

## Indian Dairy Market to Double by 2011

*Dairy India 2007 (Sixth Edition) Released. It estimates the dairy market will more than double by 2011. By then, the organised sector will account for 30% of milk output and two-thirds will come from the private sector.*

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Which is India's No. 1 crop? Is it rice? Or wheat? Well, neither. The right answer happens to be milk. The country's milk production is estimated to have touched 100 million tonnes (mt) last year, which is higher than the estimated 92 mt for rice and 75 mt for wheat. In value terms, too, a kg of milk is worth more than what you and I pay for a kg of rice and wheat.

But despite all this and the fact that India is today the world's largest milk producer, the dairy industry is for some strange reason not considered 'glamorous'. For policy makers, dairying is viewed as a 'subsidiary' activity. This, when milk is one product that generates cash income to farmers almost on a daily basis, unlike sugarcane or wheat. Besides being a source of liquidity and insurance against crop failure, milk is the only crop where the farmer realizes 60-70 per cent of consumer price &mdash; against 20 per cent or so in fruits and vegetables. Again, it is striking that there are no commodity futures in milk powder or *ghee*, whereas the daily turnover volumes in NCDEX and MCX of guarseed, mentha oil, *jeera* or pepper run to hundreds (even thousands) of crores!

One reason for this 'image problem' suffered by milk has to do with the absence of proper databases with authentic information on the sector. This is a gap that *Dairy India 2007 (Sixth Edition)* seeks to fill. A treasure trove of information, this 864-page publication offers the most comprehensive and up-to-date picture about the world's *numero uno* dairying nation. An invaluable Databank-cum-Management Guide-cum-Directory, it contains over 120 in-depth articles, 260 statistical tables and charts and reference details of 7,000 organizations including dairy plants and farms, equipment and consumable manufacturers, cattle feed and veterinary pharmaceutical manufacturers, chemicals and food additives, project consultants, breeding and fodder seed farms, analytical and disease-diagnostic laboratories, cooperative institutions and government agencies.

The articles cover a range of topics including trends in consumption and market size of milk and milk products, WTO challenges and export potential, management of dairy plants and farms, breeding, feeding and nutrition, health care, clean milk production, food safety and quality standards as well as techno-economic feasibility of small and large scale dairy plants and farms, cattle feed units, and manufacture of cheese, ice-cream, etc. In addition, there is a special section devoted to technology innovations and organized production of indigenous milk products such as *paneer*, *gulabjamun*, *rasogolla* and *shrikhand* &mdash; a potentially lucrative segment ignored so far by the industry in its obsession with butter, cheese and other 'foreign' products.

Contributors include the President, Dr A.P.J. Abdul Kalam and the Father of India's Dairy Revolution, Dr V. Kurien, besides a host of acknowledged experts in livestock management, marketing, processing technologies and policy makers. In response to unprecedented developments in Asian countries, a special section, 'Dairy Asia', has been introduced.

*Dairy India 2007* has estimated the size of India's dairy sector in 2005 at Rs 227,340 crore (valued

at consumer prices). The largest contributor to this is liquid milk (at Rs 82,835 crore), followed by ghee (Rs 22,980 crore), *khoa/chhana/paneer* (Rs 24,100 crore), milk powder (Rs 4,680 crore), table butter (Rs 770 crore), cheese/edible casein (Rs 975 crore) and other products such as ethnic sweets, ice-cream, etc (Rs 9,100 crore). Out of the total milk production of 94.5 mt, 77 per cent or 73.1 mt is sold as liquid milk, with the balance 23 per cent or 21.4 mt converted into products. Further, the organized industry handles only 18 per cent or 17 mt of milk, with 36 per cent (34.5 mt) being handled by private *dudhias* and unorganized players and 46 per cent (43 mt) being retained in rural areas. Within the 18 per cent organized sector share, private and cooperative/government dairies handle an equal 8.5 mt each.

By 2011, *Dairy India* projects the value of the industry to more than double to Rs 520,780 crore, which includes Rs 159,600 crore from liquid milk, Rs 42,680 crore from ghee, Rs 50,500 crore from *khoa/chhana/paneer*, Rs 9,100 crore from milk powder, Rs 2,250 crore from table butter, Rs 6,150 crore from cheese/edible casein and Rs 25,050 crore from other products. Interestingly, out of the anticipated milk output of 120 mt, the share of liquid milk will rise to 81 per cent or 97.5 mt and only the rest 19 per cent (22.5 mt) would get converted into products. But the organized industry's share of total milk handling will go up to 30 per cent (36 mt), while the small players will see their share dip to 22 per cent (26 mt). At the same time, higher rural incomes will marginally boost the share of milk retained in rural areas to 48 per cent or 58 mt. The other significant feature is that within the 30 per cent overall share of organized dairies, the major 20 per cent (24 mt) will be accounted for by the private sector. The cooperatives and government dairies will handle 10 per cent or 12 mt of milk, which will be lower than that of the organized private sector.

The present edition of *Dairy India* is the sixth, starting with the first one launched in 1983. Founded and conceived by the late P.R. Gupta, a development journalist and passionate chronicler of the industry, *Dairy India* has evolved into one of the world's most prestigious publications on dairying. Following his demise last year, it is now edited and published by his son, Sharad Gupta.

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**Dairy India 2007** (Sixth Edition). Pages: 840 + xxiv; 260 tables and charts. ISBN: 81-901603-1-1. Price: Rs 4,500. Editor: Sharad Gupta, Dairy India Yearbook, A-25 Priyadarshini Vihar, Delhi 110092; Phones: (011) 22543326, 22045681, Telefax: (011) 22543039, Email: yearbook@vsnl.com, Websites: www.DairyIndia.com, [www.IndianMilkProducts.com](http://www.IndianMilkProducts.com).

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You can also visit [www.indiadairy.com](http://www.indiadairy.com) for more information.