



A STUDY OF THE DAIRY INDUSTRY IN INDIA

Payalba Shankarsinh Rana

(Research Scholar) (Kadi Sarva Vishwavidyalaya, Gandhinagar)

Dr. Vigna M. Oza *

(PRINCIPAL) Ashwinbhai a. Patel Commerce College Kadi Sarva Vishwavidyalaya (GANDHINAGAR)*Corresponding Author

ABSTRACT

India, one of the developing economies where agriculture is a predominant occupation of the large number of masses. Agriculture in India is a gamble of monsoon. Though it provides employment to nearly 50% of population, the farmers are in plightful situations. The farmers are poor and debt ridden. They commit suicides as unable to cope up the adversaries of man and the nature. In such a scenario they need to have another option of earning. Dairy provide the way to come out from the adverse situations. In the present research article efforts are made to highlight the dairy business as one of the promising allied sector of agriculture.

KEYWORDS : Agriculture, Dairy

INTRODUCTION:

- Agriculture Sector is one of the most significant pillars of the Indian economy. Agriculture is the only means of living for almost two-thirds of the employed class in India. As being stated by the economic data of financial year 2010-11, agriculture and its allied sectors has acquired 14.5 percent of India's GDP
- The agriculture sector of India has occupied almost 43 percent of India's geographical area. Despite a steady decline of its share in the GDP, agriculture is still an important sector and plays a significant role in the overall socio-economic development of the country.

OBJECTIVES OF THE STUDY:

- To study the overall milk production in India.
- To evaluate the performance of the dairy business in India.
- To find out the problems faced by dairy business.
- To make an evaluation of the "Operation Flood" and its implication.

SOURCES OF DATA:

- The study is primarily based on secondary data. The data is collected from the different government reports and news collected from the various newspapers and magazines. Certain references are also taken from the different scholarly research articles published in the field.

INDIAN DAIRY- A PROMISING SECTOR:

- India has one of the largest livestock populations in the world. Fifty percent of the buffaloes and twenty percent of the cattle in the world are found in India, most of which are milk cows and buffaloes. Dairy development in India has been acknowledged the world over as one of modern India's most successful developmental programme. Today, India is the largest milk producing country in the world.
- Milk and milk products is rated as one of the most promising sectors which deserves appreciation in a big way. When the world milk production registered a slow growth of 1 percent, India performed much better with 4.5 percent growth. The total milk production has reached the 121 million tones record in the fiscal year 2010-11..Consequently, the per day per capita milk availability has also increased from 124 grams in 1961 to 281 grams in 2010-11.

Table 1: Share Of Livestock Sector In Gross Domestic Product:

At current price in crore

Year	GDP(Total)	GDP(sector)	livestock	Percentage of Share
2004-05	2971464	119333		4.02%

2005-06	3389621	127518		3.76%
2006-07	3952241	142695		3.61%
2007-08	4581422	169296		3.70%
2008-09	5282086	188732		3.57%
2009-10	6133230	241177		3.93%

SOURCE: National Account Statistics 2011, Central Statistical Organisation GOI

MILK PRODUCTION IN INDIA:

- India is home to the world's largest dairy herd. However, the country still faces a production shortfall due to massive demand from the growing population and also low productivity of Indian cows. India ranks first in the milk production, but Indian dairy is a classic example of production by masses rather than mass production. The nation's milk supply comes from millions of small producers, dispersed throughout the rural areas. These farmers maintain, on an average, a herd of only two-three milch animals, comprising cows and or buffaloes. With an overall achievement of 121 million tonnes of milk in 2010-11 from cattle, buffaloes and goats and a per capita milk availability of 281 g/day,
- The Indian dairy scenario is constantly looking ahead & promises to take greater strides in making dairying more remunerative to the farmer. However, with the ever increasing population, it is estimated that the total milk production should be around 200 million tonnes by the year 2030 to meet the demand there would be still shortfall in the supply. The following table shows the overall production and the per capita availability of milk.

Year	Milk Production (Million Tones)	Per capita
		availability(gram/day)
2000-01	80.6	220
2001-02	84.4	225
2002-03	86.2	230
2003-04	88.1	231
2004-05	92.5	233
2005-06	97.1	241
2006-07	102.6	246
2007-08	107.9	252
2008-09	112.2	258
2009-10	116.4	273
2010-11	121.8	281

SOURCE: Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, GO

INTERNATIONAL TRADE

- The international dairy industry is highly protected through domestic support and export subsidies and does not provide an easy market access. A number of nontariff trade barriers (NTBs) are applied to deprive the developing countries from sharing the markets of developed nations.
- In addition, there are issues of concern with the importing countries, related to acceptance of Indian products, harmonization of standards, transparency, retest and appeal provisions, technical assistance and data on reasons for rejections.
- The export of milk products from India has increased from Rs.2.49 crores in 1990-91 to Rs.1018.63 crores during 2007-08 despite the fact that there are no special incentives for export except those that are generally available to all exports. Skimmed Milk Powder, Ghee and Cheese are the major products being exported from India . The major destinations of exports during 2007-08 were Bangladesh , USA , UAE, Egypt , China , Algeria , Morocco , Thailand , Philippines , Nepal , Serbia , Singapore , Oman , Yemen and Saudi Arabia . The European Union, New Zealand , Australia and US are the four major players in the export market, which account for nearly 85% of the world's total exports. Russia , African countries besides the SAARC countries are emerging markets for Indian dairy products.
- As far as imports are concerned, the volume of milk products imported into India has not been of a level so as to significantly affect the competitiveness and interests of the domestic dairy industry. The comparative statement of export and import of milk and milk products including casein in value and quantity terms for India is given at as follows: -

Table 3: Export & Import of Milk and Milk products including casein in quantity and value terms for India

Year	Export		Import	
	Qty. (thousand kgs.)	Value(Rs. in Lakh)	Qty. (thousand kgs.)	Value (Rs.Lakh) in
2003-04	13813.72	17023.87	17166.83	13389.01
2004-05	55597.06	62353.15	6932.45	5691.24
2005-06	86454.40	95855.69	3204.01	3750.10
2006-07	54028.26	64172.91	12788.23	11142.89
2007-08	84621.8	101862.7	3684.82	6144.85
2008-09	(Apr to Sept) 49903.49	63659.68	2080.85	3431.78

Source: National Dairy Plan 2007-08 To 2021-22 Livestock Population in India

Dairy sector is economically and socially very significant in India due to the multi-functionality of dairy animals performing output, input, asset and socio-cultural functions. According to the 2007 Livestock Census, there are 166 million indigenous cattle, 33 million crossbred cattle and 105 million buffaloes in India. In this, the proportion of adult milch females is 19, 43 and 46 %, respectively. The decade-wise trend in livestock population (1997-2007) shows a distinct shift in composition of dairy animal stock in favour of buffaloes and crossbred cattle, as their numbers increased by 5.91 and 6.05 million, respectively, while that of indigenous cattle declined by 1.8 million.

**Table 4: Livestock Population in India
Livestock Population in India by Species**

Species	1966	1972	1977	1982	1987	1992	1997	2003	2007
Cattle	176.2	178.3	180.0	192.5	199.7	204.6	198.9	185.2	199.1
Adult	51.8	53.4	54.6	59.2	62.1	64.4	64.4	64.5	73.0

Female									
Cattle									
Buffalo	53.0	57.4	62.0	69.8	76.0	84.2	89.9	97.9	105.3
Adult	25.4	28.6	31.3	32.5	39.1	43.8	46.8	51.0	54.5
Female									
Buffalo									
Total	229.2	235.7	242.0	262.2	275.7	288.8	288.8	283.1	304.4
Bovines									

Source : Livestock Censuses, Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, GoI

DIFFERENT BREEDS OF COWS AND BUFFALOES USED FOR MILKING IN INDIA:

India is rich in its livestock wealth. It accounts for nearly 15.8% of the world cattle population, more than half of the world buffalo population. Breeds of Buffaloes and cows of Indian Origin and Breeding Tracts are given below:

Gujarat	Surti	Kaira and Baroda
	Jaffarabadi	Kutch, Jungarh & Jamnagar dist
	Mehsana	Mehsana, sabarkantha, Banaskantha Dist.
Uttar Pradesh	Bhadawari	Bhadawari estate, Beh Tehsil in Agra, Gwalior & Etawah dist.
Central India	Tarai	Tarai region of U.P.
	Nagpuri	Nagpur, Akola, Amravati dist. South maharashtra, west A.P.
	Pandharpuri	north Karnataka Hilly region of Andra Pradesh and Orissa
	Kalahandi	Bilaspur dist.
	Sambalpur	
South India	Toda	Nilgiri Hills
	South Kanara	West coast in Kerela

**A SWOT ANALYSIS OF DAIRY INDUSTRY IN INDIA
STRENGTHS**

- Enhanced milk production with consequently increased availability of milk processing.
- Improved purchasing power of the consumer.
- Improved transportation facilities for movement of milk and milk products.
- Increasing availability of indigenously manufactured equipment.
- Large number of dairy plants in public and cooperative sector besides several others coming up in the private sector.
- Vast pool of highly trained and qualified manpower available to the industry.
- Country's vast natural resources offer immense potential for growth and development of dairying

WEAKNESSES

With our strengths we have to be aware of our weaknesses also.

- Tropical climate conditions.
- Seasonal fluctuations in milk production pattern.
- Species-wise variation (buffalo, cow, goat etc.) in milk quality received by milk plants.
- Lack of marketing avenues for the dairy produce.

OPPORTUNITY

- Availability of animal production technologies for faster development and effective implementation.
- There should be an integrated structure of marketing for milk and milk products.
- Integrated structure for livestock marketing through regulated markets.
- Improved collection of data on contract basis through

agencies.

- Market information intelligence system for milk and milk products.
- Development of software for project formulation for dairy enterprise.

THREATS

- Introduction of foreign products in Indian market.
- Increasing chemical contaminants as well as residual antibiotics in milk.
- Poor microbiological quality of milk.
- Export of quality feed ingredients particularly cakes under the liberalization policy.
- Deficiency of molasses, a rich source of energy and binding agent in feed industry and constituent of urea molasses mineral lick.
- Excessive grazing pressure on marginal and small community lands resulting in complete degradation of land.
- Extinction of the indigenous breeds of cattle due to indiscriminate use of crossbreeding programme to enhance milk production.
- The liberalisation of the Dairy Industry is likely to be exploited by multi-nationals. They will be interested in manufacturing milk products which yield high profits. It will create milk shortage in the country adversely affecting the consumers.

CONCLUSION:

- Though India is the largest milk producer in the world, here the per animal milk production is very low. The cost of production of milk is also high due to the high cost of fodder. The quality of milch animals in India is also not upto the mark. But if we will overcome our deficiencies, the dairy industry is one of the most promising sector.

REFERENCES:

1. Acharya, S.S. and Agarwal, N.L. (2006) Agricultural Marketing in India. Oxford and IBH Publishing Co. Pvt. Ltd., New Delhi.
2. Gupta, P.R. (2007) Dairy India Year book. Thomson Press (India) Limited, New Delhi
3. Dairy Industry of India. (2007). Babcock Institute, University of Wisconsin System.
4. Dr.B.S.Prakash, D. S. (2011). Vision National Dairy Development Board.
5. Dr.A.K.Srivastava, Director NDRI.
6. Pradesh, S. I. (2005). Dairy Animal Management.
7. Sharma, V. P. (2007). India's Agrarian Crisis and Smallholder Producers'. Indian Institute Of Management Ahmadabad.
8. <http://dahd.nic.in>
9. <http://love4cow.com>
10. <http://www.siliconindia.com>
11. <http://www.indiaagronet.com/indiaagronet/DAIRY/Dairy.htm>
12. <http://www.fao.org/WAIRDOCS/LEAD/x6170e/x6170e38.htm#TopOfPage>
<http://indiatoday.intoday.in/story/White+crisis/1/94231.html>
<http://articles.economictimes.indiatimes.com/2010-07>