



# Dairy Pulse

26<sup>th</sup> Edition



Think Dairy



Suruchi Consultants  
Delivering solutions with integrity

16<sup>th</sup> – 30<sup>th</sup> Nov, 2016

# Dairy Pulse 26<sup>th</sup> Edition (16<sup>th</sup> to 30<sup>th</sup> Nov, 2016)

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## Suruchi endeavor in Skill/ Entrepreneur Development Domain

### ➔ *Diploma in Dairy Technology (DDT) in alliance with IGNOU*

Study Center authorized by School of Agriculture Indira Gandhi National Open University (IGNOU) Details as below:

Academy of Dairy Skill Development  
Unit of Suruchi Consultants  
C-49, Sector-65, Noida U.P – 201307  
SC/PSC Code: 39018P  
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New admission will start in July, 2017 for the DDT Course. For more information visit IGNOU website [www.ignou.ac.in](http://www.ignou.ac.in)

➔ Aspiring entrepreneurs might attend our introductory session (Free) on how to set up dairy farm and plant on every 2<sup>nd</sup> and 4<sup>th</sup> Saturday of month from 2 PM to 5 PM, Prior registration is must and for that contact our office.

➔ *47th Dairy Entrepreneurship Development Program (DEDP) at Suruchi Consultants, C-49, Sec-65, Noida 22<sup>nd</sup>, 23<sup>rd</sup> & 24<sup>th</sup> Jan, 2017 with Guided Tour to a Dairy Farm plus a milk processing plant.*

For more information please visit on website [www.suruchiconsultants.com](http://www.suruchiconsultants.com)

➔ Suruchi is coming to Mumbai with its third Regional Dairy Entrepreneurship Development Program (RDEDP) on 20<sup>th</sup> & 21<sup>st</sup>, Feb, 2017.

For more information please visit on website [www.suruchiconsultants.com](http://www.suruchiconsultants.com)

➔ Suruchi is launching 1<sup>st</sup> Second Level Dairy Entrepreneurship Development Program (2<sup>nd</sup> Level DEDP) 2017 one week intensive hand on for indigenous milk products. The dates will announce soon.

For more information please email on [shikha@suruchiconsultants.com](mailto:shikha@suruchiconsultants.com) or contact at +91 0120 4370845

➔ Suruchi is launching 1<sup>st</sup> Global Dairy Entrepreneurship Development Program (GDEDP) in Kenya in Year 2017. The dates will announce soon.

## **PRESS RELEASE: 5th IFCN Regional Workshop - Anand, India on November 28 & 29, 2016**

**Views differ wildly - will India be an Importer or an exporter? Either way, the rules of the game have changed. What got us here, won't get us there!**

During the 5<sup>th</sup> IFCN Regional Workshop in Anand, India 50 experts from various backgrounds along the dairy value chain meet. The discussions started from the global dairy crisis and concluded about ideas for future dairy development in India.

The success of dairy development success can be related to two main drivers. First access to market via well-functioning and stable dairy value chain is required. R.S. Sodhi MD - Amul summarizes it : "If you want to develop dairy, provide market access through stable and sustainable market price to farmers".

Secondly it needs a value creating dairy farming model which relates to the milk price that consumer is able to pay. Torsten Hemme MD - IFCN said: "Once you have a dairy farming model where the costs are lower than the milk prices, rapid milk production growth is a natural consequence".

The dairy experts discussed different strategies for more developed and lesser developed regions like in the eastern part India. In states like Orissa where milk production growth can be generated by focusing on the value chain like in the project operation flood. With low salaries the traditional small scale dairy model like 2 cows and crop residuals as the feed base are creating prosperity for the farmers.

In more developed dairy regions like in Gujarat the workshop concluded that successful dairy development shall focus more on skill development of the dairy farmers. Via that other aspects of dairy development, as the future dairy farming model, the fitting services, the development of the value chain or policy can be address. The IFCN chairman Anders Fagerberg concluded "Lets move in dairy development from a top-down to a more bottom up approach. Via this we can better insure that dairy farming is attractive for the next generation, the younger people."

On Nov 28<sup>th</sup> evening a joint publication of IFCN and Suruchi Consultants titled "Global Dairy Developments and Perspectives for Sustainable Dairy Farming in India" was launched by Mr R S Sodhi, Amul, Mr Shraman from Elanco USA with Mr Torsten and Mr Andres from IFCN. The program was attended by large participants from the dairy fraternity from India and abroad .

IFCN thanks Amul, Elanco and Danone for hosting this year's IFCN workshop.

## Vijaya Dairy to launch six-litre milk packets

<http://www.thehindu.com/>

UPDATED: NOVEMBER 29, 2016 01:14 IST

Vijaya Dairy was planning to launch bulk milk packets of six litres and supply ghee in polypet bottles, as part of an expansion plan of the federation, Telangana State Dairy Development Cooperative Federation Limited managing director K. Nirmala said. Tetra pack milk would also be reintroduced into the market, she added.

Ms. Nirmala visited Karimnagar Milk Producer Company Limited, better known as Karimnagar Dairy, on Monday and inspected the dairy plant, production of milk and other dairy products, dairy farm, and fodder fields.

She was all praise for Karimnagar Dairy, for its measures to increase milk production and sales, and also for launching several welfare measures for the dairy farmers in the region.

Later, Karimnagar Dairy chairman Ch. Rajeshwara Rao gave a PowerPoint presentation on the progress and activities of the dairy in increasing milk production and the economic activities of the dairy farmers and their children.

Speaking to *The Hindu*, Ms. Nirmala said she was impressed with the welfare programmes launched by Karimnagar Dairy, and assured to implement the same, especially the insurance scheme, for the farmers in the cooperative federation soon. The TSDDCFL was taking all measures to check leakages and loss during the production of milk in the federation.

Stating that the federation was procuring 4.5 lakh litres milk per day and selling 3.7 lakh litres, she said they had set a target of selling at least 4.25 lakh litres a day by the end of this financial year.

Ms. Nirmala also said that they were planning to open more Vijaya Dairy parlours to increase the sale of milk and milk products. There was good demand for Vijaya ghee and table butter in the market.

Due to plugging of leakages, the federation was likely to earn profits of about Rs. 8 crore this year. Ms. Nirmala said that they were taking all measures to improve the efficiency of the plants and employees to ensure quality products.

# Jharkhand based Osam raises Rs 45 crore in Series B funding

India Infoline News Service | Mumbai | November 29, 2016 12:34 IST

<http://www.indiaonline.com/>

Jharkhand's leading private dairy brand, Osam, raises Rs 45 crore in Series B funding led by Lok Capital and Aavishkaar.

Ranchi-based HR Food Processing Private Limited, which manufactures and markets dairy products under the brand 'Osam' has raised Rs 45 crores in Series B funding.

This round of funding was led by Lok Capital advised Growth Catalyst Partners (GCP) - the third fund from the India focused VC firm along with co-investment from existing investor, Aavishkaar India II Company Ltd. The funds will be utilised by the company to expand its production capacity and further its distribution outreach into neighbouring districts in Jharkhand and Bihar.

Following the commercial launch in 2015, Osam has established itself as a leading private dairy brand in Jharkhand, with a procurement network reaching more than 10,000 dairy farmers, processing around 40,000 litres per day and selling products through a network of 3,000 plus retailers across Jharkhand. Leveraging this fundraise, HR Food has already acquired another dairy plant in Jharkhand and is looking at other acquisitions to capture a significant share of Eastern India's dairy market.

India is the largest consumer of dairy products and the consumption of milk alone constitutes to 400 million litres per day. The dairy market is expected to grow at 16% CAGR and reach \$ 155 bn by FY 2020. However, the per capita consumption of dairy in East India is almost 50% lower than the national average, indicating huge potential for companies like HR Food to create strong consumer brands and build large dairy businesses.

Founded by Abhinav Shah, Rakesh Sharma, Abhishek Raj and Harsh Thakkar, HR Food identified a large demand-supply gap in the states of Bihar and Jharkhand that have low penetration of organized dairy players and focused on building a seamless dairy supply chain in these underserved areas. The company positively impacts the livelihoods of dairy farmers by training and enabling them with modern practices in dairy farming, procurement of livestock, design of farms, milk procurement, processing, packaging and delivery. HR Food's integrated model, procures milk directly from farmers in Bihar, processes it at its facility in Jharkhand and sells its products like milk, curd, lassi, and paneer to retailers.

Talking about the latest round of funding, Abhinav Shah, Co-founder and CEO of HR Food, said, "We are very excited to partner with Lok Capital for this critical fundraise and thankful for Aavishkaar's ongoing support, which has been indispensable in building the Osam story. With this round of fundraise, Osam is well poised to deepen its outreach into key target markets in East India, with an expanded production capacity enabling our growth, and emerge as the leading dairy brand in Eastern India."

Agri-dairy is one of the important investment themes for Lok's third fund as it offers good growth potential and the right blend of socio-economic impact and brand creation. The fund will support businesses that create value for small and marginal farmers along with generating good commercial returns. Lok believes that there is tremendous scope for agri-dairy enterprises to innovate, scale-up and address the challenges faced by the Indian agri and dairy sectors. The funding in Osam marks Lok's first investment in dairy and

second investment in the agri-diary space, following earlier investment in a Pune-based company, SV Agri Processing from its fund II – Sarva Capital.

Announcing the latest investment, Rajesh Babu, Director, Lok, said, “Given the large opportunity present in the dairy industry and the significant scope for high-quality private sector players to operate in the space, Lok is keen on backing integrated business models that make dairy and agriculture more sustainable for farmers. Osam is transforming the dairy sector in Jharkhand and Bihar through high quality customer offerings and improving farmer livelihoods by providing transparency on price, quantity and quality to over 10,000 farmers.”

Ajay Maniar, Partner, Aavishkaar said “We are extremely encouraged by the growth and build-out of Osam. We have invested in the company since the ideation stage and are delighted by the company’s progress and the validation of our investment thesis. We look forward to the founding team to continue and build on the momentum as they establish Osam as the dominant player in Jharkhand and Eastern India.

Unitus Capital was the exclusive investment banking advisor. Richa Natarajan, Vice President, Unitus Capital (UC) said, “Dairy has always been a critical part of UC’s mission given its potential to transform the lives of millions of farmers. We are very proud to have played a role in Osam’s successful fund raise and look forward to helping them scale over the coming years!”

## Focus on dairy farming to achieve double digit growth

VISAKHAPATNAM: NOVEMBER 29, 2016 01:18 IST

<http://www.thehindu.com/>

The government has identified dairy farming as an area for double digit growth and a plan will be worked out to achieve the goal, Collector Pravin Kumar has said.

There were several programmes aimed increasing productivity, including fodder fields in every village, and unless they were made good use of the goals could not be achieved, he told a meeting of progressive dairy farmers here on Monday. Providing credit linkage was one of the important aspects. About 200 dairy farmers participated.

He said a plan would be worked out and more interactions with farmers organised towards that purpose in the next two to three months.

Joint Collector II D. Venkat Reddy said all steps were taken to ensure bank credit in a planned manner to meet the needs of dairy farmers.

Joint Director, Animal Husbandry, Siva Prasad said to improve productivity training was given to 14,040 dairy farmers in the district and precautions were taken to prevent spread of infectious diseases among cattle.

Arrangements were made stock fodder in villages.

NABARD Assistant General Manager Prasada Rao said during the current year SC/ST farmers would be sanctioned loans after the lists were obtained from the Animal Husbandry Department.

Lead District Manager D. Saratbabu and K.S.S.L.V. Prasada Rao participated in the meeting.

## Cash-hungry buyers cut down on ghee, cheese

<http://www.dnaindia.com/>

Tue, 29 Nov 2016-08:00am , Mumbai , DNA

***There are concerns on high-value items like ghee and cheese as a result of which consumers are likely to downgrade to smaller packs: Devendra Shah***

Dairy products maker Parag Milk Foods said that high-value products like ghee and cheese are likely to witness a slowdown as a result of demonetization. The company, which reported 47.8% growth in net profit for the September quarter of this fiscal, said that one-third of its entire consumer product basket is high value and its demand has got postponed for now.

Devendra Shah, chairman, Parag Milk Foods, said, "There are concerns on high-value items like ghee and cheese as a result of which consumers are likely to downgrade to smaller packs. However, the overall business has not been impacted much except for the initial few days when there was a shortage of cash with the consumers to make purchases."

## Proterra keen on selling 23% stake in Dodla Dairy

By Sneha Shah, ET Bureau | Updated: Nov 29, 2016, 12.03 AM IST

<http://economictimes.indiatimes.com/>

MUMBAI: US-based investment firm Proterra Investment Partners is in talks with global and domestic PE funds Temasek, Kedaara, Multiples and ADV Partners to sell its 23% stake in Dodla Dairy, said three persons with direct knowledge of the development.

In 2012, Proterra, formerly Black River Asset Management, bought 23% stake in the company for Rs 110 crore. "The company is being valued at about Rs 1,100 crore and will give Proterra 2-3 times returns on its investment," a banker familiar with the matter said.

Proterra has appointed investment bank Edelweiss to scout for buyers and the final bids are expected soon, said another person involved in the deal. "The promoters are also selling some stake in this transaction. The incoming investor will have a majority stake in the company."

Mails sent to D Sunil Reddy, managing director of Dodla Dairy did not elicit any response till press-time. "Proterra declines to comment," said John Dillard, a spokesman for Proterra, in an emailed response.

## Milking the Deals

**In 2012, Proterra bought 23% stake in Dodla Dairy for ₹110 crore**

**The company is being valued at about ₹1,100 cr and will give Proterra 2-3 times returns on its investment**

**OTHER DEALS:**

- In May, IDFC Alternatives and Motilal Oswal Private Equity (MOPE)-backed Parag Milk Foods raised around ₹50 crore through an IPO**
- Last year, Rabo Equity Advisors-backed Prabhat Dairy went public in an IPO that saw the dairy company raise ₹362 crore**
- In March 2016, Groupe Lactalis acquired the dairy division of Indore-based Anik Industries for ₹470 crore**
- In 2014, Lactalis acquired Carlyle-backed Tirumala Milk Products for \$270 million**

A spokesperson for Temasek in an emailed response declined comment on market speculation while emails sent to Kedaara, ADV and Multiples did not elicit any response.

Founded in 1998, Hyderabad-based Dodla Dairy procures, processes and sells milk and milk products, including butter, ghee, paneer, curd, flavoured milk and ice cream powder across south India and Maharashtra, Madhya Pradesh, Rajasthan, Gujarat and West Bengal.

The company was founded by Andhra-based Sunil Reddy of the Dodla family of Nellore. According to the company website, it sells around 900,000 litres of milk and six tonnes of milk products every day. In 2014-15, Dodla Dairy posted a revenue of Rs 1,024 crore, up 20.75% from Rs 848 crore the previous year.

Dodla Dairy has also expanded to foreign markets. In 2014, it entered Africa by buying a milk processing asset in Uganda, which at present sells around 15,000 litres of milk daily. The dairy sector continues to attract private equity and strategic investors who sense a huge opportunity in the growing milk and milk products market in India. As per data compiled by the National Dairy Development Board, demand for milk in India is expected to grow to 200 MT in 2022.

## Farmers take to profitable medicinal farming

IANS | Nov 27, 2016, 03.24 PM IST

<http://timesofindia.indiatimes.com/>



PANTNAGAR: Ever since [Sachidanand Raj](#), a farmer from [Khushinagar](#) in Uttar Pradesh, started growing medicinal plants, he has significantly increased his income, while also contributing to preservation of [rare medicinal species](#).

Earlier, Rai used to grow traditional grains, including wheat and rice, on his five-acre farm.

In June, for the first time, Rai sowed Shalaparni -- a rare medicinal plant used as an ingredient in chyawanprash -- on one bigha (one fifth of an acre) of his land.

"If I grow rice on a bigha, it costs me an investment of Rs 14,000 to Rs 15,000 and I get almost the same amount in profit after selling the produce," Rai told IANS.

"But this time I got a four-fold return from growing Shalaparni," said a visibly satisfied Rai.

Now, the middle-aged farmer plans to expand the area of medicinal herbs cultivation to two bighas in 2017, as there are some added advantages.

"By sowing the herb only once, one can harvest it two to three times in a year. This means the profit margin for the next two times will be higher as the input costs involved will be much lower," Rai said.

He said that many others in his village were keen to use some part of their land for growing various medicinal herbs which have good commercial value.

The traditional grain-growing farmer, however, did put in a few hours of training to master the cultivation process of Shalaparni.

Rai took part in a special training programme conducted by Dabur India Ltd, as part of its Environment Sustainability strategy.

The Head of Bioresources group at the Dabur Research and Development Centre, Sarvepalli Badri Narayan, said the initiative involves both [farmers](#) and tribals and would benefit around 2,500 households spread across eight states.

"We focus only on marginal farmers and tribal communities and encourage them to grow medicinal herbs

on only a part of their land. We give them technical assistance as well," Narayan told IANS.

"It engages them to a large extent, providing them visible economic opportunities while helping the conservation of the natural resources in wide ranging eco-systems," the official said.

This IANS correspondent visited the fully automated state-of-the-art greenhouse in Pantnagar, Uttarakhand, dedicated exclusively for medicinal plants, including Akarakala, Ativisha, Taxus, Shalaparni and many others.

The facility caters to the supply of "elite" planting material to the farmers enabling them to cultivate and supply well-standardised medicinal plants on a large scale.

"We create artificial environment -- of the Himalayas to that of the Thar -- in this facility to grow different kinds of plants that have different requirements," he said.

After initial germination stages, the saplings are shipped to different parts of India and given to farmers for further phases of their cultivation.

On harvest, they are bought back on mutually agreed terms. Dabur has grown and distributed close to 7.5 lakh saplings of rare medicinal herbs to farmers in 2015-16 from its greenhouse.

"This continuous engagement with the community has helped revive a host of endangered plant species and established a sustainable source of livelihood for the farming and forest-based communities," Narayan said.

## **Bring youth to dairy farming: Governortvm 3, kollam 3 and thrissur 3**

UPDATED: NOVEMBER 26, 2016 21:13 IST

<http://www.thehindu.com/>

THIRUVANANTHAPURAM: New schemes including training programmes, short-term courses and a postgraduate course in dairy management should be introduced to attract the business-oriented younger generation to dairy farming, Governor P. Sathasivam has said.

He was inaugurating the National Milk Day observance organised by the Kerala Cooperatives Milk Marketing Federation (Milma) as part of Verghese Kurien's birth anniversary celebrations. The National Milk Day should be utilised as an occasion to search for Verghese Kuriens of the future, he said.

Kerala's dairy sector, which is in need of a boost, offers potential for investment by Gulf returnees. Malappuram, where milk production is low, would be a suitable location for such investment, he said.

The Governor also fondly recounted the days of his youth, when he assisted his father, a farmer, on their fields.

On the occasion, he presented the Dr. Verghese Kurien Awards, instituted by Milma for the best dairy cooperative society and dairy farmer in the State. The recipients for the awards were Balanthode dairy cooperative, Kasaragod, and P.T. Sreedas, from the Velloor Anand Pattern Cooperative Society (APCOS), Thrissur.

The function was presided over by Adv. Raju, Minister for Forest and Dairy Development. K. Muraleedharan, MLA, gave the keynote address.

Former Additional Chief Secretary Dr. D. Babu Paul presented the Dr. Verghese Kurien memorial lecture on the topic 'Kerala - Some thoughts on the 60th year of formation'. Milma Chairman P. T. Gopalakurup, Dairy Development department Director Georgekutty Jacob and Malabar region dairy farmers' union chairman K. N. Surendran Nair also spoke at the event.

## 5 Entrepreneurs Who are Changing Milk Drinking in India

NOVEMBER 26, 2016

<https://www.entrepreneur.com>

Milk is not only a product that humans consume. It is one of the most essential products for the well being of a human. Barring the lactose-intolerant ones, consumers find life without milk nearly impossible.

All dairy products starting from cheese to curd, milk is used in many cuisines across the globe.

India has joined the fervor of celebrating milk consumption and began celebrating November 26 as National Milk Day in the memory Dr Verghese Kurien, the Father of India's White Revolution since 2014.

The day celebrates the efforts of those who ensure consumable supply of this vital product from farms to grocery stores. We tell you about 5 successful entrepreneurs who are changing milk drinking in India.

### **RS Shodi – Managing Director, Gujarat Co-operative Milk Marketing Federation (Amul)**

Amul, the company that was formed in 1946 by Dr Kurien himself is a brand managed by a cooperative body, the Gujarat Co-operative Milk Marketing Federation Ltd (GCMMF), which today is jointly owned by 3.6 million milk producers in Gujarat.

Amul spurred India's White Revolution, which made the country the world's largest producer of milk and milk products.

The company which became the largest food brand in India and has ventured into markets overseas is now managed by RS Modi who has aggressively been expanding GCMMF.

Sodhi, earlier this year, said he was planning to increase Amul's milk processing capacity to 320 lakh litre per day from the current 280 lakh litre per day. The company aims to increase this capacity to 360 lakh litres per day by 2020.

### **Srikumar Misra – Managing Director & CEO, Milk Mantra**

The Odisha-based startup dairy firm started six years ago and has a strong presence in eastern India. The company boasts of one processing unit in Konark in Odisha and an extended processing unit near Mumbai.

Milk Mantra last month it is targeting a turnover of Rs 150 crore this fiscal. The company recently launched turmeric-flavour milkshake under the brand MooShake and plans to introduce the product in other cities over the next few months. It is on the lookout of exporting MooShake to the US, the UK and Japan in the near future.

### **S Nagarajan – Managing Director, Mother Dairy**

Mother Dairy, which was established in 1974 under the Operation Flood Program, a nationwide development program designed to revolutionize milk production in rural India, is now a subsidiary company of a wholly owned company of the National Dairy Development Board (NDDB).

NDDB promoted dairy cooperative enterprises in Northern India with the objective of providing round the year stable and competitive price to rural milk producers through a three-tier structure of State federations, milk shed-based unions and their member village dairy cooperative societies.

Today, Mother Dairy markets and sells dairy products under the Mother Dairy brand, including liquid milk, dahi, and ice creams, dairy whitener, cheese and butter.

On the National Milk Day, Mother Dairy spokesperson told Entrepreneur India that Mother Dairy pledges to remain relevant to the farmers' cause and will continue to see the same as the reason of existence.

### **Devendra Shah – Founder, Parag Milk Foods**

Founded in 1992, Parag is one of the India's largest Private dairy products manufacturers and is located in the milk belts at Manchar, Maharashtra and Palamner, Andhra Pradesh in India.

The company also has its own dairy farm called Bhagyalaxmi, where it hosts 3,000 specially bred Holstein Freisens cows and equipped with one of India's first Rotary Parlors, which has mechanized the whole milking process and in turn ensured high quality and hygiene.

Under the brand "Gowardhan", it offers traditional products like ghee, dahi, paneer etc. whereas under the brand name "Go" it offers new generation products like cheese, UHT milk, yogurt etc.

### **Aalekh Agarwal – Founder, Cowboys.desi**

Cowboys is the retail arm of Trunks and Roots, a company dedicated to dairy activities and allied agriculture. The company provides pure untouched cow milk along with many other organic products.

Founded by 28-year old Aalekh Agarwal who got his inspiration to start the brand after witnessing manipulation and malpractices of food products in the market, Cowboys delivers milk to consumers' doorstep.

The company has an integrated and inter-dependent farm where they control all the factors from cow feed and fodder, balanced nutrition, hygiene, medical treatment, milking and packing at one place. They started with just one offering i.e. cow milk and today have a range of 10 products including cow ghee among other offerings.

# Amul celebrates Verghese Kuriens birthday as 'National Milk Day'

By IANS | Updated: Nov 26, 2016, 08.34 PM IST

<http://economictimes.indiatimes.com/>

NEW DELHI: The Gujarat Cooperative Milk Marketing Federation (GCMMF), which markets the Amul brand of milk and dairy products, on Saturday celebrated the 'National Milk Day in the memory of Verghese Kurien on his 95th birth anniversary.

"With tremendous dedication and innovative initiatives, Dr. Kurien drove India's White Revolution," the company said in a statement.

"With India leading in the production of milk in the world, it is only fitting that a tribute is paid to the founder and father of the milk revolution in India."

According to the company, all dairy cooperatives across the country conducted a mega activation in all markets of India to celebrate Kurien's birth anniversary.

"This year, the campaign uses the cow as the visual element to highlight the works of Dr. Kurien," the statement added.

"In addition, Amul has also printed 150 million milk pouches with the National Milk Day logo which features Dr. Kurien's picture with the National Milk Day logo on it."

Amul to debut on Amazon overseas on Black Friday

## Demonetisation: Cooperative reforms get a boost post move

Written by [Shubhangi Khapre](#) | Mumbai | Published: November 26, 2016 2:08 am

<http://indianexpress.com/>

In Maharashtra the total cooperative societies (sector) add upto 2.26 lakhs.

The government's demonetisation move to check black money is likely to pave the way for policy reforms in the cooperative sector to bring fiscal discipline and stop mismanagement of funds of rural farmers in district cooperative banks, agriculture and allied sectors. Sources in the ministry of cooperative and markets told The Indian Express, "The Union finance ministry has given the nod to the state governments to push reforms in the cooperative sector to root out corruption."

A senior state minister said, "Maharashtra has already initiated the process of sweeping reforms to check corruption and massive losses that left farmers in doldrums in the last 15 years. The demonetisation drive will help us to expedite reform process across cooperative sectors including banking and agriculture and allied societies."

Chief Minister [Devendra Fadnavis](#) believes, "The cooperative sector has a significant role in rural economy and welfare of farmers. The policy reforms of the centre and state are to strengthen the cooperative sector to help the poor and farmers across rural Maharashtra."

The chief minister believes, "Vested interests have held the cooperative sector hostage at the cost of lakhs of hard working farmers."

In Maharashtra the total cooperative societies (sector) add upto 2.26 lakhs. It has 539 lakh members, mostly farmers associated with agriculture and allied activities like dairy, fisheries etc. The objective cited is that reforms in cooperative sector including district central cooperative banks are inevitable to weed out corruption and restore better administrative practices.

A senior officer associated with reforms in the Maharashtra State District Cooperative Bank during 2010 said, "The mismanagement of finances in DCCBs and other cooperative sectors leading to losses is primary reason for non-development of rural economy."

The state economic survey for 2015-16 establishes the poor functioning of cooperative sectors. The survey states that 55.2 per cent of primary agriculture credit societies are running into losses. The PACs provide short term agriculture credit for seasonal agriculture operations. PACs include farmers services societies and adivasis cooperative societies. Last year, the PAC losses were 3.4 per cent higher. The scenario in other agro processing cooperative is worse.

As the economic survey states, of the total 119 cooperative ginning and pressing societies 63 per cent are in loss. Of the total 131 spinning cooperative mills 81.8 per cent are incurring losses. The 646 cooperative handloom and 2091 powerlooms societies recorded losses upto 46.6 per cent and 55.9 per cent respectively.

In the dairy sector, 24,762 societies and 88 cooperative dairy unions registered losses of 43 per cent and 51 per cent respectively.

A former CM who did not wish to be named said, "The financial plunder in the cooperative banks resulted in poor development in rural Maharashtra."

Successive union finance ministers starting from P Chidambaram to present minister [Arun Jaitley](#) reiterate the need for reforms in the sector.

According to a state minister, "The established Congress-NCP leaders who wield political and financial clout in the cooperative sectors are always wary about reforms as it undermines their control in their constituencies."

Former Congress minister Harshvardhan Patil said, "Our objection is not against reforms to end corruption in cooperative sector. Our anger is against secondary treatment to the sector by the BJP government."

## **Amul products will debut on Amazon Global Selling platform on Black Friday in the US, which falls on 25 November**

<http://www.livemint.com/>

Mumbai: Online marketplace Amazon India on Thursday said products from leading dairy brand Amul will be available in nine countries, starting with the US on 25 November.

In May 2015, Amazon India launched its Global Selling program, under which Indian vendors can sell their products in nine countries including the US, the UK, Japan, Canada and France with a total consumer base of 300 million.

Amul products will debut on the Global Selling platform on Black Friday in the US, which falls on 25 November.

"We are happy to announce an online exclusive partnership with Amul, the iconic and most loved dairy brand in India, giving Amul the access to new age digital shoppers. We are taking the brand to the doorstep (of consumers) across the country (US)" Gopal Pillai, director and general manager, seller services, Amazon India said in an interview.

"Amul is (also) a part of Amazon Prime program, (for which) Amul is sending products to the fulfillment centers so that consumers can get products in a day or two. We are helping Amul with logistics, (product) returns, so they (Amul) don't have to worry about anything," he added.

The program currently lists 25 million products listed from 18,000 sellers in India, which includes retail brands such as Biba, Fab India, Himalaya, Organic India, Liberty Shoes, among others. These sellers pay commission equivalent to a local seller of a given country. For instance, the commission in the US ranges from 4% to 12% depending on the product, explained Pillai.

Pillai declined to share the number of orders Indian sellers receive under this program. However, he said that last year in the US, Amazon had created a Diwali-focused store to sell products from India, which saw a 400% growth in orders this Diwali.

Mint reported in January, that for US-based Amazon, such cross-border selling accounts for about a fifth of its overall third-party sales. For instance, sales of China-based merchants to North America increased 1,000% from 2012 to 2015, Amazon had said.

Since India doesn't allow foreign direct investment in online retail, Amazon works as a marketplace, connecting customers with third-party sellers on its platform.

In the next one year, Amazon India aims to sign up as many sellers possible. "We want to make selling in India synonymous to selling to Amazon. Last year, pre-Diwali, we had 35,000 sellers (selling on Amazon India) and now, we have more than 140,000 this year. So, I can't put a target to how many sellers we'll have next year." said Pillai.

In October, Amazon.com Inc. launched a Global Store for Indian shoppers, offering fashion brands, books and other products from its US online store that aren't available in India.

## **'Demonetisation has reduced cash flow to cooperative societies'**

25 Nov, 2016

<http://www.thehindu.com/>

Customers are ready to repay their loans, accepting it is a problem, says co-ops. union president

Kishan Hegde Kolkebil, president, Udupi District Cooperatives Union, said on Monday that the Union government's move to demonetise currency notes in the denomination of Rs. 500 and Rs. 1,000 has hit the cooperative sector hard.

He was speaking at the 63rd All India Cooperative Week celebrations organised by the State Federation of Cooperatives, District Cooperatives Union and Udupi Taluk Industrial Cooperative Society, here.

Mr. Kolkebil said that the demonetisation had reduced the cash flow to cooperative societies. These societies could only remit cash to the commercial banks. Though customers were ready to repay their loans, accepting it had become a problem.

Cooperative societies were not official agents for exchanging currency. Only banks registered with the Reserve Bank of India could exchange currency. The cooperatives sector had urged the government to give some relaxation to it, Mr. Kolkebil said.

In his inaugural speech, K. Raviraj Hegde, president, Dakshina Kannada Cooperative Milk Producers Union, said that there were 225 cooperative societies in Udupi district. The working capital of these societies put together was estimated at Rs. 5,000 crore.

They were producing more services to the people than the commercial banks in rural areas.

About the Dakshina Kannada Cooperative Milk Producers Union, he said that nearly 4 lakh litres of milk was being collected daily from the dairy farmers in the district.

The farmers were getting close to Rs. 35 per litre including incentive.

Due to the collection of milk from dairy farmers and their sale in urban centres, nearly Rs. 14 crore was moving from urban areas to rural areas in the region. This showed how cooperative sector was helping the people in the rural areas. It was easier for people to get loans from the cooperative societies than commercial banks, Mr. Hegde, said.

Kokkarne Surendranath Shetty, associate professor, MGM College, delivered a lecture on importance of cooperative societies. Arun Kumar Shetty, president of Udupi Taluk Industrial Cooperative Society; Meenakshi Bannanje, president, Udupi City Municipal Council; Amrita Krishnamurthy, municipal councillor; Praveen B. Nayak, Deputy Registrar of Cooperatives; and Vittal Sherigar, Deputy Director, Cooperatives Audit Department, were present.

## **Cash crunch: Novel protest by dairy farmers today**

By [Shibu B S](#) | Express News Service | Published: 24th November 2016 05:46 AM |

Last Updated: 24th November 2016 05:46 AM |

KOCHI: The growing uncertainty over withdrawing money from the cooperative banks is taking a heavy toll on dairy farmers' across the district. Following their token protest the other day, by spilling milk in front of the Primary Societies against the delay in addressing the "financial crunch" resulting from demonetisation, the farmers have decided to intensify the agitation.

As part of this, farmers of Thirumaradi Dairy Cooperative Society, which is one of the most successful Primary Milk Societies that contribute to Milma, have decided to milk their cows in front of the Society office on Thursday morning to register their protest.

"We were informed earlier that considering the uncertainty over withdrawal of money from Cooperative Societies, the farmers will get their payment through bank accounts. But even four days on since the circular was issued, the farmers, who waited for hours in the queue were left disappointed as the money was not credited to their accounts," according to Joy P U, president of Thirumaradi Dairy Cooperative Society.

There are nearly 400 members in Thirumaradi Dairy Cooperative Society. Of these, 105 farmers sell milk to Milma through the Primary Societies.

"The Thirumaradi Society is one of Milma's biggest contributors. Most of the farmers here do not sell milk in the domestic market," he added. And once every 10 days, the payment from Milma will be credited to the Society's account with the SBT, Kakkoor branch. The money will be distributed to the dairy farmers through the Society and most of the farmers find it a convenient arrangement. It was on November 8 that the dairy farmers received their last payment. "It is almost two weeks and the total amount due to the farmers will come to nearly `nine lakh," according to Joy.

In fact, the Society has been selling nearly 1,200 litre to Milma, daily.

“The issue with the dairy farming is that if the farmer is not getting his money, he will not be able to feed the cattle. The costs include the price of cattle feed, grass and hay. The labour charges come extra,” said Benny, a dairy farmer. According to the farmers, the other Primary Milk Societies are also encountering the same issue. “The Societies used to buy cattle feed from the wholesale market.

But now the representatives of the companies have informed us that they will not be able to supply the cattle feed unless the payment has been made,” Joy added. Most importantly, the farmers revealed that owing to the financial crunch, they were not getting the desired yield from the bovines. “The quantity of milk is proportionate to the feed. Already the milk production of our society has come down by 300 litre,” they said.

## **Steps to be taken to increase credit flow to dairy sector**

UPDATED: NOVEMBER 24, 2016 22:36 IST

<http://www.thehindu.com/>

The Micro, small and medium-scale enterprises (MSMEs) in the district have the scope to get the maximum share of credit from banks during the next financial year.

According to the potential credit plan, prepared by National Bank for Agriculture and Rural Development and released by District Collector T.N. Hariharan here on Thursday, of the total credit outlay of Rs. 16,892.31 crore for the district for next fiscal, the MSMEs are expected to get Rs. 7,735 crore, following by the agriculture sector (38 per cent). This will include crop loan and term credit to agriculture and allied activities, agriculture infrastructure development, and ancillary activities. The proposal is to double the income of farmers by 2022 and hence, efforts are directed towards improvement of agricultural productivity, diversifying production towards high value agriculture, and shifting major portion of farm employment to non-farm activities.

R. Inigo Selvan, District Development Manager of NABARD, said an area development scheme to enhance credit flow to the dairy sector will be implemented in the district. Similar schemes can be prepared for other potential sectors. The potential for other priority sectors, covering export credit, education, and housing, is expected to be Rs. 2,651 crore.

A. Kanagaraj, District Lead Bank Manager, said banks have been advised to ensure that farmers who have crop loan are provided with ATM-enabled kisan credit cards.

The District Collector said a number of farmer production companies are supported and promoted in the district. During the current financial year (2016-2017), banks have been advised to support upto 1,500 joint liability groups of small and marginal farmers, share croppers, rural artisans, and small entrepreneurs. A project has been launched in the district to strengthen the supply chain for perishable agricultural and horticultural produce and it includes setting up primary processing centres in different blocks in the district.

## Govt to soon launch e-pashu haat

[Press Trust of India](#) | New Delhi November 24, 2016 Last Updated at 18:13 IST

<http://www.business-standard.com/>

To encourage more farmers and entrepreneurs to take up dairy business, the government will this week launch an online portal called 'e-pashu haat' where one can buy/sell livestock, frozen semens and embryos

Presently, there is no organised market for livestock.

"If a farmer from [Rajasthan](#) wants to buy high milk producing cattle breed 'Gir' from Gujarat, how will he buy? So, we have developed an online portal to facilitate both seller and buyers," a senior Agriculture Ministry official told PTI.

The electronic market will help farmers not only buy/sell live cows/buffalos but also frozen semens and embryos of livestock, the official said.

The website 'www.Epashuhaat.Gov.In' will provide all details of each livestock along with photos as well as information on feed and fodder availability. It will also provide facilities to transport livestock after the purchase.

The certified livestock will be sold through e-market but private bodies will also be allowed to sell/buy non-certified livestocks, the official added.

There will be free login to the website, but one need to register for trade transaction.

Stating that government is giving a thrust on dairy sector to double farmers income by 2022, the official said there is a need to increase productivity of animals as well as number of livestock in the country to achieve this target.

The first step is to facilitate a market for livestock for those farmers keen to taken up dairy as a supplementary business, he added.

The e-market for livestock is being developed as part of the government's 'National Mission on Bovine Productivity' for which Rs 825 crore of funds have been allocated.

## Workshop for farmers organized

TNN | Updated: Nov 24, 2016, 03.17 PM IST

<http://timesofindia.indiatimes.com/>

NAGPUR: Vasant Foundation has organized a workshop on production of milk and dairy products on November 26 for farmers in the region to mark the birth anniversary of Verghese [Kurien](#), the founder of Amul and the father of White Revolution in the country. The foundation has been organizing such workshops for the farmers since past 3 years. The one day workshop, which will be free of cost, has been organized for farmers, milk providers, educated unemployed persons.

Kurien was born on 26 November 1921 in Kozhikode, Kerala. He graduated in physics from Loyola College, Madras in 1940. He helped establish the Amul cooperative in 1949, which is India's largest food brand today. In 1979, Kurien founded the Institute of Rural Management Anand (IRMA) and also was a president of Gujrat Co-op Milk Marketing Foundation from 1973 to 2006.

The government of India honoured Kurien with [Padma Shri](#) in 1965, Padma [Bhushan](#) in 1966 and [Padhma Vibhushan](#) in 1986 for his contribution to the nation. He was also honoured as the 'Person of the Year' by the American government.

According a press release from the foundation, only milk production can increase the financial condition of farmers in the country. The farmers cannot depend completely on the crops.

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## Drought and not demonetisation affects dairy sector

<http://www.thehindu.com/>

KOLAR NOVEMBER 23, 2016 16:16 IST

Though Kolar-Chickballapur Milk Union Ltd. (Kochimul) has so far remained unaffected by the demonetisation, severe drought has meant a fall in production. The milk production has come down by around one lakh litres per day owing to lack of green fodder and water. While the average milk procurement two-three months ago was around 10.80 lakh litres per day, the quantity now stands at around 9.80 lakh litres, Kochimul Managing Director N. Hanumesh told The Hindu on Wednesday.

However, sale has not come down despite demonetisation. Kochimul's daily sales stood at around 2.95 lakh litres. "The demonetisation process has not affected the dairy sector so far," Mr. Hanumesh said.

"Neither procurement nor sales was affected as we were allowed to take Rs. 500 and Rs. 1000 notes from the customers till November 24," Mr. Hanumesh added.

The affect will be known only after Nov. 24, he added.

Covering two districts of Kolar and Chickballapur, Kochimul is the second largest milk producing union in the state.

# FSSAI mandates inspecting animals at slaughter houses for certificates

Tuesday, 22 November, 2016, 08 : 00 AM [IST]

Pushkar Oak, Mumbai

<http://www.fnbnnews.com/>

A proforma, which stated that all animals at slaughter houses would undergo inspection for ante- and post-mortem fitness certificates hereafter, was released by the Food Safety and Standards Authority of India (FSSAI) upon the request of the Animal Welfare Board of India (AWBI). The fitness certificate has to be issued by a veterinary doctor upon examining the animal before and after slaughter as per Rule 4(3) of the Prevention of Cruelty to Animals (Slaughter House) Rules, 2001.

Dr Manilal Valliyate, director, veterinary affairs, People for the Ethical Treatment of Animals (PETA) India, stated, "The new order, issued upon the request of AWBI, states the proforma to inspect the animal. The proforma elucidates some significant requirements that need to be examined for the purpose of isolation of diseased, suspected diseased or suspected abnormal animals and to prevent the contamination of the dressing areas, premises and equipment by animals in an excessively dirty condition."

"Even the provisions for the ante- and post-mortem inspection have been specified in Schedule IV Part IV of the FSS (Licencing and Registration of Food Business) Regulations, 2011 under Specific Hygienic and Sanitary Practices to be followed by food business operators (FBOs) engaged in the manufacture, processing, storing and selling of meat and meat products," he added.

The certification in this regard has been made mandatory in the provisions of the Transport of Animals Rules, 1978 which pertain to transporting an animal and the Prevention of Cruelty to Animals (Slaughter House) Rules, 2001 to prevent the infliction of unnecessary pain or suffering on animals.

The new update by FSSAI asks slaughter houses to produce a fitness certificate from a veterinary doctor. The proforma of the necessary certification will also be shared with the State Slaughter House Monitoring Committee to ensure compliance.

Shakeel Ahmed, managing director, Al Falah Frozen Foods, Moradabad, Uttar Pradesh, said, "Under slaughter house rules, it was already a compulsion to obtain a fitness certificate, but the new rules under FSSAI that mandate conducting inspections in a given format or proforma will be difficult for players like us, as we are exporters, and we usually keep in touch with the regulatory authorities for upgrades and amendments on the laws of exports in this regard. But there are local players, who are our clients, who are directly involved in the activity of slaughtering animals. FSSAI's new development has to be communicated to them."

Local slaughter houses have to comply

The local players could be under the scrutiny of FSSAI as several small-scale slaughter houses are operational without procuring the necessary licenses.

"FSSAI's awareness schemes have undertaken the awareness campaigns for such unorganised players in the category to obtain appropriate licenses and operate according to the procedure laid down under the FSSAI and other Acts," said J P Singh, chief food safety officer, Food Safety and Drug Administration (FDA),

Meerut, Uttar Pradesh.

“These slaughter houses have a very small frame of operation as they serve a very small area. We, as exporters, follow the new developments in the Act, and all the slaughter houses under also follow the same, but not all slaughter houses export their meat. Some operators only sell meat in their own vicinity. They may be unaware of the new development. They should be called to the FDA office and there should be a seminar to educate these local players. That will help enforce the law and ensure the safety of the meat from contamination,” said Ahmed.

Dipti Bhalerao, veterinary surgeon, Veterinary Medical and Surgical Centre, Mumbai, said, “We have been requested by our associations to coordinate with the slaughter houses, so that whatever necessary means has to be adopted by these slaughter houses should be taken into account according to the proforma while providing such a certification.”

The World Organisation for Animal Health (OIE) guidelines have also laid down larium practices (animal handling facilities) by the abattoirs. These also emphasise the veterinary inspections.

#### Highlights

The purpose of ante-mortem inspection

Adequately rested so as to provide meat fit for human consumption.

Help in isolation of diseased, suspected diseased or suspected abnormal animals.

Prevent contamination of the dressing areas, premises, equipment by animals in an excessively dirty condition.

Ensure safety of animal handlers from animals with communicable diseases.

Obtain information required for post-mortem inspection.

The purpose of post-mortem inspection

Ensure detection of abnormalities so only that food is provided which is fit for human consumption.

Carry out routine checks on the manner and the methods of handling animals, stunning, shackling and bleeding.

One certificate can be issued for a maximum of 12 animals per hour. The proforma will also carry the name and address of the owner or in-charge of the animal.

The veterinary doctor will also certify that the slaughter house:

has adequate arrangement for pre-slaughter housing, feeding and humane handling of the animals;

has adequate arrangement for hygiene, cleanliness and safety of public health;

is free of rodents, flies, dogs, cats or any other source of contamination/vectors of any disease;

has proper arrangement for drainage and disposal of waste as per norms of the Central Pollution Control

Board (CPCB) guidelines;

has been registered/licensed by the appropriate authority under the Food Safety and Standards Regulations, 2011, and

All butchers and support staff have undergone health check on date \_\_\_ and were found to be healthy and fit to be permitted to work in the slaughter house.

## **Dairy business hit: Farmers have money in banks, no cash in hand**

RBI's ban on DCCBs has plunged the farmers into a financial crisis.

Written by [Parthasarathi Biswas](#) | Pune | Published: November 22, 2016 12:00 am  
<http://indianexpress.com/>

The demonetisation of higher value currency notes has resulted in a twofold blow to the dairy industry with the plunge in retail sales and financial distress at the farmers' end disturbing the trade. Ironically, while dairy farmers have been paid directly into their accounts they are unable to withdraw cash as majority of them have accounts either in the District Central Cooperative Banks (DCCBs) or Urban Cooperative Banks. The Reserve Bank of India (RBI)'s refusal to withdraw the ban on DCCBs from exchanging and accepting the demonetised Rs 500 and Rs 1,000 banknotes has added to the farmers' financial crisis.

Like most agri-based industries, dairy farming is also cash intensive with farmers requiring liquid cash for fodder and other inputs for animals. In Maharashtra, both private and cooperative dairies deal with primary milk collection societies at the village level while farmers are paid directly through bank transfers.

Chairman of Indapur-based Sonai Dairy, DS Mane, said sales for his private company has gone down by 25 per cent. "The end retailer is not willing to spend and so there is no uptake of the goods from our end," he said.

Sonai dairy procures around 2.5 lakh litres of milk per day and works with 16 lakh farmers in eight districts of the state.

Pointing out that his company pays the farmers on the 5th, 15th and 25th of every month, Mane said, "Around 50 per cent of our farmers deal with DCCBs and although we have paid the farmers on time they are unable to access the cash (due to RBI's restrictions)," Mane said.

"Farmers need to get fodder and other things for their animals and all transactions are made with cash. We had deposited Rs 80 crore in the dairy farmers' accounts but they are unable to access the same due to RBI guidelines," he said.

Similarly, Pune-based Katraj Dairy — a cooperative dairy unit — has also reported 25-30 drop in their retail business. Managing director of the dairy, Dr Vivek Kshirsagar, said the cash crunch has hit the end consumers. Katraj pays farmers twice a month and Rs 8 crore have been transferred to the account of 50,000 farmers. “Farmers and the primary societies have accounts in the Pune DCCBs and due to RBI’s restrictions the farmers are unable to access the money,” he said.

In many cases, Kshirsagar said, farmers do not have bank accounts and are paid in cash. “We have asked the societies to pay those in need in advance,” he said.

The restrictions on DCCBs has debarred 5.5 lakh farmers from Kolhapur and Karnataka who supply 12 lakh litres of milk per day to the Kolhapur District Cooperative Milk Producers Association, or Gokul.

Mohan Yadav, spokesperson for Gokul, said farmers who have accounts in the Kolhapur DCCB are facing the same issue. “Rs 49 crores have been deposited in farmers’ accounts but they can’t access the same,” he said.

Demonetisation crisis comes at what is known as the excess part of the milk cycle so production has not yet been affected.

Besides, the possibility of state farmers joining Gujarat farmers’ protest also can’t be ruled out. “If this continues, state farmers too will go the Gujarat way,” said a senior official from the dairy commissionerate.

## Cashless model shields Hatsun from cash woes

UPDATED: NOVEMBER 22, 2016 23:09 IST

[HTTP://WWW.THEHINDU.COM/](http://www.thehindu.com/)

It’s business as usual for Hatsun Agro Products Ltd., owners of popular brands such as Arun Icecreams, Arokya Milk and Hatsun Curd despite the announcement of demonetisation as the firm had gone cashless long ago.

Even as the entire spectrum of trade and industry is still measuring the impact of the out-of-the-blue announcement on withdrawal of high-value currency notes, life has remained mostly the same for Hatsun and its huge client base.

Chairman and Managing Director of Hatsun, R.G. Chandramogan, sports a wide grin on his face. Not without reason, though. With the benefit of hindsight, he could now afford to give himself a pat on his back for the decision he took a couple of years ago to take the company on a cashless course. Two things prompted him to take Hatsun on the cashless path.

One, the volume of its daily transactions with its clients and stakeholders is enormous.

Two, the physical movement of huge quantity of cash daily is a logistical nightmare given the security risks associated with handling such a quantum.

The Hatsun network encompasses more than three lakh farmers (from whom it procures its supplies), close to 2,800 sales outlets and 3,000 vehicle operators, besides its own employees.

Milk sales contribute about Rs.75 crore a month for Hatsun. Other product sales work out to Rs. 350 crore a month. "All these are done through the bank," he said.

Though the move did encounter initial resistance from farmers, the company was able convince them take up the banking channel, to go the bank channel route, Mr. Chandramogan said.

## **Demonetization: Amul to pay milk producers via bank accounts**

<http://www.dnaindia.com/>

Tue, 22 Nov 2016-09:12am , PTI

Dairy major GCMMF, which sells products under the Amul brand, said it has taken all necessary steps to pay its milk producer members directly into their bank accounts.

Already, 60% of its milk producer members have bank accounts and the cooperative is taking steps to open new ones for those who do not have at present, it said.

"In view of the demonetization of currency notes by central government, we have made necessary arrangement to pay milk producer members for their milk price through direct credit in their bank account," Gujarat Cooperative Milk Marketing Federation (GCMMF) Chairman Jethabhai Patel said.

About 60% of milk producers already have bank accounts, "but, due to some vested interests, the payment was made in cash", he said in a statement.

The cooperative is in the process of opening bank accounts of those milk producers who do not have them at present, he said, adding that GCMMF has asked all dairy unions to help farmers open their accounts in the next couple of months.

GCMMF and its 18 associated milk unions are paying around Rs 450 crore on a weekly basis to 36 lakh milk producers through 18,500 milk cooperatives in Gujarat, Patel added.

Noting that rural milk producers are facing shortage of cash due to demonetization of currency notes and restriction by RBI on District Cooperative Banks, Patel said, "However, central and state governments have made alternative arrangements with the help of RBI for cash disbursement through District Cooperative Banks to milk producers." This will definitely help milk producers meet their daily expenses related to animal husbandry and other requirements, he hoped.

Patel also said there has been no impact of demonetization of currency notes on milk procurement and sale of milk in the market so far. "In fact, milk procurement of member unions of GCMMF has increased," he added.

The cooperative has nearly 60 processing plants, of which 40 are in Gujarat only. There are 18 member unions of GCMMF associated with more than 36 lakh farmers across 18,600 villages of Gujarat.

## Farmers Demand Note-Exchange At Co-Operative Banks; Warn Of Stopping Milk Supply

[Surat](#) | [Press Trust of India](#) | Updated: November 20, 2016 09:34 IST  
<http://www.ndtv.com/>

SURAT: Farmers took out a protest rally in Surat on Saturday against the Reserve Bank's decision not to allow exchange or deposit of defunct notes at the district central co-operative banks and warned of stopping supply to Amul Milk co-operative if the restriction is not lifted in a week.

Protesters on around 150 tractors and 100-odd trucks loaded with grain and sugarcane covered the 10-km stretch from Jehangirpura to the collector's office in Surat.

They dumped grain and milk on the road outside the collector's office.

Farmer leader and president of Dakshin Gujarat Khedut Samaj Jayesh Patel said the ban had hit the farmers badly. If this restriction was not lifted in seven days farmers will stop supply of milk to the Amul milk co-operative, he warned.

"Most farmers have accounts with district co-operative banks which are not accepting defunct currency notes, causing immense hardship," Mr Patel said.

"We have submitted a memorandum to the collector demanding that the ban should be lifted in another seven days or we will stop supplying milk to Amul," said Mr Patel, also a former chairman of Surat District Co-operative Milk Producer's Union Limited (Sumul).

Surat Congress president Hasmukh Desai also took part in the rally with the party backing the protest.

# Dairy sector cheesed off by demonetization

By Express News Service | Published: 19th November 2016 01:11 AM |

Last Updated: 19th November 2016 03:38 AM

<http://www.newindianexpress.com/>

KOCHI: The slowdown in economic activities following the demonetisation has affected retail sales of milk in the State.

Milma, the leading milk supplier in Kerala, witnessed a surplus of nearly one-and-half lakh litres soon after the Centre withdrew high-value currency notes last week. Though the surplus eased in the days that followed, Milma officials are of the view that unless the currency crunch is not resolved, the volume of surplus would go up in the coming days.

The demonetisation has also affected the dairy farmers, and most of them have not been receiving their payment.

“The main reason behind the present crisis is that households have put curbs on their purchases. The purchasing power and consumption pattern depend mainly on the flow of money to the common man. Because of the sudden change in the purchasing pattern, the sales volume dropped to an all-time low soon after the demonetisation drive, which resulted in the surplus. But, Milma has taken adequate steps to resolve the surplus issue to a great extend,” said Milma-Kozhikode managing director K T Thomas.

Milma is operating in association with three regional unions of milk producers, of which the Thiruvananthapuram and Ernakulam unions procure milk from neighbouring states also. “Soon after the demonetisation, the Thiruvananthapuram and Ernakulam unions took steps to stop milk procurement from the other states, and the surplus milk from the Malabar union was supplied to the other regional unions. We have also taken steps to revive the milk-powder plant at Punnapra in Alappuzha, so that the surplus milk could be converted into milk power,” he added.



Usually, the regional unions transfer payments to the bank accounts of cooperative milk societies - Kerala Grameen Bank, Canara Bank, Union Bank, State Bank and District Cooperative banks.

“Under each society, there are 300-400 dairy farmers. The societies pay them by cash once in ten days, because the majority of the farmers demand cash payment. Now, the societies are insisting on paying the farmers through bank. There are practical difficulties in transferring cash to the farmers online, with maintaining the transaction details of 300-400 persons being the biggest challenge. It is not feasible to pay by cheque also, considering the large number of cheque leaves required,” said office-bearers of the society.

Under the Ernakulam union, there are around 857 primary milk producers' societies, procuring around 46,200 litres of milk every day. If the present crisis persists, milk production by the unions would fall drastically in the coming days.

"Due to improper payment, farmers find it difficult to purchase cattle-feed, and some of them have already sold their cattle. Only farmers who are in urgent need of cash are paid now," said Maneed Cooperative Milk Society secretary James K Varghese.

## Amul's efforts to go cashless get demonetisation boost

Responding to persistent requests from the dairy giant, Gujarat govt had issued a circular to transfer cash directly to farmers' account on Nov 5

Sohini Das | Ahmedabad November 19, 2016 Last Updated at 13:02 IST  
<http://www.business-standard.com/>

Amid the crisis in the milk economy created due to a cash-starved logistics chain in a post-demonetisation India, co-operative dairies are happy that they had pushed for cashless transactions to milk farmers just at the right time. In fact, while the drive has been ongoing since more than a year or so, as luck would have it, the Gujarat government had issued an advisory to district milk unions to turn all transactions on milk to the bank.

If one delves a little deeper into the scheme of things, the Centre has been encouraging direct transfer of money to the farmers' accounts through several schemes, like thee-National Agriculture Market (e-NAM), for sometime now.

Gujarat houses the country's largest dairy cooperative Gujarat Cooperative Milk Marketing Federation (GCMMF), which sells milk under the Amul brand. The cooperative giant works with over 3.6 million farmers who are affiliated to over 18,000 village cooperative societies who together handle around 17 million litres of milk per day.

R S Sodhi, managing director of GCMMF explained, "We have been discussing since long with dairies to go cashless in terms of transactions, however, there was resistance from the secretaries etc. So, we have also been requesting the government of Gujarat to intervene and send an advisory in this regard."

A state government source too confirmed that an advisory or circular in this regard, dated November 5, precisely three days before Prime Minister Narendra Modi announced the massive demonetisation move involving Rs 500 and Rs 1000 currency notes, was issued by the state government. Dairy cooperative sources claimed that now they are using this circular to push farmers to open bank accounts and accept payment in their accounts.

Commenting on whether this was a tip-off from the state government right ahead of the demonetisation drive, Sodhi said that both cannot be linked even remotely. This is the result of an ongoing measure on the part of GCMMF, and after the circular arrived and actual action could be taken at the society level, the demonetisation happened.

Most dairy farmers are actually women, and state government, which is working on pro-people policies, wants the money to be transferred to their accounts. The secretaries and the other office bearers at the village cooperatives preferred to deal in cash when making payments. With the demonetisation move, these people are now being forced to pay through bank accounts. It is estimated that around 50 per cent of the farmers associated with GCMMF have bank accounts.

GCMMF's 18,000 societies were disbursing about RS 450 crore per week, that is, around Rs 2-3 lakh per society.

Other dairy cooperatives across the country, including the Karnataka Milk Federation (KMF), which procures around 7 million litres from across 14,000 societies and makes payments to the tune of Rs 20 per crore per day to farmers, is also mulling channelising the entire system through bank accounts. A similar movement is already in place at the Maharashtra State Milk Producers Association as well.

The Centre has actually been encouraging direct transfer of payments to the farmers' accounts for over a year now.

Since April 2016, when the Centre introduced e-NAM, 17 States and 1 UT have fully or partially modified their APMC Acts. Recently speaking at a conference Union Minister of Agriculture & Farmers Welfare, Radha Mohan Singh had said that provision of online payment of the sale proceeds to the farmers is made available in the e-NAM portal and states are requested to encourage direct transfer of sales proceeds to the farmer's bank account.

A total number of 585 markets are targeted to be integrated in first phase with e-NAM by March 2018, out of which 400 markets will be integrated by March 2017.

He had announced that e-NAM platform is connected to 250 markets across 10 States as of now (Andhra Pradesh (12), Chhattisgarh (05), Gujarat (40), Haryana (36), Himachal Pradesh (07), Jharkhand (08), Madhya Pradesh (20), Rajasthan (11), Telangana (44), Uttar Pradesh (67). Union Minister informed that so far, Detailed Project Reports (DPRs) for integrating 399 mandis with e-NAM has been received from 14 states and all of them have been approved.

## Three days before currency ban, Gujarat govt told dairies to go cashless

Gujarat Minister for Health and Family Welfare Shankar Chaudhary confirmed that his government had issued the circular to shift all transactions on milk to the bank.

Written by [Avinash Nair](#) , JIGAR JOSHI | Kheda (ahmedabad) | Updated: November 18, 2016 11:47 am

<http://indianexpress.com/>



Most of the dairy farming accounts are in the names of women, some of whom are farmers themselves.

Three days before the demonetisation announcement, the Gujarat government is learnt to have put out a circular mandating all monetary transactions by dairies through bank transfers. Now, the dairies are citing this very circular, dated November 5, 2016, to push dairy farmers, and customers to open bank accounts.

The Indian Express has a copy of a circular, dated November 12, 2016, issued by the Banaskantha District Co-operative Milk Producers Union (BDCMPU), Palanpur, asking all milk collection centres and unions to deposit dues in bank accounts by Wednesday, and that all buyers pay the unions by cheque.

Citing the Gujarat government circular of November 5, 2016, the dairy union circular stated, "All those consumers/milk producers who have not opened accounts should, with immediate effect, open accounts at the nearest bank branch in the village and operate it for settling milk dues."

Most dairy farmers attached to Banas Dairy get their dues in two instalments in a month and on November 16, they were due for their first instalment of the current month.

Rajabhai Prajapati, 32, a resident of Nani Gharnal village of Banaskantha's Deesa taluka, has six bigha of land besides two buffaloes and a cow. He gets paid Rs 12,000 per month for the milk, in two instalments, the last of which he received on October 27, which is nearly exhausted.

"We have no money to grist the grain, to buy groceries or seeds and fertiliser. No one is accepting the old currency notes I have," said Prajapati, who has a five-member family. They had queued up at Dena Bank's Bhildi branch for exchange from 8 am to 4 pm on Wednesday, but the bank closed before their turn.

Branch Manager at Dena Bank's Bhildi Branch Ashutoshkumar Anand said: "Rush from the rural areas is tremendous here. People are protesting when they get notes of high denomination (Rs 2000 bills). We have limited stock of lower denomination notes."

Asked about payment of dues to dairy farmers, Anand said, "Those customers who have bank accounts will get it by bank transfer. I will send a BC (business correspondent) to collect the account numbers and will transfer the amount in those accounts." And for those dairy customers who don't have accounts, he said on Wednesday, that he would send BC to the villages for opening new accounts "which may take one or two days."

Gujarat Minister for Health and Family Welfare Shankar Chaudhary, also chairman of Banas Dairy, confirmed that his government had put out a circular to turn all transactions on milk to the bank. "We did it so that the money goes directly into the accounts of the women," said Chaudhary. Most of the dairy farming accounts are in the names of women, some of whom are also farmers themselves.

Seventy-year-old Ravji Chavda, a small-scale milk-producer who sells two litre of milk daily to the country's biggest dairy brand Amul, is struggling for make ends meet after a local milk-cooperative society at his village Dhundi in Kheda district delayed weekly cash-payment. Short on money, Chavda is among the sizeable 40 per cent of milk-producers in Gujarat who currently do not have a bank account.

"Farmers like us hardly have any old denomination currency to exchange. I am borrowing money on credit for our daily needs. I have a son who is fighting cancer and I have been using the money from sale of milk to run the daily expenses," said Chavda, lying on a wooden cot parked in a corner of his thatched hut, a space that is usually occupied by the lone buffalo that his family owns in a village of 200 milk-producing farmers. Chavda is one of the 36 lakh milk-producing farmers in Gujarat who make up the dairy cooperatives at the village-level.

R S Sodhi, managing director of Gujarat Co-operative Milk Marketing Federation (GCMMF), the umbrella body that owns Amul, said, "On an average, in a week we pay Rs 450 crore to milk producers in Gujarat. Before the demonetisation, 99 per cent of this amount used to be dispensed in cash. This was done because secretaries and the other office-bearers of village-level cooperative societies preferred to deal in cash. Now, they are being forced to pay through bank accounts."

Banas Dairy with 1,250 village-level milk cooperative societies, having around 3.2 lakh farmers, is the largest of the 18 dairies under GCMMF, supplying 4.5 million litre milk per day. "Currently only 50-60 per cent of the farmers have bank accounts... The big farmers are being given money through their respective accounts. The smaller farmers do not have bank accounts and so we are helping them open one. There is definitely a handicap in paying the farmers, as on an average each milk-cooperative society has to be paid around Rs 2-2.5 lakh every week," Sodhi said .

Amul daily procures nearly 17 million litre milk from 18,545 milk cooperative societies in villages. Stopping of cash payment has started to hurt smaller milk producers like Laxman Chavda who is forced to buy vegetables on credit from a grocer in Dhundi, where the nearest bank is five kilometer from Thasra town. "For the past 10 days, we have not received any payment. We have been asked to furnish identification documents for opening accounts. It appears that it will take a while before the money finally reaches me," said Laxman.

The big farmers with more livestock are taking it easy. Around 10-km from Dhundi in Haripura village, dairy farmer Diptesh Patel has 80 cows and supplies 500-600 litres of milk to Amul. "I do not face any problem with regards to payment for milk. I supply directly to Amul and they credit my account on a weekly basis," said Patel, whose employs 10 labourers to run and manage his farm .

The situation is similar at Thamna village in neighbouring Anand district that houses 300 farmers who produce 3,000 litre milk daily. "I am not sure how many farmers connected with my village's milk-cooperative society have bank accounts. Our cash transaction is about Rs 5 lakh in every five days. Now, we are not able to pay the farmers in cash anymore," said Vipul Patel, head of the milk cooperative society in Thamna that has just one bank.

Bavabhai Desai, 40, a farmer at Chatra village in Bhabhar taluka, who owns two cows and five buffaloes relies completely on Banas Dairy payments. He deposited his last payment which was in de-circulated currency in a bank near the village and is yet to receive the cash. "The bank is 13 km away and I went twice but could not withdraw because the bank and ATMs ran out of cash," said Desai.

"The dairy secretary told me that cash payments would be possible only after December 1 and offered to give a cheque if there was urgency. But things are critical right now without the payment being realised."

Prakashbhai Chaudhary, supervisor of Banas Dairy, said, "Banas Dairy transfers the dues to the bank accounts of respective dairies. The dairy secretary has to withdraw money from the accounts and pay the customers. However, due to the demonetisation, the secretary can withdraw only Rs 24,000 a week."

Kanjibhai Korat, assistant general manager, milk department, Banas Dairy, said as per the circular, they had credited the amount in the respective dairy's bank account. "Those who don't have an account should get one opened. Dairies will pay the rest of the customers in cash".

## Demonetisation effect: Dairy farms across Maharashtra feeling the pinch

By Vinod Kumar Menon | Posted 18-Nov-2016

<http://www.mid-day.com/>

*Dairy farm owners across the state reel from setback, as cattle haven't been fed in two days and suppliers refuse to deal in the old Rs 500 and Rs 1,000 currency notes; demonetisation will soon start affecting milk supply to cities*

he demonetisation drive is starting to affect the animal kingdom too. To be particular, consider John Kokkat — proprietor of the Popular Dairy Farm in Bhiwandi district with cattle totalling 156 animals (10 cows and 146 buffaloes), which provide 900 litres of milk per day collectively — who worries they may not survive the demonetisation. Instead, with no fodder to feed them, they may soon just be dead meat.



*Irfan Bhasir with the supplement feed needed*

Kokkat is not sailing alone on that boat. Other small- and medium-run dairy farms in villages like Padgha, Khosimibi, Bokri, Dohole, etc, around Bhiwandi district are also feeling the pinch of the cash crunch as the fate of around 50,000 cattle hangs in the balance. Together, they supply nearly 3.4 lakh litres and 10,000 litres of buffalo and cow milk respectively to Mumbai, Thane and Bhiwandi.



*Workers at a farm sorting the feed*

### **The feed conundrum**

Most farm owners ensure that the cattle are not given mere fodder, but supplemented with special feed that consists of coconut and cotton cakes along with skin of pulses like tur, moong, corn, sugarcane waste to ensure 'top quality' milk.



*Samarth Godown has a notice announcing that old currency will not be accepted*

“We have to milk the cattle twice a day and I don’t want to dilute it by mixing water,” said Kokkat. However, he faces a double-edged sword. First, he is worried that he doesn’t have enough legal tender to afford the special feed. “I have enough money to pay for the coconut cakes, but it is in the old Rs 500 and Rs 1,000 notes. I also have over Rs 7 lakh stuck in the market. I need to pay my creditors and labourers, but as I could not deposit cash, two of my cheques to the feed supplier have already bounced and I had to plead for a few bags of feed. No supplier can accept these defunct notes,” he said.



Secondly, since most regular customers pay on a bi-monthly or monthly basis, even the cash flow from that end has stopped. “We have fixed customers and most of them are willing to clear their dues by paying us in the old currency, which is of no use to me,” added Kokkat.

#### **Stock for two more days**

Now, despite government assurances that the situation will return to normal within a week, with no sign of the woes abating, most dairy units that still do have some feeding stock, say it will only last two to three days more as each buffalo requires at least 5 kg feed daily along with the supplements. “The feed we have at present will last only for two days. And until we clear the last bill, no trader will supply further stock,” said the dairy owner.

#### **Time constraints**

Once milked, as it’s a perishable commodity, it has to reach suppliers within a two-hour window. “I have to clean the stables, milk the animals and then get the supplies to the market. I do not have the time to stand in these long queues to exchange money,” said, another dairy owner Irfan Bhasir Theli of Bokri village, who has 60 buffaloes and has not given them feed for last two days.

Another farmer from Titwala, Nilesh Gharat, who owns 12 buffalos and had to arrange for the new Rs 2,000 currency to finally get feed, said, “I had come to Padgha two days ago, but had to return without the feed as I only had the old currency. Without the feed, we will lose both the cattle and our customers, so I somehow had to arrange for the new denominations.”

#### **Hoarding concerns**

Add to that growing concerns that hoarding in the midst of demonetisation could render acquiring feed for the cattle almost impossible. “We appeal to the government to ensure that there should be no hoarding or hike in price of feed, wherein a few traders might try to cash in by taking undue advantage of the situation. Else, small dairy units will be forced to shut down,” said Kokkat.

From the trader’s end Sanjay Sonar (35), proprietor of Samarth Trading, a supplier of cattle feed, has pasted a notice board in his godown cum office in Padgha: Rs 500 and Rs 1,000 currency notes are not accepted. Speaking to mid-day, Sonar said, “I have stock in my godown for next week, and I can only place order for feed from the wholesalers, provided I have cash in hand. Two cheques worth Rs 90,000 have already bounced, few more cheques need to be deposited, and I am not sure if those will clear.”

When asked about the risk of hoarding, Sanjay admitted that rich traders will stock all materials in their godown, creating an artificial shortage of feed, which is bound to shoot up the price.

The situation at Padgha weighing bridge was equally grim, laden with over flowing hay from the trucks. Kalpesh Nichite, a trader from

Sahapur said, "We collect the hay from farmers at Rs 8 to Rs 15 per bundle and with the help of six daily workers. Now, the weighing bridge has stated they won't be taking the old currency so the traders and dairy owners are forced to keep bills pending. It is a chain reaction and we all are suffering."

## Be wary of consuming raw milk straight out of the dairy

[NEETU CHANDRA SHARMA](http://www.dnaindia.com/) | Fri, 18 Nov 2016-07:15am , DNA  
<http://www.dnaindia.com/>

The government has geared up following few outbreaks down South India. In a bid to curb cases of Brucellosis, a bacterial disease affecting cattle like cow and buffalo and causing undulant fever in humans, Department of Biotechnology, Ministry of Science & Technology has come up with a pilot project called "Brucella Free Villages".

Brucellosis is an infectious disease caused by bacteria belonging to the genus Brucella. Brucellosis is also an important zoonotic disease of worldwide importance; people acquire the infection by consuming unpasteurized milk and other dairy products, and by coming in contact with the contaminated animal secretions and tissues.

According to the World Health Organization (WHO), brucellosis is transmitted to humans from animals through direct contact with infected materials like afterbirth or indirectly by ingestion of animal products and by inhalation of airborne agents. Consumption of raw milk and cheese made from raw milk is the major source of infection in humans.

In humans, brucellosis can cause range of symptoms that are similar to the flu and may include fever, sweats, headache, back pain and physical weakness. Severe infections of the central nervous system or lining of the heart may also occur.

Doctors say that often brucellosis is diagnosed after ruling out all other fevers such as those caused by malaria, typhoid, dengue etc. Therefore, the disease is under reported and many medical professionals are not even aware of the problem. It is estimated that the disease causes economic losses of about Rs 28,000 crores.

"There is an urgent need for addressing this important issue of not only livestock health and production, but also public health. India is the world's largest milk producer and hosts around 20 per cent of the world's livestock population," said Sudarshan Bhagat, Minister of State, Agriculture and Farmers Welfare.

The programme in collaboration with Indian Council for Agriculture Research will initially be introduced in 50 villages covering 10 states. With its own admission government has said that the disease has always been under reported in India.

"Brucellosis is an important but for long has been a neglected disease in India. The Government of India has initiated a number of programmes and collaborations to address the gaps in our knowledge and understanding of this disease. Projects such as the "Brucella Free Villages" are important steps towards disease eradication," said Dr K Vijayraghavan, Secretary, Department of Biotechnology.

The Department of Biotechnology on its part has initiated a Network Project on Brucellosis. The project aims at studying the epidemiological status of Brucella infections in India and to develop novel diagnostics and vaccines," he said.

"We have to get effective control strategies and potential eradication methods that are suitable for endemic countries as per the laws governing their livestock production systems," Y S Chowdary, Minister of State for Science & Technology and Earth Sciences said.

In September 2016, following the outbreak of Brucellosis, the government decided to cull all infected cattle at the Kerala Veterinary and Animal Sciences University's (KVASU) farm at Thiruvazhamkunnu in Palakkad. Similarly, in Kolar district Brucella abortus bacterium was detected in 998 cattle, including 258 cows.

—According to the World Health Organization (WHO), brucellosis is transmitted to humans from animals through direct contact with infected materials like afterbirth or indirectly by ingestion of animal products and by inhalation of airborne agents.

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—The programme in collaboration with Indian Council for Agriculture Research will initially be introduced in 50 villages covering 10 states. With its own admission government has said that the disease has always been under reported in India.

—Indian scientists are working on the various facets of the disease such as Human Brucellosis; Epidemiology and Control; Brucella research in India; Canine and Wildlife Brucellosis; Diagnostic methods; and Vaccines and Immunology.

—In September 2016, following the outbreak of Brucellosis, the government decided to cull all infected cattle at the Kerala Veterinary and Animal Sciences University's (KVASU) farm at Thiruvazhamkunnu in Palakkad.

## Howrah to get Amul milk plant

By: [Express News Service](#) | Kolkata | Published: November 18, 2016 4:01 am

<http://indianexpress.com/>

Amul, the brand owned by Kaira District Cooperative Milk Producers' Union in Gujarat, will open its seventh centralized milk processing plant at Sankrail food park in Howrah, an official said.

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The managing director of Amul Dairy, K Ratham, said, "We have got around 17 acres in the food park from the West Bengal Industrial Development Corporation to set up the centralized milk plant." The work on the plant will begin in 2017 and is expected to be completed by 2018, the official added.

Amul is expected to set up the plant at a cost of Rs 200 crore, with an optimum capacity of 15 lakh litre milk per day, the official added.

Amul will manufacture fresh milk products, ice cream and beverages in the plant, he said.

Presently, the company operates three plants in Kolkata, on a contractual basis, with a total processing capacity of 7,25,000 litre of milk per day, the official said.

With the setting up of the plant, the collection from local diary farmers in Kolkata and its adjoining areas will increase. Presently, the production fulfils just one-third of the total milk requirement.

“We have earmarked an investment of Rs 200 crore. We also plan to set up a spray dried milk manufacturing unit in the same location,” Rathnam told reporters while inaugurating a cattle feed plant of India Dairy Ltd, one of the third party milk packaging units in the state.

He said Amul had emerged as the market leader in milk sales in and around Kolkata. “From 7.5 lakh litres of milk per day, it is projected that the demand will touch 20 lakh litres by 2020,” he said.

The three third-party operators, including India Dairy Ltd, Amul were sending spray-dried milk from Gujarat and procuring the same from local farmers.

With an annual turnover of Rs 4,825 crore in 2015-16, it is projected to be around Rs 5,700 crore in the current fiscal. India Dairy Ltd has set up a 200 tpd cattlefeed plant, meant for farmers in Amul’s fold and also for selling in the market.

## **In the wake of demonetisation, this Chennai-based dairy paid its farmers via bank transfers**

When every business across the country is facing severe transactional issues post the demonetisation announcement, a Chennai-based dairy company has incredibly managed to pay its 3.10 lakh farmers their due-day salary directly into their bank accounts.

By: [FE Online](#) | Published: November 17, 2016 5:03 PM

<http://www.financialexpress.com/>



When every business across the country is facing severe transactional issues post the demonetisation announcement, a Chennai-based dairy company has incredibly managed to pay its 3.10 lakh farmers their due-day salary directly into their bank accounts. (Source: Express Photo)

When every business across the country is facing severe transactional issues post the demonetisation announcement, a Chennai-based dairy company has incredibly managed to pay its 3.10 lakh farmers their due-day salary directly into their bank accounts. Hatsun Agro Product Ltd produces about 28 lakh litres of milk per day, at Rs 26 per litre, sums up to daily payments of about Rs 7.3 crore. Despite a spate of payment default cases across the country, R G Chandramogan, chairman of Hatsun Agro which has a turnover of Rs 3,444.59 crore, told Indian Express that he and his farmers “slept peacefully”.

As per Chandramogan, the company has over 9,800 centres from where the milk to be collected, with every farmer supplying around 9 litres of milk on a daily basis. The company makes payments to its farmers thrice a month respectively on the 1st, 12th, and 22nd of the following month. Salary is credited into farmer’s bank accounts against the daily invoices received.

The demonetisation announcement had a nominal impact on Hatsun and there was no effect on sales. The initiative to transfer payments to farmers’ bank accounts came as a challenge in the beginning as the Gujarat Cooperative Milk Marketing Federation (Amul) has a limitation on bank transfers to the accounts of primary village societies, which then pays their farmers in cash, said Chandramogan

Amul is now asking its dairy union that pays around Rs 450 crore per week to near about 18,500 village societies, to set up a mechanism that allows online cash transfers to farmers’ bank account and Hatsun Agro is the first dairy to do the same.

## India Achieves 4.2% Growth in Milk Production, Says Minister

Indo-Asian News Service | Updated: November 16, 2016 15:22 IST

<http://food.ndtv.com/>

[India](#) has achieved 4.2 per cent average growth in milk production, against the world average of 2.2 per cent, Union Agriculture and Farmers Welfare Minister Radha Mohan Singh on Tuesday said.

Milk production in India grew by 6.7 per cent in 2015-16, he added.

Based on available statistics, the minister said the per capita availability of [milk](#) is likely to go up from the existing level of 337 gram to 500 gram daily by the year 2021-22.

A sum of Rs 2,242 crore will be spent on reaching the target, Singh said at a conference organised by National Dairy Development Board (NDDB) here.

Singh said that India has been ranked first in milk production in the world for the past 15 years and credit for this goes to the small milk producers.

He said demand for milk and [milk products](#) was increasing and was likely to go up to 24 crore tonnes by 2025.

Singh said that the ministry has taken a number of steps, including Gokul Mission, to increase milk production.

"Under this mission for the year 2014-15 to 2016-17, a provision of Rs 500 crore was made. NDDB with the assistance of the World Bank and the [central government](#) has taken several measures under National Dairy Scheme Phase 1. It includes a genetic improvement among bovines, betterment of rural infrastructure in dairy and to provide better opportunities for milk vendors," Singh said.

The minister on Tuesday also participated in a programme organised by the Society of Pesticides Science India at National Agricultural Science Complex (Pusa) in Delhi. He said that various crop maladies and pests made an adverse impact on food grain production.

"Owing to these pests and maladies, the [crop](#) production on global level is reducing by 15 to 25 per cent every year," he said.

(This story has not been edited by NDTV staff and is auto-generated from a syndicated feed.)

## Farmers clueless about milk payments

[Shekhar Paigude](#) | TNN | Updated: Nov 16, 2016, 10.25 AM IST

<http://timesofindia.indiatimes.com/>

Kolhapur: Dairy farmers are clueless about milk payments as the district cooperative bank societies are cash-strapped and other banks refuse to share newly-released currency notes.

The cooperative sector is the backbone of the district's economy as it is linked to the daily life of the people. The district has many cooperative sugar, milk and handloom sectors. Over 7 lakh farmers across the district reportedly have an account at the district cooperative bank, of which many are milk cooperatives. However, farmers and cooperative bank officials are clueless about the system for payments and the new currency needed.

D V Ghanekar the managing director of Gokul, a leading milk cooperative in the district, said, "We transfer money to the farmers' accounts in the district cooperative bank on the 3, 13 and 23 of each month. We make payments of Rs 40 crore every ten days. Farmers are connected with the banking system and demonetisation has hardly affected us. But, when farmers approach the bank, they will definitely face the cash crunch."

The chief executive officer of the Kolhapur district cooperative bank, Pratap Chavan, said, "We are helpless as far as the new move is concerned. We have 191 branches across the district. The [Reserve Bank of India](#) (RBI) has given us fresh currency of Rs 5 crore after the demonetisation move. When cooperative societies will transfer milk bills, we are clueless about payments to farmers as they are demanding new currency notes."

Chavan said that the bank was now managing with the available currency.

Shivkumar Salokhe, a Kalamba-based dairy farmer, said, "Dairy farming is our primary business. We have four hybrid Jersey cows. We get around 80 litres of milk every day. We get payments regularly after every ten days from the cooperative bank. Our livelihood depends on the [milk business](#) and we need cash to buy fodder for the cattle. Now, the bank itself is cashless. They are adjusting with the available currency of low denomination like Rs 100 and Rs 50. It will become difficult to survive in the future."

## CII organises interactive session on safe food with FSSAI chief Agarwal

Wednesday, 16 November, 2016, 08 : 00 AM [IST]

Anurag More, Mumbai

<http://www.fnbnews.com/>

There is a need to ensure the safety of food products and inspire trust among people that food is not just safe, but also nutritious. This was stated by Pawan Kumar Agarwal, chief executive officer, Food Safety and Standards Authority of India (FSSAI), at an interactive session on Surakshit Khadya Abhiyan (safe food for all) in Mumbai.

Thanking the organisers for inviting him to the event, he confessed not to knowing about food safety when he joined the apex food regulator a few months ago.

Educating people is very important for food hygiene. Food hygiene at the workplace is very important. A few companies have in-house nutritionists for the employees. Steps are being taken to make food at temples and other religious places, railways, etc. safe.

Piruz Khambatta, co-chair, CII National Committee on food processing, and chairman and managing director, Rasna Pvt Ltd, said, "We all should take steps towards Make in India, the dream of the prime minister of India. We all have to work towards it."

He added, "The Indian food processing industry helps the agriculture sector, so steps should be taken for the development of it. There is also the need of proper labelling regulations. Indian labelling should be harmonised with the international level."

Meetu Kapur, executive director, food and agriculture centre of excellence, CII, spoke about the Surakshit Khadya Abhiyan and its objectives. She added that CII had formed a steering committee and was also creating awareness regarding safety.

S Dave, chairman, Surakshit Khadya Abhiyan, former chairperson, Codex Alimentarius Commission, and former advisor, FSSAI, spoke about the roadmap for the Surakshit Khadya Abhiyan.

He said, "We need to create awareness about food safety. We have developed a three-year plan for the Abhiyan. The alignment of work plan of the Surakshit Khadya Abhiyan is with FSSAI's 10@10."

Dave spoke about food safety at home and stated that capacity building and awareness were the activities planned for 2016-17. He added, "We need to implement good hygiene practices (GHP) and good manufacturing practices (GMP) across all food manufacturers and we are developing programmes for food safety officers (FSOs) with FSSAI."

"We have 3,500 training programmes for street vendors in the next three years and there are various training plans for mid-day meals at school. We also have a programme for caterers, hospitals, institutional canteens, etc.," he stated. Khambatta proposed the vote of thanks to Agarwal, Dave and the other dignitaries.

## School nutrition directors visit local dairy processing plant

For those looking to source locally, dairy is an easy option.

<http://msue.anr.msu.edu/>

Posted on **November 16, 2016** by [Kaitlin Wojciak](#), Michigan State University Extension

On November 10, a group of school nutrition directors embarked on an educational journey through a dairy processing plant in Livonia. This tour was organized by Carolyn Thomas, the school food and nutrition consultant at the Macomb Intermediate School District, who supports all of the nutrition directors in Macomb and St. Clair counties.

This Country Fresh processing facility is one of a handful in the state of Michigan. The Livonia plant only uses milk produced in Michigan, purchased from the Dairy Farmers of America co-op. This plant produces skim, 1 percent, 2 percent and whole white milk. They also produce chocolate and strawberry flavored milk, ice cream mix and orange juice from concentrate. The plant also produces their own plastic gallon and half gallon milk bottles, which they fill with their own milk product.

This plant runs for 24 hours, five days a week, and will run for more days if they need to be producing more volume for any particular reason. The Livonia Country Fresh employs about 200 people between the logistics office and processing plant.

In terms of food safety measures, incoming milk is tested rigorously and throughout the entire duration of processing. The milk that the plant receives has already been tested by the individual farmers and the farmer co-op for pathogens, antibiotics and other potentially hazardous contaminants. If the plant has to reject the shipment of milk, depending on the reason for rejection, the co-op or the individual may have to bear the cost of the entire load of milk. This milk is being shipped in tankers, which can range between 3,000–8,000 gallons, and can be quite costly. This provides a considerable disincentive for the milk producers and the co-op to send milk that could be rejected by the processing facility.

The Livonia Country Fresh location processes and packages the paper pints that school meal programs in Southeastern Michigan serve daily. This facility produces about 1.5 million pints per week, which are mainly used in school lunches! The tour observed the paper pints being assembled on the packaging line and filled with milk.

The school nutrition directors were all engaged and interested in learning more about where their school dairy products are coming from and how they are produced. The group learned that each product has a code associated with its geographic location (26 indicates that it comes from Michigan), and the last three numbers refer to the plant. This code can be found on all dairy products. With a growing interest in sourcing local products and sharing information about food, tours like this one and labeling practices are a strategy to educate students and families about Michigan's thriving agricultural industry.

[Michigan State University Extension](#) supports local institutional sourcing practices and the expansion of markets for local producers. By institutions purchasing more Michigan products, their consumers have access to fresh, healthy options, and Michigan producers experience greater economic opportunities.

# Why semen sorting could revolutionise dairy sector

By [Bishnupada Sethi and Gopal Tripathy](#)

Posted on November 16, 2016

<http://bigwire.in/>

Cattle husbandry in the past was an activity aimed mainly to cater to the farming operations.

But the utility of the cattle is diminishing due to mechanization, and the objective of cattle keeping is progressively turning towards dairying.

As per the estimates, the contribution of the draft animals to India's total energy needs in the farming sector has reduced from the levels of 71% in 1961 to 23.3% in 1991.

The declining trend continues and calls for production of more number of heifers.

If, India has witnessed tremendous growth in dairy sector; it is mainly due to the growth in the crossbred population, which is growing at 7.6% annual rate.

Among the growing crossbred population, males have almost no value or negative value because of the declining need for draft animals coupled with the legal ban on cattle slaughter.

The crossbred male animals are eliminated either through early calf mortality due to neglect, or release into the village commons where they roam uncared for.

The stray bulls become a nuisance due to the indiscriminate crossing and transmission of venereal diseases, and also cause damage and loss to farmers' crops and a significant loss of feed resources.

The need of the hour is a technology that can boost production of crossbred heifers without generating unwanted males, is highly desired for building a profitable smallholder based dairy sector.

The earliest research on semen sorting was done in the 1980s. This technology has been continually improving.

Sexed semen is assorted semen either containing X or Y chromosomes and the use of it would produce the desired sex – male or female animal.

Semen sexing uses the principle of DNA concentration of X and Y chromosomes. X chromosomes contain 3.8% more DNA than Y chromosomes. The sorting of chromosomes (X or Y) is done using the flow – cytometer technology.

Semen sexing technology was introduced in the late 1990s in the domestic dairy industry.

Under Rastriya Krishi Vikas Yojana (RKVY), a pilot project has been taken up in Odisha for using 3,138 doses of Jersey sexed semen procured from VikingGenetics, Denmark.

Similarly, BAIF Development Research Foundation is also going to use sex-sorted semen in 25 high-performing Cattle Development Centres (CDCs) in five districts by March 2018. It is planned to use 5,100 sex-sorted semen.

The sorted semen from HF pedigreed bull namely, Regancrest Tabber Benhart and Phil – RU Bogart Kronk ET and Tollenaars Mascoltea 718 ET with an average milk yield of more than 12,500 kg per lactation will be used.

Sorted semen from the Jersey pedigreed bulls, Wilsonview Jevon Magnum ET and GR Comsdale CC Celebrity Cindy ET with average milk yield of 10,403 kg per lactation and 9,566 Kg per lactation respectively, will be used.

These bulls have genetic merit to produce cows to yield maximum 40 litres milk per day.

This intervention will help the state to benchmark the conception rate of sorted semen under different agro-climatic and socio-economic conditions; and benchmark the conception rate of sorted semen in different categories of the cows like heifers and multiparous cows, of different localities; and to also benchmark the sexing ratio in the progeny produced from sorted semen usage.

Use of sexed semen will result in the birth of heifer calves 90% of the times in contrast to non-sexed semen, which could result in the birth of female calves only in 50% of the times.

Production of such genetically superior daughters will result in improving the desired traits in a shorter period, resulting in faster genetic progress.

Use of sexed semen tends to produce more female calves, which biologically weigh less than the male calves and the percentages of difficult calving are reduced almost to half.

### **Cost benefit**

Reduced calving difficulties will help the cows to settle into milking quickly. The costs associated with handling difficult births and loss of calves could be reduced.

The use of sexed semen will result in the elimination of the male calves right at the birth.

This will result in the increased availability of feed and fodder resources. The overall reduction in the population will result in less production of methane and other greenhouse gases (GHGs) from livestock, which is a climate change mitigation measure.

The overall gain from the use of sorted semen will be much higher compared to the use of frozen semen.

Our country needs to create own sex-sorted semen technology for the indigenous cow breeds like Gir, Rathi, Red Sindhi, Sahiwal, Binjharपुरi and Haryana since the US companies have technology primarily for exotic cow breeds such as Holstein-Friesian and Jersey.

There are a large number of indigenous non-descript breedable cows; descript breedable cows and breedable she-buffaloes, and cross-bred breedable cows in the state.

The cross-bred produce nearly 41% of the milk and they are more productive than the indigenous cows.

There is scope for huge improvement in total yields of milk in the state from indigenous non-descript cows by using sorted semen of indigenous cow breeds Gir, Red Sindhi, Sahiwal, Binjarpuri and Haryana.

Small to moderate use of female sexed semen will increase the supply of replacement heifers enough to satisfy the demand and in turn would have a significant impact.

Using sexed semen will increase the supply of good dairy cows, leading to overall enhancement of milk production.

All these efforts will make India's milk revolution sustainable in days to come.

Bishnupada Sethi works as the Commissioner-cum- Secretary of Fisheries and Animal Resources Development Department, Government of Odisha and Dr. Gopal Tripathy as the deputy director in the department. Views expressed are personal and do not necessarily reflect the views of the government.



Bishnupada Sethi

## California targets dairy cows to combat global warming

Published November 29, 2016

<http://www.foxnews.com/>

GALT, Calif. – California is taking its fight against global warming to the farm.

The nation's leading agricultural state is now targeting greenhouse gases produced by dairy cows and other livestock.

Despite strong opposition from farmers, Gov. Jerry Brown signed legislation in September that for the first time regulates heat-trapping gases from livestock operations and landfills.

Cattle and other farm animals are major sources of methane, a greenhouse gas many times more potent than carbon dioxide as a heat-trapping gas. Methane is released when they belch, pass gas and make manure.

"If we can reduce emissions of methane, we can really help to slow global warming," said Ryan McCarthy, a science adviser for the California Air Resources Board, which is drawing up rules to implement the new law.

Livestock are responsible for 14.5 percent of human-induced greenhouse gas emissions, with beef and dairy production accounting for the bulk of it, according to a 2013 United Nations report.

Since the passage of its landmark global warming law in 2006, California has been reducing carbon emissions from cars, trucks, homes and factories, while boosting production of renewable energy.

In the nation's largest milk-producing state, the new law aims to reduce methane emissions from dairies and livestock operations to 40 percent below 2013 levels by 2030, McCarthy said. State officials are developing the regulations, which take effect in 2024.

"We expect that this package ... and everything we're doing on climate, does show an effective model forward for others," McCarthy said.

Dairy farmers say the new regulations will drive up costs when they're already struggling with five years of drought, low milk prices and rising labor costs. They're also concerned about a newly signed law that will boost overtime pay for farmworkers.

"It just makes it more challenging. We're continuing to lose dairies. Dairies are moving out of state to places where these costs don't exist," said Paul Sousa, director of environmental services for Western United Dairymen.

The dairy industry could be forced to move production to states and countries with fewer regulations, leading to higher emissions globally, Sousa said.

"We think it's very foolish for the state of California to be taking this position," said Rob Vandenheuvel, general manager for the Milk Producers Council. "A single state like California is not going to make a meaningful impact on the climate."

Regulators are looking for ways to reduce so-called enteric emissions — methane produced by bovine digestive systems. That could eventually require changes to what cattle eat.

But the biggest target is dairy manure, which accounts for about a quarter of the state's methane emissions.

State regulators want more farmers to reduce emissions with methane digesters, which capture methane from manure in large storage tanks and convert the gas into electricity.

The state has set aside \$50 million to help dairies set up digesters, but farmers say that's not nearly enough to equip the state's roughly 1,500 dairies.

New Hope Dairy, which has 1,500 cows in Sacramento County, installed a \$4 million methane digester in 2013, thanks to state grants and a partnership with California Biogas LLC, which operates the system to generate renewable power for the Sacramento Municipal Utility District.

Co-owner Arlin Van Groningen, a third-generation farmer, says he couldn't afford one if he had to buy and run it himself.

"The bottom line is it's going to negatively impact the economics of the California dairy industry," Van Groningen said of the new law. "In the dairy business, the margins are so slim that something like this will force us out of state."

State officials say they're committed to making sure the new regulations work for farmers and the environment.

"There's a real opportunity here to get very significant emissions reductions at fairly low cost, and actually in a way that can bring economic benefits to farmers," Ryan said.

## Doctor's Tip: Got milk? Don't — it's for calves

<http://www.postindependent.com/>

November 28, 2016



Dr. Greg Feinsinger

This is the third column in the current series on why we should avoid certain foods for optimal health. The first column in the series was about [oils](#), and last week's column was about [eggs](#). This column will discuss dairy products, which include milk, yogurt, cottage cheese, cheese, butter and ice cream.

Cows' milk is meant for baby cows, which are weaned after several months, so even cows don't drink milk after a certain age. There are many reasons you should avoid dairy products if you want optimal health. This is settled science even though Big Dairy does its best to sow seeds of doubt.

- All dairy products have saturated fat, which raises LDL (bad cholesterol) and inflames the endothelium that lines our arteries, resulting in increased risk of heart attacks and strokes.
- Saturated fat also increases risk of obesity, insulin resistance/pre-diabetes, type 2 diabetes and early death.
- Milk and cheese increase the rate of prostate cancer, probably due to IGF1 (insulin growth factor). IGF1 is important in the growth of baby mammals, but high levels in human adults stimulate cancer onset and spread.
- In his book “How Not to Die,” Dr. Michael Greger points out that all animal products contain sex steroid hormones such as estrogen, particularly now that cows are often milked throughout their pregnancies, “leading to hormone-related conditions such as acne, diminished male reproductive potential and premature puberty.”
- Your intake of toxins is increased markedly if you eat at the top of the food chain, i.e. animal products versus plants. Dr. Greger says that it is estimated that for every glass of milk you drink a day, the risk of Parkinson’s disease increases by 17 percent, due to neurotoxins.
- It may seem counterintuitive given the “Got Milk” advertising campaign, but dairy intake is associated with an increased risk of osteoporosis and fractures. The best way to get calcium is by eating plants such as leafy greens, beans including tofu, bok choy, broccoli, collard greens, kale and sweet potatoes.
- Dr. Frank Sacks showed in the 1970s that milk intake raises blood pressure, irrespective of weight gain.
- Dairy and other animal products cause acidic urine, resulting in an more kidney stones.
- The food industry prioritizes making profits over your health and has people hooked on salt, sugar and fat. Often sugar and salt are added to dairy products, particularly those labeled as fat-free. Check the label, see what the serving size is and how many grams of sugar is in a serving. Remember that 4 grams of sugar is a teaspoonful, so visualize teaspoons of sugar in the food you buy.

If you want optimal health, avoid dairy products. Almond, organic soy and other non-dairy milk is fine, but always buy unsweetened. Products such as non-dairy yogurt and sour cream are available, but watch for sugar, salt and other unhealthy additives. For additional information, read Dr. Greger’s book “How Not to Die” or go to his website [nutritionfacts.org](http://nutritionfacts.org).

Valley View Hospital Medical Library is currently sponsoring his book and is having him speak at The Orchard in Carbondale on Feb. 9.

Dr. Feinsinger, who retired from Glenwood Medical Associates after 42 years as a family physician, now has a nonprofit Center For Prevention and Treatment of Disease Through Nutrition. He is available for free consultations about heart attack prevention and any other medical concerns. Call 970-379-5718 for an appointment. For questions about his columns, email him at [gfeinsinger@comcast.net](mailto:gfeinsinger@comcast.net).

# Global Dairy Ingredients Market Revenue Predicted To Go Up by 2020

<http://satprnews.com/>



Author [Monika Donimirska](#)

Posted on [November 28, 2016](#)

Categories [Uncategorized](#)

Dairy ingredients are divided into various categories such as milk powder (dried form of milk manufactured by evaporating milk to dryness. Main purpose of drying milk is to preserve it as milk powder has longer shelf life than liquid milk and does not need to be refrigerated, due to its low moisture content), whey ingredients, milk protein concentrates & milk protein isolates (substance obtained by partial removal of non-protein constituents such as, lactose and minerals from skim milk so that the finished dry product contains 90% or more protein by weight) and lactose & its derivatives. Major end-users of dairy ingredients are bakery & confectionery, dairy, convenience foods, sports & clinical nutrition product.

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Milk is an essential food in our diet because of its balanced composition of nutrients (proteins, lipids, glucids and minerals). It is used for the preparation of various food and beverage products. Dairy ingredients are food ingredients made from milk and are used in preparing various food products such as ice creams, chocolate, sports food, clinical nutrition, bakery-snacks, pork meat, ready-to-eat, prepared deserts and soups.

Asia-Pacific is the largest dairy ingredients market followed by Europe and North America. Milk powder holds the largest share in global dairy ingredients market. Milk protein concentrates & milk protein isolates have high growth prospects due to increasing sports activities globally as they have high usage as sports supplements. Whey proteins contain glutamine which helps muscle glycogen replenishment and prevent decline in immune function from overtraining. It also contains high levels of arginine and lysine that may stimulate growth hormone release and an increase in muscle mass. Consumers are increasingly becoming more active on maintaining a good health and are conscious to include various nutraceuticals food products (including dairy ingredients) in their regular diet.

Rising popularity of protein-enriched foods and beverages has led to increasing awareness among the consumers to become more conscious towards health benefits related with a dairy-rich diet. Rising population, urbanization and increasing demand for dairy products in food consumption is expected to increase the overall demand for dairy ingredients. Urbanization in the world crossed the 50% mark in 2009. According to the United Nations, urban population is expected to increase from 3.4 billion in 2009 to 6.3 billion in 2050. Additionally, increasing demand from the aging population is expected to drive the global dairy ingredients market. According to The United Nations Department of Economic and Social Affairs (UNDESA), Population Division (2013), there were 841 million people aged 60 years and above compared to

205 million in 1950. It is projected to reach over 2 billion by 2050. Increase disposable income enables the consumers to pay premium price for products with proven benefits. The overall medium household income in India has increased from USD 1,164.8 billion in 2011 to USD 1,308.8 billion in 2012. In the U.S. the medium household income increased to USD 51,371 in 2012 from USD 51,324 in 2011. Increasing innovations in the industry help to drive down the cost of production and incorporate additional benefits to the products. This also acts as an important driver for the dairy ingredient market.

## About Us

Persistence Market Research (PMR) is a U.S.-based full-service market intelligence firm specializing in syndicated research, custom research, and consulting services. PMR boasts market research expertise across the Healthcare, Chemicals and Materials, Technology and Media, Energy and Mining, Food and Beverages, Semiconductor and Electronics, Consumer Goods, and Shipping and Transportation industries. The company draws from its multi-disciplinary capabilities and high-pedigree team of analysts to share data that precisely corresponds to clients' business needs.

PMR stands committed to bringing more accuracy and speed to clients' business decisions. From ready-to-purchase market research reports to customized research solutions, PMR's engagement models are highly flexible without compromising on its deep-seated research values.

## Fonterra Creates Virtual Dairy Farm Experience in Singapore

Thursday, 24 November 2016, 12:43 pm

Press Release: [Fonterra](#)

<http://www.scoop.co.nz/>

24 November 2016



Caption: Fonterra's NZMP team brings a virtual New Zealand dairy farm experience to Singapore's Milk Protein Conference.

### FONTERRA CREATES VIRTUAL DAIRY FARM EXPERIENCE IN SINGAPORE

Green pastures dotted with dairy cows are familiar sights for most New Zealanders, but are less common in other parts of the world. So curious about what life is like on a New Zealand dairy farm, delegates at the recent NIZO Protein Dairy Conference in Singapore donned virtual reality headsets to step briefly into the dairy farm virtual world.

Fonterra's General Manager of NZMP Ingredients for South & East Asia, Hamish Gowans, said that the virtual dairy farm experience was an exciting and innovative way to bring to life the New Zealand story of lush pastures, cared-for cows and finest dairy.

“With their headsets projecting 3-D images of a typical dairy farm environment, complete with sounds, delegates were able to get a sense of the origins of our dairy ingredients – a new experience for many.”

NZMP was a sponsor of this year’s conference, which brings together global food industry representatives to discuss growing opportunities in the milk protein market.

“Fonterra is well known for its whole milk and skim milk powders, but companies may not be as familiar with our higher-value, more advanced ingredient solutions. The conference provided us with a great opportunity to speak to potential customers about our wide range of high-value ingredients.”

Mr Gowans said that more consumers are looking for specific nutritional benefits in their foods, especially turning to protein for the benefits of muscle maintenance and recovery, as well as weight management.

“The global protein ingredients market is poised for huge growth as more consumers seek healthier diets. This means protein-fortified foods are becoming more mainstream, moving away from its typical use by the likes of bodybuilders and top level athletes.”

The Co-op’s NZMP ingredients customers use protein in a wide range of food and beverage products including cheese, beverages, yoghurts, snacks and other nutrition products.

“We are always looking to help our farmers get more value out of every drop of milk. Growth in our NZMP ingredients business helps to deliver higher returns for our farmers and meet the needs of our consumers and customers worldwide,” said Mr Gowans.

ENDS

## Dairy trade drop expected

Wednesday, 23 November 2016

<https://www.odt.co.nz>



Kevin Bellamy.

Growth in dairy trade is expected to slow slightly in the next three years on the back of a strong United States dollar, low oil prices, Russian trade embargo and slowing Chinese growth.

In a recent industry report, Rabobank global strategist dairy Kevin Bellamy said the trade in dairy products had suffered some "massive blows" in the past three years and was set to continue facing headwinds.

None of the issues had been resolved; the Russian ban would be in place at least until 2017, Chinese demand would continue to grow but at a slower rate, oil prices were forecast to remain at about \$US50 per barrel, and the dollar was forecast to maintain its high value against other currencies.

As a result, dairy trade was likely to grow at a slower rate than in recent years, driven more by population growth than per capita consumption increases.

Further, New Zealand expansion was limited by land availability, Europe was stabilising after milk quota removal, and US export ambitions were limited by domestic demand growth and the strong US dollar.

Dairy trade was also likely to remain dominated by regional rather than global routes with free-trade agreements significantly influencing volumes.

The exception would be Asia, which would continue to be a highly competitive "battleground" for exporters from around the globe, he said.

Added to the above was the potential for the renegotiation or cancellation of trade agreements following the US election.

## **A2 Milk has strong start to the year, dividend policy expected**

8:48 pm on 22 November 2016

<http://www.radionz.co.nz/>

There has been a near seven-fold increase in A2 Milk's net profit in the first four months of the year, while sales were nearly twice what they were the year before.



Photo: 123rf

The speciality infant formula and milk products company's net profit rose to \$22 million in the four months ended in October, compared with \$3.2m the year earlier.

The company told shareholders at their annual meeting in Sydney that continued demand for its products in China helped drive sales up 96 percent to \$155.2m in the four-month period.

It said there was a particularly large surge in sales leading up 11 November, which is known as singles day, (represented by the single digits 11/11) and is one of the biggest sales days of the year in China.

A2 Milk's underlying profit rose more than five and a half times to \$35.5m, from \$6.2m the year earlier.

It said the board expected to adopt a dividend policy at the end of the financial year ending in June, assuming there was a strong operating cash flow and no significant new capital demands.

# Milk Protein Concentrate Market demand is increasing in most part of world 2021 – PMR Report

Author [Monika Donimirska](#) Posted on [November 22, 2016](#) Categories [Uncategorized](#)

<http://satprnews.com/>

Milk Protein Concentrate Market, Milk Protein Concentrate, Milk Protein Market, Milk Protein

Milk protein concentrate is widely available in the powdered form. Milk protein concentrate is skimmed milk powder with low lactose content. Ultrafiltration process is used to remove lactose from the milk powder. This Ultrafiltration process can be adjusted to deliver the wide range of milk protein concentrate. The milk protein concentrate application vary in different products depending on the protein content. Typically, milk protein concentrate with lower protein content is used as ingredients in cheese, soup and yogurt applications. However, milk protein concentrates with high protein content are used in various applications including beverages and dietary foods.

Request for TOC @ [www.persistencemarketresearch.com/toc/7181](http://www.persistencemarketresearch.com/toc/7181)

Global milk protein concentrate market is segmented on the basis application and region. Based on the application milk protein concentrate is segmented into nutritional beverages, infant formula, dietary products, frozen food, yogurts, bakery and confectionary. Of which nutritional beverages is expected to be the leading segment, followed by other segments owing to the health benefits associated with the consumption of nutritional beverages coupled with the rising consumer awareness related to the nutritional food products. However, dietary supplements segment, followed by the infant formula is expected to experience the fastest growth during the forecast period owing to the rising infant population over the forecast period. Global milk protein concentrate market is segmented on the basis of the region into North America, Latin America, Eastern Europe, Western Europe, Asia-Pacific excluding Japan, Middle East and Africa and Japan.

The global protein concentrate market is expected to witness strong growth during the forecast period due to the health benefits associated with the consumption of milk protein concentrate that are rich in protein content coupled with the rising consumer awareness related to the consumption of diet rich in protein content. Globally, among all regions, North America is expected to be the largest market for the milk protein concentrate, followed by Europe over the forecast period. In North America, U.S. is the most dominating segment and is expected to contribute maximum revenue in the coming four to five years due to the relatively high consumption of milk products rich in protein content in U.S. However Asia Pacific is anticipated to witness rapid growth in the next four to five years owing to the rising population and growing consumer preferences for the food products rich in nutritional content in countries such as India and China.

Major factors that are expected to fuel the market growth of milk protein concentrate market includes increasing number of health conscious consumers coupled with rising preferences of consumers to consume the food products that are high in protein content and low in calorie content. Another factor that is expected to drive the market growth of the milk protein concentrate is the increasing consumption of the sports nutrition that is rich protein concentrate by the health conscious consumers. A major factor that is expected to restraint the market growth of the milk protein concentrate is the lack of awareness among consumers related to the benefits associated with the consumption of milk protein concentrate in various emerging countries.

Major companies operating in milk protein concentrate market are Fonterra Co-Operative Group, Glanbia Nutritionals, Arla Foods Ingredients Group P/S Ltd., Lactalis Ingredients Ingredient Incorporated, and FrieslandCampina. Various companies operating in the milk protein concentrate market are adopting strategy to broaden its product portfolio by launching wide range of milk protein concentrate in order to cater to the growing and unmet needs of the consumers

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## Dairy trade faces challenges

21 Nov, 2016 09:44 AM

<http://adf.farmonline.com.au/>

The trade in dairy products has suffered a number of massive blows in the last three years and is set to continue face headwinds going forward, according to Rabobank.

The Russian trade embargo, the slowing of demand growth from China, the impact of low oil prices on demand from oil exporting countries and the strengthening of the United States dollar have all had an impact on the demand for imports.

A report from Rabobank, 'Strong Headwinds Weigh on Trade Growth', said the expansion of production surrounding the removal of production quotas in Europe added to the pain and resulted in a period of extremely low world prices.

"And when we look forward, we see that none of these issues has been resolved," Rabobank global strategist dairy Kevin Bellamy said.

"The Russian ban will be in place at least until 2017.

"Demand from China will continue to grow but at a slower rate, oil prices are forecast to remain at around the USD 50 per barrel mark, and the dollar is forecast to maintain its high value against other currencies.

"As a result, dairy trade is likely to grow at a slower rate than in recent years, driven more by population growth than per capita consumption increases."

Luckily, this comes at a time when further rapid expansion of export volumes would be more difficult, with New Zealand expansion limited by land availability, Europe stabilising after milk quota removal, and the US export ambitions limited by domestic demand growth and the strong US dollar.

Dairy trade is also likely to remain dominated by regional rather than global routes with free trade agreements significantly influencing volumes.

The exception will be Asia, which will continue to be a highly competitive battleground for exporters from around the globe.

All of this must be overlaid with the potential for the renegotiation or cancellation of trade agreements following the US election results.

Much has changed since the last dairy trade map was drawn up three years ago.

In 2015, the growth in trade was a meagre 0.3% more than 2014.

In the next three years, growth in dairy trade will decrease slightly, due to the strong US dollar, low oil prices, the Russian trade embargo and slowing Chinese growth.

China will find a 'new norm', which is likely to mean lower volume growth but more focus on value.

This will mean that while price volatility is likely to continue, long-run average price increases are likely to be limited.

However, at a time of weaker global demand there are also issues weighing on the growth of export surpluses.

The strong US dollar and healthy domestic demand growth will mean that the US is less willing to compete in global dairy markets.

Despite even moderate US dollar prices transferring into farmgate prices—which incentivises milk production in other export regions due to currency factors— New Zealand production growth will struggle as land availability becomes a limiting factor and in Europe, once production levels have stabilised after the removal of milk quotas, there is no preparation for 'further' strategic expansion, which would require new land, infrastructure, and processing investment.

But perhaps even more than in recent years we live in uncertain times where the new US administration, uncertain Russian relations, uncertainty in the Middle East, Chinese economic performance, Brexit, and the fate of Trans Pacific Partnership and the Transatlantic Trade and Investment Partnership can all have a major effect on dairy trade development.

# Falling dairy prices squeeze local dairy farmers

November 21, 2016 12:00 A <http://www.post-gazette.com/>  
Michael Henninger/Post-Gazette

The Canon Dairy Farm near West Middlesex, Pa., has installed a robotic milker on the farm to increase production.

By Daniel Moore / Pittsburgh Post-Gazette

At dairy farms that dot the Western Pennsylvania countryside, there's a sense of accomplishment that comes with squeezing more and more milk out of the cows.

More milk flows from the 45 cows at Windy Ridge Dairy, which straddles the border of Beaver and Lawrence counties, when their diet is supplemented by specific probiotics recommended by a nutritionist who visits every two weeks.

At Canon Dairy in Mercer County, cows are getting used to a new robotic milking machine that automatically attaches suction cups to the full udders and pumps milk through plastic tubes into a container. Installed six months ago, the machine has on average boosted each cow's daily milk production by about 10 pounds.

Marie Canon, an operator of the farm, put it simply: "Milk is our paycheck."

Yet as dairy farmers have become prolific producers, the paycheck has been shrinking for the industry as a whole. Soaring production and slowing demand from abroad has knocked down prices by more than a third since in 2014, according to data from the U.S. Department of Agriculture.

It may not be apparent when browsing the fridges at the grocery store, but the national downswing is crimping business to the point that sales of animals and equipment have all but halted and farmers are considering buying cheaper feed, Ms. Fisher said.

"They've never stayed down for this long," said Chris Fisher, operator of Windy Ridge Dairy, which spans 172 acres near Fombell. "It's a trickle-down effect, because everything the farmer buys or somebody supplies us with — it's affected everybody."

## Glass half full?

The downturn across the nation's dairy farms over the last two years can be seen as a ripple in the agricultural economy from the Great Recession.

Milk is a commodity not unlike oil, copper and cotton. When the nation's economy tanked in 2008, milk prices plunged with it. Dairy farmers who had banked on appetites for milk, cheese and ice cream — both domestically and increasingly in places like Mexico and Southeast Asia — sold their farms and cut production.

The industry also felt more competition from a growing array of non-dairy alternatives, as consumers developed tastes for almond, coconut and soy milk.

When things stabilized and consumer spending resumed, the farmers left standing reaped profits from record milk prices. From 2009 to 2014, the average annual price nearly doubled from \$12.83 to \$23.97 for a hundred-weight of milk — the standard measurement that amounts to 100 pounds, or about enough to fill a 10-gallon tank.

In response, farmers produced more. By 2014, they were delivering nearly 17 billion pounds more than in 2009, about 9 percent growth over five years.

But the markets were awash in supply again. Too much milk — coupled with a drop in exports due in part to a slowdown in the Chinese economy and a strong dollar — has brought some farmers back to square one. Prices through nine months of 2016 averaged \$15.77 for a hundred-weight, according to the USDA.

Pennsylvania is home to nearly 7,000 dairy farms, about 16 percent of the U.S. total, according to the Center for Dairy Excellence, a Harrisburg-based nonprofit. Despite a decline in the total number of cows — Pennsylvania's average herd size is around 78 — milk production in the state increased by about 2 percent in 2015.

“The market is out of balance. Either supply has to go down or demand needs to come up,” said Jayne Sebright, executive director of the group. “But how we get there, it's up to the marketplace.”

## No shut-off valve

Much in the way that persistently low prices have forced oil and gas producers in Pennsylvania to find cheaper ways to drill, farmers are cutting costs. But while drillers can take down rigs to stabilize prices, milk producers have few alternatives on the supply side.

“There's no shut-off valve,” said Chuck Turner, president Turner Dairy Farms, a company based in Penn Hills that sources milk from 50 farms across Western Pennsylvania. “It's really hard for the dairy farmer. Family farms that ship to us ... they don't have any control over it.”

It may seem an obvious move for farmers to simply sell some of their cows for beef to cut the milk supply and get some cash. But rebuilding a herd can take years.

“The herd size that they have is based on decisions they made a year and a half or two years ago, whether they're going to raise a calf,” Mr. Turner said. “If her mother was a good milk cow, just because prices are low, you don't just sell her into the beef market.”

Ms. Sebright acknowledged that in previous downturns, “You would see more and more cows going into the beef market.” This time around, “That hasn't happened.”

The federal government has stepped in to help prop up the market, earlier this year buying \$20 million worth of surplus cheese nationally and putting it in storage. Agriculture officials said they would distribute the cheese to food banks and other assistance programs.

## A catch-22

The impact of low prices on local dairy farms depends on the varying herd sizes and scope of operations.

“Everybody wants to eat cheap food, but because they’re so far removed from the farm, they don’t understand what goes into what they buy at the grocery store,” Ms. Canon said. (While consumers may pay close to \$4 a gallon of milk, Ms. Canon said she sees about \$1.95 a gallon of that.)

Part of the struggle is due to required updated that Ms. Canon said the dairy could not put off any longer.

In a well-ventilated barn, her 92 cows cool off beneath fans, lounge on gel-filled beds, and watch as an alley scraper removes mud and grime from the floor.

Then there is the robotic milker. When it senses a cow’s approach, the machine reads the animal’s identification tag and moves an assembly with vacuum-like suction cups into position. (If the cow doesn’t need to be milked, the machine will push it away.)

Before installing the machine, the cows were milked twice a day. Now, with the cows coming whenever they want, they are milked on average about three times a day.

“We didn’t have the manpower to do that,” she said. “And, actually, the cows are much happier being milked more often.”

She said she’s cognizant of how more production from farms brings down prices in the market. “At the moment, it’s this catch-22 of we keep doing more with less, but also, we’re producing too much milk,” she said.

Windy Ridge Dairy, which has been in the same family for roughly 100 years, is bringing in about 50 percent less for its milk than two years ago, Ms. Fisher estimated.

## **‘Mexico loves our cheese’**

There could be good news for farmers as soon as next year.

In a monthly market report, Jim Dunn, professor of agricultural economics at Penn State University, pointed out that while prices remain low, feed costs are beginning to come down. In September, estimated income over feed costs in Pennsylvania was \$8.12 for hundred-weight — the highest it had been since November 2014.

Jerry Dryer, a dairy market analyst based in Florida, said when income over feed costs exceeds about \$7.25 for several months in a row, farmers start to pocket more spending money.

Mr. Dryer expects prices to rise again in 2017 as demand from other countries returns. He expects exports to account for 15 to 18 percent of U.S. milk production.

“Mexico loves our cheese, and China is becoming a very big market,” Mr. Dryer said. “We’re doing a very good job of producing the products they want.”

## Heat milk before consumption to ward off TB, brucellosis, warns Health

Ministry BY FAIRUZ MOHD SHAHAR - 20 NOVEMBER 2016 @ 8:50 PM

<http://www.nst.com.my/>

PUTRAJAYA: The Health Ministry has urged the public not to drink raw milk without heat treatment, as this exposes consumers to the risk of contracting bovine tuberculosis (bovine TB) and brucellosis. Health director-general Datuk Noor Hisham Abdullah said raw dairy products like cow and goat milk contain harmful bacteria such as Mycobacterium bovis and Brucella. "The ministry is aware that there are sales of ready-to-drink raw milk which have not undergone heat treatment. "We received information that certain quarters have been promoting raw milk without heat treatment by stating that 'cold chain control' is maintained and that the milk is safe to drink." "The ministry would like to stress that raw milk which has not undergone heat treatment such as boiling and pasteurisation has been linked to infections such as Middle East Respiratory Syndrome (MERS), as the liquid contains the MERS-CoV virus. These diseases can be fatal." he said in a statement, yesterday. He said sales of raw milk without heat treatment is an offense under Regulation 51 (1A), Food Hygiene Regulations 2009, the Food Act 1983, which will take effect from Dec 1. Those convicted of selling the aforementioned item can be fined up to RM10,000, or a maximum sentence of five years imprisonment. "The ministry urges the public not to consume such milk. If they have purchased raw milk, it must be boiled before consumption." he said.

## 'Biggest challenges are yet to come for dairy farmers'

The dairy sector will remain prone to crisis until the EU gets to grips with policy, European Milk Board director Silvia Daberitz

Chris McCullough

PUBLISHED 20/11/2016 | 06:30

<http://www.independent.ie/>

Irish dairy farmers are fearful of the effects that Brexit will have on the dairy industry and for now have only speculation to go on. The reality is that regardless of trade tariffs, the cows still have to be milked every day and a home must be found for that milk before it perishes.

Currency fluctuations that are pushing sterling weaker are also making it easier for UK processors to export goods and making it harder for Irish companies doing business there.

Long before Brexit ever happened, dairy farmers were wondering when the turbulent times would end and their sector would return to profit?

European Milk Board general director Silvia Däberitz says removing quotas certainly provided challenges for farmers but she fears the bigger challenge is yet to come.

Ms Däberitz said: "Brexit will have consequences for many sectors. The dairy sector is one of them. The EU as a whole will see an impact. Some 64m people live in UK, which is a net importer of dairy products.

"Particularly, neighbouring countries such as Ireland are highly dependent on the British market. The EU and the UK have to find a good agreement in order to limit disturbance to a minimum.

"The common market should be maintained, ideally with common standards and without any tariffs. Of course, it cannot be a unilateral agreement, according to which the UK obtains free market access while not providing the same access to the EU.

"The EMB stresses the importance of finding a reasonable, fair and balanced solution. Both UK and EU farmers as well as UK and EU citizens would benefit from an agreement which would not lead to significant shifts in trade of dairy products between the UK and the EU."

## **Analysis: What it costs to expand from 80 to 160 cows**

Martin O'Sullivan

PUBLISHED 19/11/2016 | 06:00

<http://www.independent.ie/>

The abolition of milk quotas in April 2015 looked set to herald a rapid and significant expansion in milk production.

Many producers or intending producers were relishing the apparent opportunity that lay ahead. However, their plans came to a screeching halt as milk price started to tumble.

Some might argue that such a reality check was opportune as it may have 'cooled the heels' of many over ambitious producers.

However, now that milk price appears to be on the road to recovery, those same individuals will soon again start turning their thoughts to expansion once more.

Hopefully, having recently experienced the stresses and pressures of 'below cost production' any thoughts of expansion will be properly assessed in terms of cost and the milk price required to sustain the project.

In this, the first instalment of a two-part series on entering or expanding a dairy enterprise, I will detail a not untypical scenario where an 80-cow producer is planning to expand to 160 cows.

The following factors are the basis for my analysis:

The existing unit will be expanded from 80 cows currently producing 400,000 litres to 160 cows producing 800,000 litres by year 5;

Thirty additional hectares are to be rented in from year 2;

Expansion will commence in the spring of 2018;

The existing parlour and collecting yard are to be extended, with a new bulk milk tank installed;

Additional and upgraded winter housing and slurry storage will be required;

Additional paddock fencing, roadways and water tanks will be required;

The existing farm machinery range is adequate;

Silage harvesting will be done by contractor;

One full-time worker will be employed;

Additional dairy stock will be sourced from a combination of home-bred heifers and purchased animals;

Total bank term borrowings on the expanded enterprise will amount to €323,000, repayable over 15 years with a moratorium on principal in year 1;

The average milk yield of the new stock will be 4,200 litres in their first year;

The Basic Payment is in the region of €17,000. This level of payment is considered typical for a farmer who previously operated a dairy and beef enterprise on 50ha.

## **‘Cow sense’ critical to job**

Martha Blum AgriNews Publications

Nov 18, 2016

<http://www.agrinews-pubs.com/>



AgriNews photo/Martha Blum As a key accounts manager for Accelerated Genetics, Chris Cunningham’s job includes far more than just looking for cows in heat and doing AI breeding. He also observes if any cows are ill or not suited for the herd.

BROWNSVILLE, Wis. — Cow sense is an important quality for artificial insemination technicians.

“Anybody can breed a cow, but the biggest thing is heat detection because every farm is different,” said Chris Cunningham, key accounts manager for Accelerated Genetics, a provider of bovine genetics and reproductive services, headquartered in Baraboo.

“There are little things that make each farm unique when it comes to how the cows show heat,” Cunningham explained. “I can teach someone how to breed a cow within a week, but learning how to do heat detection can take eight to nine months.”

For example, the AI technician said, older cows might just follow a person around in a pen.

“They’re too old to jump on something,” he said. “It takes awhile to learn things like that.”

Cunningham has been involved with the dairy industry for most of his life. His family managed a registered dairy herd near Janesville until they exited the industry in 1998. About a year later, the high school student began milking cows at a neighboring dairy farm.

“Within 10 years, I was doing everything from feeding to field work to giving shots and milking,” Cunningham recalled.

He began working at Accelerated Genetics eight years ago, after receiving a call from his brother, Danny. Although he knew how to work with cows, Cunningham had no experience with AI work.

“I rode with my brother for the first two months, and he whipped me into shape pretty quick,” Cunningham recalled. “And after about two years, I got my own area, and the first farm I started with was Zinke Farms, which is a 1,000-cow Holstein dairy with a 32,000-pound herd average.”

Cunningham learned how to do AI breeding with on-the-job training and since then has trained many others.

### Big Operation

For several years, Cunningham worked with seven dairy operations with a total of 12,000 cows.

“With another full-time guy, we were visiting these farms every day, and on Mondays, Thursdays and Fridays, I was AI breeding cows,” he explained. “I was doing AI breeding on about 3,000 cows per month.”

However, Cunningham said, his job includes far more than just heat detection and AI breeding.

“I also look for other things like cows with sore feet, cows that are sick and cows that shouldn’t be in the herd anymore,” he noted. “This is the value that Accelerated brings to the table besides just getting cows pregnant.”

And, he said, he must be able to work with dairy software programs.

“As a technician, you need to know how to use programs like Dairy Comp,” he added.

“One of the hardest thing about AI breeding is you don’t know how you did until 30 days later,” Cunningham said. “And when I’m training people, it’s important to be patient because you can’t expect them to know how to do it overnight, but within two to three months, they need a good grasp of what we’re doing.”

Another important aspect of his job, Cunningham said, is the ability to relate to dairymen.

“Getting the respect of farmers goes a long ways in the dairy industry,” he stressed. “Farmers want someone who cares and is engaged in their work.”

“The farmers are what I like most about my job,” he said. “As a high school student, I told myself that I would always do something in agriculture.”

As a key accounts manager, Cunningham makes cold calls to dairies and develops proposals.

“I need to find what the dairy actually needs and find out what problems they are having before I can give advice and direction to fix the problem,” Cunningham said. “That’s when you get respect from the farmers.”

Cunningham provides additional tools and services to dairymen such as advice on matings for cows or working with veterinarians.

“On the Zinke farm, I know the vet and nutritionist. It’s important to have those relationships,” he added. “And the bigger the dairy gets, the more the systems must work together.”

Although there is not much about his job that Cunningham does not like, he said, as an AI technician he works a lot of hours, including holidays and weekends.

“Growing up on a dairy farm taught me that you work every day of the week,” he added. “And when you are doing AI work on a lot of cows, it can be hard on your body.”

Accelerated Genetics encourages Cunningham to travel to other states to increase his knowledge about the dairy industry.

“I’ve been to Kansas, California, Idaho and Arizona working with company employees and farmers to get more experiences,” he said. “They may have challenges we’ve already overcome, so it helps to bring someone in from a different geographic area.”

It is difficult for many dairymen in the Midwest to expand their operations due to lack of available land.

“Dairymen are moving heifers out west so they can milk more cows,” Cunningham noted. “Then the feed that went to the heifers can now be fed to the cows.”

And the quality of heifers developed in the west is better, he said, because they are housed on dry lots.

“I’ve been working extensively with a heifer ranch in Kansas that custom-raises heifers that come back to Wisconsin,” he added.

“Working with dairy farms is a passion for me, it’s not just a job,” Cunningham said.

For more information about Accelerated Genetics, go to [www.accelgen.com](http://www.accelgen.com).

## Solar energy helps power a dairy success story

<http://indaily.com.au/>

SPONSORED CONTENT Friday November 18, 2016

### LOCAL

Caring for soil and water is a prerequisite for a business making and selling organic-biodynamic dairy products, but B.-d. Farm Paris Creek has equally impressive credentials for energy efficiency.

In recent years the company has made a major investment in solar power and efficient equipment and has reaped the benefits.

“In the first year where it was monitored we saved 35% of the energy that we originally used,” said managing director Ulli Spranz. “With better knowledge of most efficient usage and increasing installation of additional features, we have been able to further increase our savings.

“There were also water savings because we changed our clean-in-place system and installed a foaming system that uses less water. We wouldn’t be where we are if we hadn’t put all that together. It was a huge project.”

From the moment Ulli and husband Helmut built a processing plant alongside their 100-hectare farm near Meadows they were looking to install solar panels to provide as much of their power needs as possible.

It took a few years until a solar system with the reliability needed for the time-sensitive demands of producing milk, yogurt, butter and cheese became available, but when it did the company didn’t hold back, covering all available roof space with a 100kW PV array for power and a 260kW evacuated tube system for hot water.

It was able to access a Clean Energy Grant to help cover the costs, but the commitment in both money and time got bigger as it sought to “optimise the system’s capabilities into the future”.

“We did a full energy-audit to identify our requirements followed by monitoring over a period of time to identify where we could maximise our current efficiency and potential savings into the future,” Ulli said.

“We identified the need to install new equipment that would work more efficiently, such as a better cooling system and a new, high-tech pasteuriser, and we installed a power factor corrector to utilise solar power more efficiently. All those individual pieces needed to be put together to achieve optimal efficiency and the best outcome.”

The hot water system is so effective that it can provide large quantities of water over 80 degrees even when it is cloudy in the Adelaide Hills.

The company has shown equal foresight in other areas of its environmental commitment. Immediately after buying the original farm, for example, it installed concrete holding tanks for the dairy effluent and converted it to biodynamic liquid fertiliser.

The tanks were designed to be large enough to cater for the processing plant they knew they would build at a later time, and the choice of the right cleaning detergents meant the processing wastewater could be used for irrigation as well.

Now more is in the pipeline, with B.-d. Farm Paris Creek in the midst of a \$7 million expansion that will double its production capacity and its roof space. The State Government provided a \$900,000 Regional Development Fund grant to support the project, which will create 13 new jobs immediately and likely more to follow.

Much of the money is being spent on new and more efficient equipment, including a state-of-the-art system capable of switching from normal milk to extended shelf life (ESL) products. The company will be one of the few in Australia capable of ESL fresh milk production, which will be used mainly for products for interstate and export markets.

Despite Adelaide's wet and windy winter causing some delays, the new production area and equipment should be ready for use early next year. Buyers already are waiting for the expanded output and local farmers have organic milk to sell. The company has committed to paying them higher than usual prices even though some supplies currently are being used in the newly founded Adelaide Hills Dairies brand.

"In a truly biodynamic-organic production facility we have an ethical approach to everything we do," Ulli said.

"We look at eliminating food miles as much as possible, we are eliminating harmful chemicals from the farming land, we look at preventative methods in herd management, and we support local producers.

"Naturally, in commercial manufacturing companies look for profit. However, our approach is that everybody needs to survive in the entire system, all stakeholders are important and we need to ensure that everybody gets their fair share to move sustainably into the future."

Solstice Media has partnered with the South Australian Government to provide information about the transition to a low-carbon economy. Read more stories like this [here](#).

# Tips for reducing dairy farm expenses

By [Chris Zoller](#) -

<https://www.farmanddairy.com>

November 17, 2016

Low milk prices are having a real impact on dairy farmers and most are looking for ways to reduce expenses, while maintaining milk production.

Jim Paulson, University of Minnesota Extension, published an article on this topic. Below is a summary of the article.

What is better for your dairy? Trying to cut expenses by a dollar per cow per year or a nickel per cow per day or a penny per hundredweight?

## Where can I cut costs?

For every hundred cows you milk, you will save \$100 for every dollar you cut in production costs per cow.

If each of those cows is putting 24,000 pounds of milk in the tank each year, finding \$0.01 per hundredweight in savings will save \$240 per 100 cows per year.

If you can save \$0.05 per cow per day in feed costs or other costs, that will add up to \$1,245 per 100 cows per year.

It does little good, in the face of a cash flow shortfall, to say that you need to be a better manager or become more efficient. You probably are the same manager now as when the milk price was \$25.

Most good dairy producers strive to do the best they can every year. What we need is careful examination of the situation we have to make some decisions.

When cash is short, we might have to make some tough decisions. Typically, the biggest expense categories for the dairy enterprise are feed — both purchased and farm produced — and labor.

Next will usually be depreciation and supplies — these are generally substantially less — followed by veterinary, drugs, and repairs.

Other categories make up the balance and may vary slightly from farm to farm. While we call these variable expenses, for the dairy enterprise alone that is holding its size steady, they may be fairly constant with not a lot of room to cut.

In times of tight cash, purchased feed and veterinary expenses get cut because they can.

## Five rules to remember

Rule No. 1: “Do not cut anything that cuts milk production.”

That is usually bad economics. Your focus should be on income over feed costs. That is your margin to pay the other bills. Does it line up with your margin protection plan?

— — —

Rule No. 2: “Don’t do anything that will hurt pregnancy rate.”

Next to feeding and milking, getting cows pregnant is the most important thing you need to do for your dairy to remain profitable.

Remember, your goal is 150 days in milk. Lower days in milk usually mean higher milk production and lower feed costs per cwt of milk.

Since feed does represent your largest expense category by far, spend time closely examining how you can lower your feed cost per cwt of milk.

The first question is, “Do you know what your feed cost is?” Work with your nutritionist or other consultants to determine your feed cost.

— — —

Rule No. 3: “Calculate your feed cost per cwt of milk every month.”

Break that out for the milking cows and then add all animals on the farm. Calculate daily feed cost per head for each group of animals.

Then, considering your production and milk price, ask yourself how many dollars of milk per cow per day are going out the door each day?

How much is that right now? Is it \$12, \$13, \$14, or more? The next part of the equation is “Is my feed cost per cow per day about half of the value of the milk going out the door per cow each day?”

— — —

Rule No. 4: “The best way to lower feed cost per cwt is to have higher milk production to spread the cost over.”

(See rule No. 2) Think about it this way: Have half of your cows at less than 150 days in milk and no cows over 365 days in milk.

You are more likely to have higher and more efficient milk production early in lactation.

— — —

Rule No. 5: “The best way to lower purchased feed cost is to have higher quality forage.”

Remember, your nutritionist is only as good as the forage you give him or her to work with. High quality forage lowers purchased feeds needed and total feed cost, and increases dry matter intake and production.

This may also affect your forage mix that you feed your lactating cows.

Alfalfa to corn silage ratios influence purchased protein supplement amounts; but digestibility of the forage, whole farm yields and cow preference all need to be taken into consideration.

Be careful what you cut

But the question does come up, “Is there anything I can cut out?” It is always valuable to look over all the ingredients and their costs.

But first think about the fact that if it made sense at \$25 milk, it most likely still does at \$14 milk as well.

Profitable milk production begins with healthy diets, balanced for the level of milk production you want, using your feeds and adding what you need.

## Digital agriculture report looks to data-driven future

By [Matt Hayes](#)

<http://www.news.cornell.edu/>

Nov. 17, 2016

Cornell experts issued a report this week outlining the opportunities and challenges facing New York state's farmers and food producers as emerging digital technologies shape the agriculture industry.

For the report, [Harold van Es](#), professor in the School of Integrative Plant Science (SIPS), and [Joshua Woodard](#) of the Charles H. Dyson School of Applied Economics and Management investigated how farmers are incorporating digital technologies and advanced analytics into farming operations.

What they found was a gap in analytics and data management relative to the capabilities of modern-day equipment, sensors and data generation. They conclude that strategic investments in research and development, improved training in data analytics and system technologies, and reliance on the capabilities of public institutions and technology companies could impact the agriculture industry's national and global competitiveness in coming decades.

The Cornell researchers conducted a statewide survey of farmers, held workshops, reviewed prior research and performed a study on trends in "Digital Agriculture," a term for the use of computational and information technologies to improve the profitability and sustainability of agriculture and food systems.

"Agriculture, like other industry sectors, stands to see tangible benefits in the form of increased production efficiencies once digital agriculture technologies are effectively employed," said van Es. "New York has the chance to become an agricultural leader in the digital space and to fully capitalize on potential production gains, but doing so requires leveraging emerging technologies to improve the profitability and sustainability of agriculture."

The surge in digital agriculture technologies has led to the accumulation of large amounts of data. High-resolution soil data, site-specific weather maps, aerial imagery, nutrient applications, and milking and animal health records are being continuously generated by farms across the state. Much of that data can be sent via broadband or mobile connections to cloud-based services.

Most farmers recognize the benefits that improved technological capabilities might bring to the state's farms. Higher profits, time savings and opportunities to reduce environmental impacts of farming operations were cited as the largest motivators, and 74 percent said that digital agriculture technologies provide efficiencies and environmental benefits.

For all the enthusiasm surrounding the technologies, farmers expressed trepidation about how to make use of the data. About one-third of farmers surveyed by the researchers said they received insufficient technical support, and half reported uncertainty on how best to deploy technology in a way that will have an economic impact.

“Farmers today have access to advanced technologies like precision planters and combines that are generating all these data, but they are telling us they don’t always know how to make use of the information in a profitable way,” Woodard said.

Woodard, an expert in data analysis, said that nearly half of those surveyed reported analyzing the data generated on the farm themselves. He said asking farmers to make sense of huge data sets to improve decisions is a monumental task and, not surprisingly, can lead to frustration.

The report identified several barriers that have impeded digital agriculture in the state, including technologies that aren’t specific to the type of farming favored in New York, such as forage crops, dairy and high-value specialty crops. The researchers also highlighted a need for improved research, digital communication infrastructure and educational programs to support farmers.

As the state’s land-grant university and a top-tier research university, Cornell is in a position to provide analytics and research capabilities to the state’s farms and food system. The researchers proposed an Institute for Digital Agriculture at Cornell that would focus on research, education, data management and business development. Among other benefits, according to the report, the institute would provide farmers a secure data center to store and analyze confidential information, and give researchers aggregate, anonymized data to develop next-generation technologies and recommendations to benefit farmers.

In the spring, Cornell plans to hold meetings to bring together leading researchers in computing, agriculture and economics to discuss ways to leverage the university’s expertise.

The report, “[Digital Agriculture in New York State](#),” was commissioned by the New York State Commission on Rural Resources. Michael Glos and Aaron Ristow of SIPS and Leslie Veteramo Chiu and Tribid Dutta of Dyson contributed to the report.

Matt Hayes is managing editor and social media officer for the College of Agriculture and Life Sciences.

# Got milk? People living 9,000 years ago did

<http://www.cbsnews.com/>



Dairy cows in rural England

By LAURA GEGGEL LIVESCIENCE.COM November 17, 2016, 1:17 PM

CHRIS\_ELWELL, GETTY IMAGES/ISTOCKPHOTO

Humankind has gulped down mouthfuls of [milk](#) and other dairy products from animals, such as sheep, goats and cows, for at least 9,000 years, a new study suggests.

Researchers made the discovery after analyzing and dating more than 500 [prehistoric](#) pottery vessels discovered in the northern Mediterranean region, which includes the modern-day countries of Spain, France, Italy, Greece and Turkey. During each examination, they looked for remnants of milk, which indicated that people had used animal dairy products.

The scientists also examined the ceramic pots for residue from animal fat and other evidence, such as skeletal remains, that would suggest Neolithic people slaughtered domesticated animals for meat; they examined these bony remains from 82 sites around the Mediterranean dating from the seventh to fifth millennia B.C. [[10 Mysteries of the First Humans](#)]

Information about ancient dairy use and meat production can help scientists understand what factors drove the domestication of cud-chewing animals, the researchers said.

## Dairy queen

Dairying was popular in some, but not all, northern [Mediterranean](#) areas, the researchers found.

The eastern and western parts of the northern Mediterranean, including parts of modern-day Spain, France and Turkey, commonly practiced dairying, but northern Greece did not, they said. Rather, “lipids from pots and the animal bones tell the same story: Meat production [in northern Greece] was the main activity, not dairying,” they said.

Dairy cows in rural England

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## Retail giants stand by dollar milk pricing

17 Nov 2016, 5:30 p.m.

<http://www.boorowanewsonline.com.au/>



[See your ad here](#)

Retail giants stood by their \$1 per litre milk campaign at the senate inquiry hearing into the dairy industry on Tuesday.

Supermarkets told the Economics References Committee that customers were the driving force behind cheap milk with processors ultimately setting the farmgate milk price.

Coles director Alister Jordan said the processors were not contractually obligated to supply the supermarket chain and it was customers who decided which brand they would buy.

“There is often speculation that Australia’s retailers dictate farmgate pricing in the dairy industry. In our experience at Coles, that is not the case,” he said. “The processors that we deal with set the farmgate price.

“I want to be clear that processors are not obligated to contract with Coles to supply their milk and dairy products to our supermarkets.”



Senators Nick Xenophon and Skye Kakoschke-Moore asked if it was fair to say processors were not obliged to sell to the big two supermarkets when they didn't "have too much other choice".

Woolworths head of buying Steve Donohue said that for many budget-conscious customers, \$1/L milk was an essential staple and added that 95 per cent of supplied milk was allocated to other dairy products.

"Our key driver in selling it at that price is to be competitive," he said.

United Dairyfarmers of Victoria president Adam Jenkins said the responses of retailers and processors went round in circles.

"No answer was given about the impact of \$1L milk on the farmgate milk price."

Mr Jenkins said results from the ACCC inquiry would be welcomed instead.

"(The ACCC) has the power to subpoena documents and force retailers – not willing to give away commercially sensitive information – to give evidence," he said.



Retail defence: Coles Dairy general manager Charlotte Rhodes and Coles director Alister Jordan.

## Dairy sector attracts overseas investors

Written by Peter Burke

Thursday, 17 November 2016 10:55

<http://www.ruralnewsgroup.co.nz/>

Dairy and milk processing are the New Zealand destinations for overseas investors' wealth -- not sheep and beef, says a report on cash inflows of the last two years.

Dairy attracted \$1.3 billion -- 28% of the \$3.4b invested in agri -- whereas sheep and beef ventures attracted a mere \$300 million (9%). China was the single-biggest overseas investor in NZ dairy and sheep and beef.

The report, prepared by KPMG with the Overseas Investment Office, shows that between January 2013 and December 2015 about \$3.4b was invested in NZ by overseas companies and individuals in a range of agribusiness ventures. This accounted for 13% of the \$26.3 billion invested in various NZ sectors including real estate, energy and financials.

China was the largest investor in dairy but France (13%) and the USA (9%) were also in the mix. In sheep and beef, investment from China/Hong Kong was the highest (15%), then Japan (13%) and the US (10%).

KPMG's global head of agri, Ian Proudfoot, says while China is a dominant investor in dairy, the US, Canada and Europe are also big in other agri-related ventures.

"China is certainly the biggest investor in dairy now, but I'm not sure this will be case in the future," he says. "What NZ wants is a balanced portfolio of investors, in particular those who want to drive and create value from their investments here."

Proudfoot refers to concerns in NZ about Chinese investment, the influence of the Chinese state on investment policy and that country's focus on food security.

"Through Yili they have invested in the Oceania Dairy business in the South Island, but that asset would not have been built without Chinese investment," he told Rural News. "Without the Yashili investments at Pokeno that would not have happened. They are creating jobs and opportunities for us to produce into higher value product streams."

Proudfoot believes NZ needs partners well connected to markets and says if a Chinese partner can do this, that is positive.

He also notes concerns expressed about Chinese-owned companies in NZ putting pressure on local ones in the Chinese market.

"I don't see that as a problem although the nature of the Chinese economy is about connection and relationship. So if you have good relationships and strong connections, that facilitates doing business in the Chinese market.

"So maybe the Chinese-owned companies in NZ have an easier track, but I don't see them making it difficult for others."

Proudfoot refers to interesting statistics on the amount of liquid milk going into China: Germany is sending 4L for every 1L NZ sends.

“What the Chinese are looking for is high-quality dairy products that meet their needs and I think they are going to look to NZ to increase the delivery of this product.”

Sheep and beef has potential and needs overseas investment, Proudfoot says.

“Some farmers have been sitting on large amounts of capital in their land and are not highly geared.

“From an investment perspective, they are relatively ‘lazy businesses’ and potentially that means there is opportunity to gear these businesses up and invest more in technology.”

However, Proudfoot concedes getting technology into the red meat sector is complex, requiring care in assessing risks and benefits to ensure investments are fit for purpose.

Surprisingly the report says most freehold land being bought by overseas investors is in Canterbury, Otago and Southland – 49% of the land purchased.

Proudfoot says the positive story from the research is that offshore entities see NZ market as a place worth investing in.

## **Dairy technology: Cover crops, manure management featured**

Gloria Hafemeister, Correspondent 9:42 a.m. CST November 16, 2016

<http://www.wisfarmer.com/>

Greenleaf – Sustainability is a driving force in all business sectors, and agriculture is no exception.

Successful farms today operate in a sustainable way, simply because good farm managers know it’s the only way to survive.

As farms grow and modernize, along with it comes a need to manage nutrients on the farm and protect the environment.

The farmer-led Professional Dairy Producers of Wisconsin strives to help farmers learn about innovative ways to manage in a way that they will get the most from their nutrients and protect the environment.

Keeping up with all the new technology, though, can be a challenge.

With that in mind, PDPW hosted a two-day nutrient innovation and dairy technology tour, providing the opportunity for PDPW members to learn from other dairy producers who are leaders in the use of cutting edge technology. The tours featured water purification, manure and sand separation, nutrient capture systems, methane digesters, rotary parlors, soil mapping, recycled bedding methods and other state-of-the-art technologies.

Shelly Mayer, PDPW executive director, said tours like this and opportunities to network have been very popular since the organization began 25 years ago. PDPW has earned a reputation throughout the country for providing information about cutting edge technology and management techniques and has members in 39 states.

“Not only do our farmer members learn, but also those who serve the dairy industry,” she said.

The November tours included farmers, builders, veterinarians, dairy service technicians and consultants.

Participants came from several areas outside Wisconsin, including Ohio, Indiana, Minnesota and the Netherlands.

#### Role of cover crops

Dan Brick of Brickstead Dairy, Greenleaf, described how he manages manure in a way he believes will allow him to cut his commercial fertilizers by 90 percent within the next five years.

As the owner of a 900-cow dairy, he is doing that with the use of cover crops that not only provide a blanket on the fields over winter to hold nutrients in the ground and prevent erosion that occurs with bare soil, but also to provide a secondary crop for harvesting.

The goal behind his no-till planting philosophy and use of cover crops is to preserve the structure of the soil on the 900 acres he manages.

"We need to admit we have some problems with manure management," Brick said. "We need to do things in a different way than our dads and granddads did."

Brickstead Dairy is a demonstration farm for the Great Lakes Initiative, and the Bricks are pioneering and testing new ways to approach nutrient application. As a demonstration farm, Brick is working with both federal and state governments on a project patterned after the UW-Discovery Farms program.

Their study includes cover crop species, rates and seeding methods and allows the dairy to transition to incorporating no-till into their operation.

As the fifth-generation Brick to manage the dairy, he is focused on innovative manure application practices, including low-disturbance manure incorporation and surface applications.

#### Brickstead strategy

Brick's preference for cover crops is a 12-way crop that provides a variety of benefits.

His mixes include such things as tillage radishes, sunflowers, winter peas and grasses.

"Different crops provide different root structures," Brick said. "Some are deep, and some are shallow; some plants soak up nutrients, and some break up hard pan."

The goal is to provide overall soil health and build organic matter that increases each year.

Brick determines what he will plant as a cover by several factors, including when he is able to get the seeds in the ground.

The multi-species crop is established after winter wheat when it still has several months to develop. Cover crops established after September are limited by the shorter growing season left.

"When we started in 2009, we had all tillage radishes, but they left too much bare ground," Brick said. "Spring barley is in almost all of our mixes because it will grow a long time before it freezes."

Brickstead Dairy has 14 months of manure storage that allows a little leeway for getting manure on the ground at just the right time.

Brick firmly believes surface applying manure on a cover crop is a better method for preserving nutrients than injecting it.

"The rules and regulations are counter-productive to what we're trying to do," he said. "Incorporating makes things worse. It looks good, but we don't want to disturb the soil."

He pointed out that when manure is applied on a living cover crop, the plants will absorb the nutrients, taking away the chance of leaching or running off. This is especially beneficial in solving issues with manure getting into field tiles.

When Brick surface applies manure, he does a water infiltration test first.

"We mimic a 1-inch rainfall, and the water must be gone in a minute or we do not apply," he said. "Cover crops utilize phosphorus, build organic matter and promote water infiltration and water-holding capacity in our fields."

He also uses a special applicator from Outagamie County — a low-disturbance system that applies manure every 20 inches in a band and closes up the furrow after it.

Through the farm's work with the Save the Bay Initiative and Discovery Farms monitoring, Brick is also working on a phosphorus trading agreement with the city of Green Bay. Phosphorus trading allows industries that produce a lot of phosphorus to buy credits from farmers, such as Brick, who are reducing their phosphorus contribution to the watershed.

Brick is also providing nutrient data to help conservation experts develop a realistic market and pricing system for phosphorus.

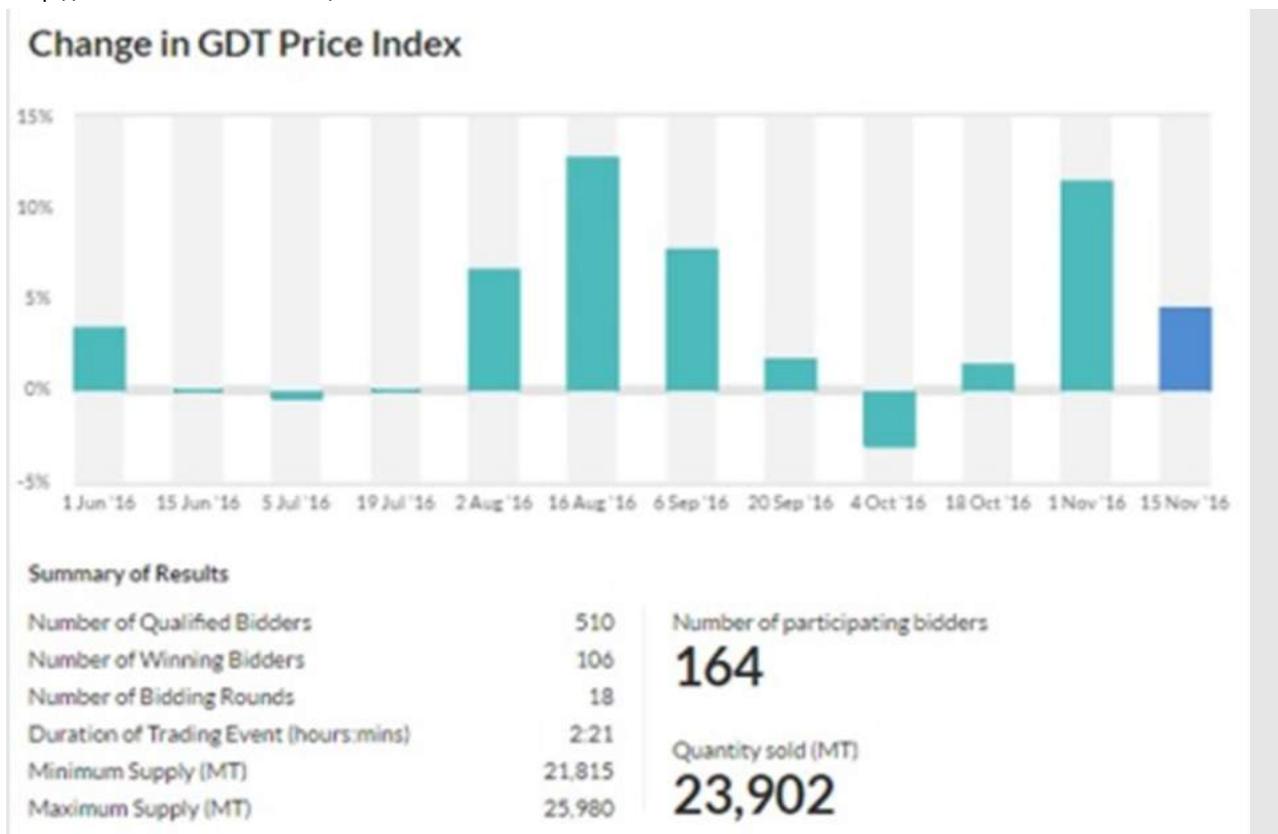
This is the first in a series of stories about how dairy producers are adapting state-of-the art technology to manage nutrients and protect the environment. The series will feature six innovative dairies in northeastern Wisconsin that opened their farms to members of the Professional Dairy Producers of Wisconsin on a Nutrient Innovation and Dairy Technology Tour in early November.

# Global dairy prices up 4.5%

GERARD HUTCHING

16 Nov, 2016 08:43 AM

<http://adf.farmonline.com.au/>



NZ's main export, whole milk powder (WMP), rose 3.2% to US\$3423, the highest level since July 2014.

GlobalDairyTrade auction results show another lift. Source: GlobalDairyTrade

The New Zealand earthquake did not play a part in the latest GlobalDairyTrade auction result, which saw dairy prices rise for the third consecutive fortnight, according to NZ ASB analyst Nathan Penny.

The dairy price index rose 4.5 per cent, to US\$3519 per metric tonne. All commodities saw a price rise, led by butter milk powder, up 13.3 per cent to US\$2623.

NZ's main export, whole milk powder (WMP), rose 3.2 per cent to US\$3423, the highest level since July 2014.

Mr Penny said the rises were largely in line with what the futures market was predicting, although WMP was a bit disappointing.

Nevertheless, in the last auction it had jumped 19.4 per cent.

"The Hurunui and Kaikoura districts make up less than 2 per cent of national supply, it's fairly small," Mr Penny said.

Fonterra has stated it will be able to collect most of the milk in the Hurunui district, save about six properties, but it cannot access any of the Kaikoura farms.

Mr Penny said the biggest contributor to a fall in New Zealand production continued to be the "big wet" in the North Island.

Some farmers he had spoken to in the Waikato estimated their spring production would be down 20 per cent, and overall for the season down 10 per cent.

"The damage has been done in terms of pasture, most cows in the Waikato have passed their peak and grass is turning into seed," he said.

The ASB would be reviewing its estimate of the farmgate payout, which at the moment stands at NZ\$6 per kilogram of milksolids, with the view it could go higher.

Mr Penny expected Fonterra to revise its forecast before Christmas.

It was a question of whether it would go to NZ\$6 in one hit or in two.

Director of OM Financial Nigel Brunel said he was picking a payout of between NZ\$5.98 and NZ\$6.21 per kilogram milk solids.

"On the basis of this move, we expect WMP futures to weaken from here – it didn't quite rally enough in our view to justify the premiums over the GDT equivalents," Mr Brunel.

"It appears selling at NZ\$6.05 kg/ms is a pretty good level."

Westpac analyst Anne Boniface said once again there was strong buying interest out of China in last night's auction, "which helps give us some confidence that higher prices are not just a reflection of tighter supply but also, in part, reflect firmer demand".

The bank's forecast is NZ\$5.80 but this might go higher.

Volumes sold were down 14 per cent on the fortnight before. Fonterra, which accounts for the bulk of product sold on GDT, expects to offer significantly less across the next two months' auctions relative to the same period a year ago.

Skim milk powder (SMP) prices were the surprise package, recording a 9.8 per cent increase to an average price of US\$2562 per tonne. Supplies are readily available, with close to 350,000 tonnes stockpiled by the EU.

There were 162 participating bidders, with a total of 23,902 metric tonnes of product sold.