



## CHALLENGES & OPPORTUNITIES BEFORE INDIAN DAIRY FARM

**Mule Suvarna Sachin**

Research Scholar

Research Centre in Commerce

Arts, Commerce & Science College ,

Narayangaon, Tal-Junnar,

Dist-Pune, Maharashtra.

Savitribai Phule Pune University, Pune

**Kolhe Jayshri**

Research Scholar

Research Centre in Commerce

Arts, Commerce & Science College ,

Narayangaon, Tal-Junnar,

Dist-Pune, Maharashtra.

Savitribai Phule Pune University, Pune

### Abstract

India is undoubtedly the largest milk producing country of world. India has highest population of cow and buffalo. Since Indian independence dairy industry is showing steady and robust growth rate of 3 percent. Sector has seen huge improvement in supply chain and milk processing facilities. Despite of robust growth, cattle farms has not adopted modernization and cattle farms are facing multiple challenges. In this article we have discuss different challenges of Indian dairy industry and we have tried to analyze challenges through frameworks like SWOT analysis and Potter five force model.

**Key Words** - Milk ,Indian dairy, Cow, Buffalo, Industry

### Introduction

Indian dairy industry is one of the important industries for India. India is world's largest milk producer. India dominates about 13% of world milk production and India consume about its 100% of production. Milk is a cheap source of protein for large vegetarian population living in India .According to Dr. N.G. Hegde of BAIF Development Research Foundation Indian dairy industry has loosen the low cost production advantage. As some countries like Denmark, New Zealand etc. has reduce their milk

production cost this and increase the import of milk and its allied product in India. This has directly affected Indian cattle farmer in terms of lower sale price.

Whole milk powder is likely to continue to be a substantial beneficiary and growth substantially in the middle eastern countries. As standards of living in the importing country rises, exporting countries will increasingly concentrate on whole milk powder and cheese with the assistance of butter and skimmed milk powder. There is vast potential for the export of dairy products, the cost of milk production in India being the lowest. There are more than thousand varieties of cheese, which have been listed out of which cheddar; mozzarella, gouda and processed cheeses are being manufactured in India. Pizza is becoming a very popular item in the market. This segment alone commands 5% of the share in the cheese market and other area is fermented milk products. Dahi even though is a Rs.15000 crore market, the share of the organized sector is only around 10%. This product has immense potential for growth. Varieties of milk shakes are also increasing wherein milk and fruit pulp are mixed in different proportions to produce different beverages. Some of the milk and fruit based beverages which are likely to have demand are a combination of milk with mango, banana, sapota, strawberry, papaya, etc. Some of these beverages can also be produced in dehydrated form and can be an excellent health food.

### **Objectives of the Research Study**

1. To bring the unorganized dairy sector into the fold of organized sector.
2. To improve input activities and animal health care for increasing milk production
3. To encourage liquid milk availability.
4. To tap the milk potential of the State and to ensure stable growth in procurement and Marketing.
5. To ensure quality of milk and milk products as per the statutory specification.

### **Research Methodology**

With the above objectives keep in mind the instructed desk research method was basically adopted .The secondary data is collected from various reference books related to banking & finance . For said research study secondary data is also collected from the national &international Research journals which are related to commerce & bank sector. The secondary data is also collected from the various websites.

## **Challenges of Indian dairy farm**

- 1. High cost of milk production** - Indian milk producers have to reduce the cost of milk production. The main reason of the high cost of milk production is due to average milk yield of Indian cattle is much less i.e. 987 kg /year compare to 6273 kg/ year in Denmark, 5289 kg/ year in France, , 5938 kg/year in Canada, 5462 kg/year in United Kingdom, 7038 kg/year in USA and 11000 kg/year in Israel. So farmer of other countries have to spend much times less in compare to Indian farmers. Reason behind high production of milk is not climate. Israel has climate of 47C – 45C in summer and in winter it as 4C- 5C. So this high yield has been achieved through proper feed, water management and housing, apart from superior quality germplasm. Israel cows have archive this much high milk yield by giving up high fat content. Then also per capita fat production of Israel is higher than India. Indian milk producers have to reduce the cost of milk production. The main reason of the high cost of milk production is due to average milk yield of Indian cattle is much less i.e. 987 kg /year compare to 6273 kg/ year in Denmark, 5289 kg/ year in France, , 5938 kg/year in Canada, 5462 kg/year in United Kingdom, 7038 kg/year in USA and 11000 kg/year in Israel. So farmer of other countries have to spend much times less in compare to Indian farmers. Reason behind high production of milk is not climate. Israel has climate of 47C – 45C in summer and in winter it as 4C- 5C. So this high yield has been achieved through proper feed, water management and housing, apart from superior quality germplasm. Israel cows have archive this much high milk yield by giving up high fat content. Then also per capita fat production of Israel is higher than India.
- 2. High cost in milk handling and marketing** - In India dairy penetration is much less. Majority of milk is collected by private players and either sold to private dairies or to other member of channel. Milk passes through several level till it reach to pasteurization facility in dairy. After milk reaches to daily milk also passes through several distribution channel this also increase cost of milk. Whole process has double the milk price. In Gujarat cooperative dairy purchases one litre of milk from farmers at the rate of 25 to 28 Rs/litre. End consumer due to high milk handling cost these dairies sell milk at the rate of 48 to 52 Rs/litre. However there is good scope for reducing the number of agencies handling the milk to reduce the cost of handling and we can significantly reduce the retail price of milk
- 3. Poor quality milk due to unhygienic milk handling** - Main reason of poor quantity of milk is due to unhygienic and poor condition of animal farms and dairies. Even due to

high demand in foreign country we cannot export such poor quality of milk product. Many times Indian milk products get rejected in foreign nations due to unhygienic milking milk contains high number of microbial count. Reasons behind the quality affected in India are due to poor health of animal, polluted water and food and Unclean surrounding in farm. So it is necessary to consider all this challenges in improving milk production. Currently most of the milking animals are not screened on regular interval of time. So there is lots of chances that some diseases can transmitted to human beings. Farmers use antibiotics and chemical drugs to increase the production of milk this will also affect the quality of milk. These issues can be avoided by regular screening of animals in animal husbandry and also maintaining history records of health, feed etc. Quality of feed should be checked regularly. There must be pollution control in the feed and water used in cattle farms.

### **Opportunities**

1. With opening up of Indian economy milk producer has huge opportunity to sell products in global market.
2. High economy growth has created opportunity to invest in dairy farms.
3. Forward integration with milk cooperatives can improve the productively and profitability of dairy farms.
4. Cooperative animal rearing and animal hostels can unlock the potential.
5. Dairy farm can adopt new technologies that can improve productivity, operations and profitability.

### **Conclusion**

Globalization and Liberalization are the Mantras of the new economy today, which is now on the fast track. Industrial production is rapidly moving forward. The dairy industry is no exception. With the World Trade Organization (WTO) coming into effect, from 01 April 2001 and the imports and exports getting liberalized in the global economy, the dairy industry, which includes dairy products, faces both an opportunity for growth as well as a threat for its growth. There is no doubt that there is tremendous scope for the growth of the dairy industry in the new millennium. The product mix of world dairy trade is likely to shift further towards cheese. This has been developed in the world markets. As the market opens up, consumption trends associated with these markets will have increasing influence on the world trade.

## References

1. A non Annual Report on National Institute of Animal Nutrition and Physiology, (ICAR), Bangalore (2000)
2. Government Of India, 2010, Reports on Basic Animal Husbandry Statistics, Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture, Govt. of India.
3. Huria V.K. and Achaya K.T.(1980) Dairy Development in India: Some Critical Issues, Economical and Political Weekly, Vol. 15 No 4 5/46 ,November, pp: 1931-1942
4. Nizamuddin Khan and Ashish Kumar (2014) Role of Dairy Co-Operatives in Socio-Economic Development of Dairy Farmers in Moradabad District: A Case Study” Research Forum: International Journal of Social, Volume-2, Issue-1).
5. Rjendran K. and Mohanty S.(2004) Dairy Co-operatives and Milk Marketing in India: Constraints and Opportunities
6. Singh, R. (2011). India Dairy and Products Annual Report 2010. USDA Foreign Agricultural Service: Global Agricultural Information Network. Retrieved 16 June 2011, from [static.globaltrade.net/files/pdf/20110226231255627.pdf](http://static.globaltrade.net/files/pdf/20110226231255627.pdf)
7. Karmakar, K. G., & Banerjee, G. D. (2006). Opportunities and challenges in the Indian dairy industry
8. Chawla, A., Chawla, N., & Pant, Y. (2009). Milk and Dairy Products in India- Production, Consumption and Exports: Introduction. India: Hindustan Studies & Services Ltd. Retrieved 17 June 2011,
9. Chand, S., Saraiya, A., & Sridhar, V. (2010). Public Private Partnership in Indian Dairy Industry.
10. National Dairy Development Board (2010). National Statistics. Retrieved 16 Jun 2011, from <http://www.nddb.org/statistics/milkproduction.html>