

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF ANIMAL HUSBANDRY AND DAIRYING
LOK SABHA
STARRED QUESTION NO.139
TO BE ANSWERED ON 12th FEBRUARY, 2019

MILK AND DAIRY PRODUCTS

*139. SHRI M.K. RAGHAVAN:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि और किसान कल्याण मंत्री be pleased to state:

- (a) whether there is any proposal to discard the idea of creating a buffer stock for milk and dairy products by the National Dairy Development Board (NDDB);
- (b) whether it is a fact that huge quantum of skimmed milk powder and other dairy products will remain unsold due to this decision and if so, the details thereof; and
- (c) the criteria for pricing various products sold by NDDB and also the pricing pattern on purchases made from private players by NDDB along with the details thereof?

ANSWER

THE MINISTER FOR AGRICULTURE AND FARMERS WELFARE
(SHRI RADHA MOHAN SINGH)

(a) to (c) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY OF LOK SABHA STARRED QUESTION NO.139 PART (a) TO (c) ON “MILK AND DAIRY PRODUCTS” TO BE ANSWERED ON 12.02.2019.

(a) No Madam, Department of Animal Husbandry and Dairying is implementing a scheme named ‘Supporting State Cooperative Dairy Federation (SSDF)’ to provide soft loan for working capital to the Dairy Cooperatives to help them maintain buffer stocks of dairy commodities. The scheme is to be implemented by National Dairy Development Board (NDDB).

The objectives of the scheme are:-

- (i) To assist the State Dairy Cooperative Federations by providing soft working capital loan to tide over the crisis on account of severely adverse market conditions or natural calamities.
- (ii) To provide stable market access to the dairy farmers.
- (iii) To enable State Cooperative Dairy Federations to continue to make timely payments of dues to the farmers.
- (iv) To enable the cooperatives to procure milk at a remunerative price from the farmers, even during the flush season.

Under the scheme, a corpus of Rs. 300 crore is to be kept in perpetuity with NDDB. The budgetary allocation for implementation of the scheme during 2018-19 is Rs.3.00 crore (RE) and Rs.100 crore during 2019-20 under the scheme.

(b) It is not correct to say that lack of creation of buffer stocks lead to creation of huge quantum of skimmed milk powder (SMP) and other dairy products. Buffer stock of SMP are created when milk is not sold in market and is converted to SMP & White Butter to save them from getting spoilt. For selling the stock of SMP, the Government has announced exports incentives under Merchandize Exports from India Scheme (MEIS) and other measures by Government of India as well as from respective State Governments, some quantity of stocks of dairy commodities have been exported by cooperatives. This has led to reduction in pressure of stocks on domestic milk producers. Keeping in view the present situation of milk production and consumption, the stocks of skimmed milk powder and other dairy products are manageable. The details of measures taken by the Government to stabilise the stocks of dairy products are as under;

- i. Increased the import duty of Whey Powder from 30% to 40% vide notification dated 27.03.2018.
- ii. D/o Commerce vide notification dated 13.07.2018 has allowed 10% export incentive under Merchandise Export from India Scheme (MEIS) for all dairy products. Further, vide Public Notice 40/2015-2020 dated 27.09.2018 had enhanced MEIS benefit to 20% from the current 10% for certain dairy products from the date of publication of this Public Notice to 12.01.2019.
- iii. Advisory to all the States to include supply of milk/milk products of Cooperatives through Mid-day Meal Scheme, Anganwadis under Integrated Child Development Scheme (ICDS), Health schemes, Tribal Hostels and Government/Institutional canteen.
- iv. State Governments of Gujarat and Maharashtra have announced to provide subsidy of Rs 50/Kg for skim Milk Powder.

During the current financial year 2018-19, the stock of SMP with dairy cooperatives has declined from 1.82 Lakh Metric Tonnes on March 2018 to 1.20 Lakh Metric Tonnes in December 2018 after reaching a peak of 2.08 Lakh Metric Tonnes in May 2018.

Quarter-wise details of stocks of SMP and White Butter with dairy cooperatives in India is as follows:

Quarter ending	SMP Stock (MT)	White Butter (MT)
Mar-2018	1,81,912	73,703
Jun-2018	1,71,463	90,715
Sep-2018	1,50,740	76,133
Dec-2018	1,20,220	79,804

Source: Milk Unions & Federations/NDDB

(c) National Dairy Development Board (NDDB) doesn't take part in purchase or sale of any dairy products.
