

# A Study on the Dairy Industries in India

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## Abstract

India being the world's largest producer of dairy products by volume, accounting for holds about 13% of world's total milk production and also accounts the world's largest dairy herd<sup>1</sup>. India being a country that consumes its own milk production. India is neither considered an active importer or an exporter of dairy products. However, bringing in the rules of Operation Flood Programme, the situation changed significantly and imports have reduced to a very small quantities. The year 2001, has brought India to be a key player in net exporting of dairy products and after the year 2003 India's import of dairy products has dipped while exports have increased at a fast rate. Yet the country provides a share in global market still remains at small rates of 0.3 and 0.4 percent for exports and imports respectively. This is because of people who directly consumption of liquid milk by the producer households. This also increases the demand for processed dairy products that has increased with the growth of income levels, which have left little dairy surpluses for export. Although, India with more consumers we exports special products like casein for food processing or pharmaceuticals. The Indian dairy sector is also different from other dairy producing countries as India places its importance on both cattle and buffalo milk.

## 1. Trade

Despite having the world's largest milk production, India is a very minor player in the international market. Prior to the 1970s, India was primarily an import dependent country and anhydrous milk fat, butter and dry milk powders were imported to meet the needs of urban consumers. However, with the implementation of Operation Flood Programme in 1971 (see "Key Players and Ownership" section), the situation changed significantly and imports of dairy products reduced to very small quantities. In the 1990s imports and exports kept edging each other out, and from 2001, India has become a net exporter of dairy products. After 2003, India's dairy import has dipped while exports have increased at a fast rate, yet the country's share in global dairy trade still remains at minor levels of 0.3 and 0.4 percent for exports and imports respectively. This is due to the direct consumption of liquid milk by the producer households as well as the demand for processed dairy products that has increased with the growth of income levels, which have left little dairy surpluses for export. Nevertheless, India

consistently exports specialty products such as casein for food processing or pharmaceuticals<sup>4</sup>.

A trial was made to know that the international requirement of selected major importing countries for major dairy products exported from India. For the present and the end-scenario in the global sales we need to keep a basic standard of the products with reference to the business partner requirement. For the current study, countries that have been selected with reference to products like skimmed milk powder, the countries listed were Bangladesh, United Arab Emirate and Egypt and for Ghee + Butter oil the countries selected were United States of America (USA), United Arab Emirate (UAE) and Kuwait<sup>2</sup>.

## 2. Production Policy and Regulation of Dairy Products

The main benefit of drinking milk is being taught and is mainly becoming made as a habit from childhood days. When we look into the history this habit has been followed as a hereditary process. This can also be called as ritual. Everyday morning having a cup of milk is a must

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which every mother does for their kids. This also boosts the strength of the individual and the resistance power<sup>3</sup>.

The amount of milk consumed by the individual goes in a downfall when the concerned individual grows older. The main drench in the milk consumption has reduced in the teenage and indirectly this has brought down the fall in elderly persons<sup>2</sup>.

When looking into the feminine gender, pregnant ladies are advised to consume more milk during their pregnancy and breastfeeding periods. This automatically stops when they grow elderly. The reduction in the consumption of milk among the males were found to be aggressively high than women<sup>2</sup>.

While all participants consumed milk, it was infrequently consumed as a drink on its own per se, and more likely to be taken with food and drink items such as cereal, tea/coffee and omelettes. New products such as flavoured milks were popular with children but much less likely to be consumed by adults. The school milk programme in ROI was spontaneously mentioned by mothers in the ROI groups and was viewed positively where their children were able to avail of it; however, the lack of such a scheme at post-primary level was considered a downside of the scheme, although mothers acknowledged little control over the eating habits of teenagers, particularly during the school day.

### 3. References

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