

**Bill No. 2 of 2025**

THE MILK AND MILK PRODUCTS (REMUNERATIVE  
SUPPORT PRICE) BILL, 2025

By

SHRI LUMBA RAM, M.P.

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BILL

*to provide for fixation of minimum remunerative support price of  
milk and milk products and for matters connected therewith.*

BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:—

**1. (1)** This Act may be called the Milk and Milk Products (Remunerative Support Price) Act, 2025.

Short title and  
extent.

5           (2) It extends to the whole of India.

Definitions.

2. In this Act, unless the context otherwise requires,—

(a) “appropriate Government” means in the case of a State, the Government of that State and in all other cases, the Central Government;

(b) “milk product” means a product obtained by processing of milk, which may contain food additives and other ingredients functionally necessary for the milk product, and shall include the following, namely:— 5

(i) cheese;

(ii) chhana, skimmed-milk chhana, paneer;

(iii) condensed milk-sweetened and unsweetened;

(iv) condensed skimmed milk-sweetened and unsweetened; 10

(v) cream;

(vi) curd, skimmed milk curd, dahi;

(vii) ghee, butter oil;

(viii) ice-cream;

(ix) infant milk food; 15

(x) khoa;

(xi) malai;

(xii) milk derivatives such as whey proteins, casein, lactose etc.;

(xiii) milk ices, milk lollies, kulfi;

(xiv) milk powder, skimmed milk powder, partly skimmed milk powder; 20

(xv) processed cheese;

(xvi) table butter and white butter;

(xvii) yoghurt; and

(c) “prescribed” means prescribed by rules made under this Act by the Central Government or the State Government, as the case may be. 25

Fixation of minimum remunerative support price of milk and milk products.

3. The appropriate Government shall announce minimum remunerative support price of milk and milk products in such manner and at such intervals, as may be prescribed.

Factors for determination of minimum remunerative support price of milk and milk products.

4. The appropriate Government shall, while announcing the minimum remunerative support price of milk and milk products, take into account all relevant factors, which shall include,— 30

(i) interest payable to banks on loans taken for dairy;

(ii) electricity and water charges;

(iii) average labour charges;

(iv) availability of land and pasture;

(v) expenditure on collection, preservation and packaging of milk and milk products; 35

(vi) expenditure incurred on transportation of milk and milk products to market; and

(vii) expenditure incurred on ailment and care of milch animals.

Central Government to provide funds.

5. The Central Government shall, after due appropriation made by Parliament, by law in this behalf, provide adequate funds to the State Government for carrying out the purposes of this Act. 40

6. (1) The appropriate Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

Power to make rules.

5 (2) Every rule made under this Act by the Central Government shall be laid, as soon as  
may be after it is made, before each House of Parliament, while it is in session, for a total  
period of thirty days which may be comprised in one session or in two or more successive  
sessions, and if, before the expiry of the session immediately following the session or the  
successive sessions aforesaid, both Houses agree in making any modification in the rule or  
both the Houses agree that the rule should not be made, the rule shall thereafter have effect  
only in such modified form or be of no effect, as the case may be; so, however, that any such  
10 modification or annulment shall be without prejudice to the validity of anything previously  
done under that rule.

(3) Every rule made under this Act by the State Government shall be laid, as soon as  
may be after it is made, before the State Legislature.

## STATEMENT OF OBJECTS AND REASONS

India is the largest producer of milk in the world with 10.2 crore ton of annual production of milk. This production is much more than crop and it is an important source of income of the farmers. Milk production has played a remarkable role in providing security to the farmers affected by adverse weather and damage of crops. According to the report of National Sample Survey Organisation (NSSO), the incidents of suicide by farmers are less in those areas, where milk production is a source of regular income in generating employment. Approximately seven crore rural families are engaged in milk production. Approximately seventy per cent. cattle are with small, medium and marginal farmers, who get major portion of their family income through selling of milk. Mostly the small and landless farmers are engaged in milk production and women play a very important role in it. There are a few shortcomings in the milk production business which make it less attractive. The first drawback is the price of the milk and the farmers do not get the actual benefit. The milk producers get only rupees fifteen to twenty per litre, while the milk is sold at the rate of rupees thirty-eight to forty-eight per litre in the towns and metropolitan cities. Prices of milk have increased recently and cow milk is being sold at the rate of rupees thirty-eight per litre and buffalo milk is at rupees forty-eight per litre in Delhi. According to dairy officials, there has been an increase in the cost of collection, warehousing, processing, marketing, management and transportation of milk which has necessitated the increase in the prices of milk. Farmers spent more than twenty per cent. of their income from milk on is spent on fodder and cattle food, treatment of cattle diseases and rearing of cattle, etc. Co operative Committees and dairies refuse to buy milk from farmers during the winter season due to over-production of milk. It results in decreasing of the profit of both the parties, which adversely affects dairy business. Small and medium farmers are facing a lot of difficulties due to lack of land, lack of facilities for water bodies, shade construction, processing of milk, lack of better facilities for godowns, transportation and continuous fluctuation in the prices of milk in carrying out dairy business. A large number of farmers engaged in dairy business as also the cattle rearers are not taking interest in this business, because the pasture land is diminishing which is creating shortage of fodder and they are being forced to wind up their dairy business.

The need is, therefore, to fix minimum remunerative support prices of milk and milk products so as to ensure effective livelihood to the persons involved in dairy.

Hence this Bill.

NEW DELHI;  
November 7, 2024

LUMBA RAM

#### FINANCIAL MEMORANDUM

Clause 5 of the Bill provides for payment of adequate funds to the States for carrying out the purposes of this Act. The Bill, therefore, if enacted, will involve expenditure from the Consolidated Fund of India. It is likely to involve a recurring expenditure of about rupees five thousand crore per annum.

No recurring expenditure is likely to be involved.

#### MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 6 of the Bill empowers the appropriate Government to make rules for carrying out the purposes of the Bill. As the rules will relate to matters of detail only, the delegation of legislative power is of a normal character.

LOK SABHA

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*(Shri Lumba Ram, M.P.)*