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Let me begin by expressing my gratitude to the members of Indian Dairy Association for electing me as President of IDA. I have enjoyed reading hundreds of congratulatory mails from the dairy fraternity and friends. Dr. Raghunath Kohli, the most revered veterinary professor and founder editor of National Academy of Veterinary Sciences (India) newsletter wrote “I am immensely pleased to learn about your most deserved election as President-IDA. This has revived my faith in the organization. I had almost started believing that the organization would go downhill. God is great. Heartiest congratulations to you for this victory. God bless you forever.” Several other congratulatory messages have been pouring in reiterating similar sentiments for which I am deeply grateful.

India produces around 18% of the world's milk to the tune of 163.3 million tones, which amounts to ` 5 lakh crores. Unfortunately, the procurement, processing and value addition figures are not very impressive. Out of the total milk production only about 20% is being utilized by the Cooperatives and Private players. With the per capita

demand for milk increasing each year, the present growth rate needs to go up from the present 6.3%. Milk production has grown over 150% in 25 years and the per capita consumption expenditure in milk and milk products has sky-rocketed. The gap in demand and supply of milk makes a strong case for accelerating milk production and increasing opportunity for employment and entrepreneurship in the dairy sector. The investment in this sector is expected to be around ` 9000 crores in the next five years.

At present, the Indian dairy industry is facing many challenges such as heavy cuts in purchase price of milk due to low prices of skimmed milk powder (SMP) and butter in the domestic and international markets. The lack of assurance of minimum support price(MSP)



for milk unlike other agricultural commodities, nuisance of adulteration and poor milk quality in many regions, high input costs in milk production and unrealistic goods and services tax levied on dairy products, plants and dairy machineries are just some of the woes besetting the industry.

The drop in farm gate milk prices has caused much concern amongst milk producers. The landless and marginal farmers who contribute a large proportion of milk are severely distressed. It has been reiterated often that because of low-price realization, milk producers are diverting their surplus milk to dairy cooperatives as private dairies are turning them away. The surplus milk solids must be conserved as SMP, white butter and ghee. This has resulted in the accumulation of more than 100,000 tonnes of SMPs and huge quantity of ghee in dairy warehouses in November 2017. The stock of SMP is likely to rise to 200,000 tonnes by March 2018. A lot of working capital arranged through bank overdrafts and short-term loans is getting blocked. As the dairies have to make timely payment to dairy farmers, the private sector and State Dairy Federations have demanded a one-time subsidy on the stocks of SMPs at the rate of ₹ 50 per kg and ₹ 25 per kg on white butter as on 31st March 2018. A demand for enhancing the export incentives on dairy products from the current rate of 5% to 15% of the value of consignment is also placed before the Government of India. While disbursing the incentives, there should be no discrimination between the cooperatives and privately owned dairy plants. Let us keep the interests of our farmers supreme.

IDA is also concerned about quality and safety management in milk production to ensure compliance with national and international standards, animal health management including vaccination, deworming, parasite eradication and supply of clean drinking water. Emphasis needs to be placed on fodder cultivation, laying down demonstration units for hydroponics, azolla cultivation, urea treatment, silage making and supply of seeds for nutritious fodder and grasses. With the cholesterol issue being declared invalid, nutritional importance of milk and milk products must be highlighted to raise consumption level. The challenge before the dairy professionals remains



New CEC meeting at IDA House on 20th January 2018

to develop plans and project for making farming profitable.

The role of dairying in doubling farmers' income by 2022 — the 75th year of Independence — cannot be over-emphasized. IDA joins hands with the governmental initiatives and efforts in this noble cause. We propose to establish effective linkages with foreign institutions like IDF, FAO, WHO and Codex Commission for benefitting India's dairy sector. IDA has to foster strong interaction with neighboring countries to seek avenues for promotion of dairy exports and facilitating transfer of innovative technologies and supply of manpower. Together we shall make efforts to become powerful enough to be heard everywhere.

As may be seen from milk production data, we have nearly attained self-sufficiency in milk production. However, we have to move from sufficiency to efficiency, which has aptly been chosen as the theme for the forthcoming 46th DIC to be held at Cochin during 8-10 February, 2018. I hope it will be possible for most of you to participate in this event and provide your valuable inputs based on your experience and expertise.


(G.S. Rajorhia)