Renewables,

AstraZeneca states it will access excellent-quality renewable natural gas from three on-farm anaerobic-digester facilities across the United States for the next 15 years or more.

Neil Smith, chief executive officer at Vanguard Renewables, said, “Vanguard Renewables is excited to be partnering with AstraZeneca on this transformative business-to-business clean-energy solution. AstraZeneca has set a very ambitious and challenging net-zero target, which is a benchmark for their sector and other global corporations.

“We strongly believe this partnership will provide a path for other like-minded companies to join us on the journey toward global decarbonization.”

The collaboration will utilize food and waste from local and family-owned farms, he said. The process captures methane from dairy operations that would have otherwise been emitted into the atmosphere. It will reduce pollution from the farming sector.

Vanguard Renewables has been working with multi-generational dairy farms as well as food and beverage manufacturers since 2014. The company states it provides sustainable solutions to greenhouse-gas-emission challenges by diverting food waste from landfills and sequestering on-farm emissions.

Vanguard’s “Farm Powered” process provides dairy farmers across the United States with an additional revenue stream via land lease. It supports regenerative-agriculture practices and helps to ensure those farms will be operating for years to come.

Milk prices won't fall any further, UK producer warns

JUL 18, 2023

[HTTPS://DAIRYNEWS7X7.COM/MILK-PRICES-WONT-FALL-ANY-FURTHER-UK-PRODUCER-WARNS/](https://DAIRYNEWS7X7.COM/MILK-PRICES-WONT-FALL-ANY-FURTHER-UK-PRODUCER-WARNS/)

U • **K Supermarkets are now charging around £1.45 for four pints**

- **Arla is warning shoppers that they are very unlikely to slash the price any further**

The price of a pint of milk is here to stay and Brits should not expect their supermarket shop to get any cheaper, according to the UK's biggest dairy producer.

Supermarkets are now charging around £1.45 for four pints and Arla is warning shoppers that they are very unlikely to slash the price any further.



A few months ago, the price for four pints was a

stomach curdling £1.65.

The cut in cost followed a drop in energy and feed costs which spiked last year – sending prices sky rocketing by around 40 per cent.

The catastrophic war in Ukraine also contributed to the fastest rise of basic essentials in 45 years.

While fresh food inflation eased last month, Arla's managing director Ash Amirahmadi told The Sun that he think prices will remain elevated.

He told the Sun: 'We are looking at a future with food that's more expensive. I don't think that we are going back to the prices pre-inflation.'

Sales of Arla's branded products, such as Lurpak butter, plummeted by 10 per cent last year as shoppers switched to lower-priced own-brands to save cash.

Shoppers distressed that inflation is 'going mad' after a 600g tub of Lurpak worth a whopping £5.35 was locked up in security netting in Aldi.

Since last year, a 500g tub of Lurpak butter has increased by around 37 per cent in price in Aldi stores, from an initial £3.65.

Mr Amirahmadi said Arla had shrunk its Lurpak tubs from 500g to 400g and cut the price by a fifth after customers said it was too costly.

Milk prices were slashed at Aldi, Lidl and Asda after their supermarket rivals Sainsbury's and Tesco dropped their prices first by 10p in April.

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