

GOVERNMENT OF INDIA  
MINISTRY OF FISHERIES, ANIMAL HUSBANDRY AND DAIRYING  
DEPARTMENT OF ANIMAL HUSBANDRY AND DAIRYING  
LOK SABHA  
UNSTARRED QUESTION NO. 2500  
TO BE ANSWERED ON 9<sup>TH</sup> JULY, 2019

**CHALLENGES FACED BY THE DAIRY INDUSTRY**

2500. SHRI SUDHAKAR TUKARAM SHRANGARE:  
SHRI DEVJI M. PATEL:  
SHRI RAM KRIPAL YADAV:

Will the Minister of FISHERIES, ANIMAL HUSBANDRY AND DAIRYING  
मत्स्यपालन, पशुपालन और डेयरी मंत्री  
be pleased to state:

- a) whether the dairy industry is facing various problems such as higher taxes on dairy products, lack of better breeds of cows and buffaloes, shortage of organized dairy farm and investment, higher price of machines and equipment used in dairy farming and duty for imported dairy equipment;
- b) if so, the details of the action plan being prepared by the Government for promotion of the said sector;
- c) whether the Government proposes to include dairy farming under the Corporate Social Responsibility (CSR) activities to address these problems and to increase investment in dairy sector; and
- d) if so, the details thereof?

**ANSWER**

**THE MINISTER OF STATE FOR FISHERIES, ANIMAL HUSBANDRY AND DAIRYING**  
**(DR. SANJEEV KUMAR BALYAN)**

(a) As per Goods and Services Tax Act 2017, the current rate of GST applicable on dairy products ranges from 5% to 18%. Harmonized System (HS) code-wise details of GST on dairy products are given at Annexure. The Department has received representations from stakeholders like Indian Dairy Association and Gujarat Cooperative Milk Marketing Federation Limited, to reduce GST on some dairy products like ghee, butteroil and flavoured milk and to reduce import duty on some dairy machinery.

Indian cattle and buffaloes have among the lowest productivity in the world. Similarly there is a shortage of organized dairy farms and there is a need of high degree of investment to take dairy industry to global standards.

(b) To improve low productivity of indigenous bovine breeds, Department has been implementing Rashtriya Gokul Mission with aim of development and conservation of indigenous bovine breeds and enhancing production and productivity thereby making milk production more remunerative to the farmers.

In order to promote organized dairy farming and investment, Department of Animal Husbandry And Dairying, Government of India has been supplementing the efforts of State Governments by implementing following dairy development schemes for creation/ strengthening of infrastructure for production of quality milk, procurement, processing and marketing of milk and milk products across the country:

- i. National Programme for Dairy Development (NPDD)
- ii. Dairy Entrepreneurship Development Scheme (DEDS)
- iii. National Dairy Plan-I (NDP-I)
- iv. Dairy Processing and Infrastructure Development Fund (DIDF)
- v. Supporting Dairy Cooperatives and Farmer Producer Organizations engaged in dairy activities (SDCFPO)

(c) & (d) No such proposal has been put forward by the Department to use CSR for dairy farming.

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**Annexure**

S No.	Present status of GST rate Schedule for Goods	
	Product name with HS Code	GST rate
1.	HS 0401: Fresh milk and pasteurised milk, including separated milk, milk and cream, not concentrated nor containing added sugar or other sweetening matter, excluding Ultra High Temperature (UHT) milk [0401]	Nil
2.	Ultra High Temperature (UHT) milk [0401]	5%
3.	HS 0402: Milk and cream, concentrated or containing added sugar or other sweetening matter including skimmed milk powder, milk food for babies, excluding condensed milk.	5%
4.	0403: Cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa.	5%
5.	HS 0404: Whey, whether or not concentrated or containing added sugar or other sweetening matter; products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included.	5%
6.	HS 0406: Chena or paneer put up in unit container and bearing a registered brand name	5%
7.	HS 0405: Butter and other fats (ghee, butter oil, etc.) and oils derived from milk; dairy spreads	12%
8.	HS 0406: Cheese	12%
9.	HS 2202 90 30: Flavoured Milk (Beverages containing milk)	12%
10.	HS 2105: Ice cream and other edible ice, whether or not containing cocoa.	12%
11.	Condensed milk [04029110,04029920]	18%