

GOVERNMENT OF INDIA
MINISTRY OF FISHERIES, ANIMAL HUSBANDRY AND DAIRYING
DEPARTMENT OF ANIMAL HUSBANDRY AND DAIRYING
LOK SABHA
UNSTARRED QUESTION No. 1277
TO BE ANSWERED ON 27TH JULY 2021

PRODUCTION COST OF MILK

1277. SHRI SHRINIWAS PATIL:

Will the Minister of Fisheries, Animal Husbandry and Dairying

मत्स्यपालन, पशुपालन और डेयरी मंत्री

be pleased to state:

- (a) whether the Government has conducted any study to ascertain the average production cost of milk per liter in the country for individual farmers;
- (b) if so, the details of findings of such study and any conclusions drawn from the study regarding profitability of farmers engaged in milk production then; and
- (c) whether the Government is planning to introduce any Minimum Support Price or Fair remunerative price for milk?

ANSWER

THE MINISTER OF FISHERIES, ANIMAL HUSBANDRY AND DAIRYING
(SHRI PARSHOTTAM RUPALA)

- (a) Yes Sir. Agro-Economic Research (AER) Division, Department of Agriculture and Cooperation and Directorate of Economics and Statistics (DES) has conducted a study “Assessment of the Status of Dairying & Potential to Improve Socio-Economic Status of the Milk Producers & Convergence of all Central & State Schemes at District level in India” through one of the AER center, AERC VV Nagar, Gujarat for the agriculture years 2015-16 and 2016-17 in nine States viz. Assam, Bihar, Chhattisgarh, Jharkhand, Odisha, Uttar Pradesh, west Bengal, Gujarat and Rajasthan.
- (b) The study has come out with the findings on the ‘Cost of production of milk and net returns realised’ by the sample households belonging to Dairy Cooperative Societies (DCS) and Non-Dairy Cooperative Society (NDCS). The findings mention that the net returns realized by the DCS households were higher than NDCS household for all groups and in all species. Further, there are huge variations across the State in terms of expenditure incurred on various items/ inputs of milk production.. The statement of the cost of cow and buffalo milk production & net return for Dairy Cooperative Society DCS and NCDS are at Annexure-I & II respectively.
- (c) The price of milk and milk products are not regulated by the Government of India.

Annexure-I

Cost of Cow and Buffalo Milk Production and Net Returns- DCS households

		Assam		Chhattisgarh			Odisha			West Bangal		Gujarat			Rajasthan		
		LC	CB	LC	CB	B	LC	CB	B	LC	CB	LC	CB	B	LC	CB	B
	Cost																
1	Total feed & fodder (Rs./Animal/Day)	35.3	84.0	6.2	10.4	11.5	53.4	103.6	123.4	66.4	67.1	115.6	118.1	127.9	130.2	128.6	134.2
2	Total Labour (Rs./Day)	11.0	59.7	6.2	4.6	7.1	63.3	73.0	101.3	97.8	92.9	74.3	74.3	74.3	70.5	70.5	70.5
3	Veterinary Cost (Rs./Animal/Day)	1.0	2.1	0.4	2.9	2.2	1.7	2.1	1.2	3.1	3.3	1.5	2.0	1.4	5.5	8.8	6.9
4	Transportation Cost	0.0	0.0	0.3	0.3	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A	(Rs./Animal/Day) [Sum of 1 to 4]	47.3	145.8	13.1	18.8	21.3	118.4	178.7	225.9	167.4	163.2	190.4	196.4	203.9	206.3	207.9	211.6
	Returns																
1	Returns from Milk Production (Production*Avg Price)	51.0	195.4	29.3	58.4	60.7	132.0	209.7	251.1	64.2	137.4	208.0	218.2	218.2	221.9	229.1	230.1
2	Income from Dung (Rs./Animal/Day)	2.9	3.3	0.7	0.4	0.9	0.0	0.0	0.0	36.2	44.2	10.8	11.5	10.9	4.0	4.3	6.0
B	Total Income (Rs./Animal/Day) [Sum of 1 to 2]	54.0	198.6	30.0	58.8	61.6	132.0	209.7	251.1	100.4	181.6	218.8	229.7	229.1	225.9	233.4	236.1
	Net Return/Profit (RS./Animal/Day) [Difference between A & B]	6.7	52.8	16.9	40.0	40.3	13.6	31.0	25.2	-67.0	18.4	28.4	33.3	25.2	19.6	25.4	24.5

LC-Local Cow; CB-Cross Breed; B-Buffer

Annexure-II

Cost of Cow and Buffalo Milk Production and Net Returns- NDCS households

		Assam		Chhattisgarh			Odhisa			West Bangal		Gujarat			Rajasthan		
		LC	CB	LC	CB	B	LC	CB	B	LC	CB	LC	CB	B	LC	CB	B
	Cost																
1	Total feed & fodder (Rs./Animal/Day)	36.5	85.0	6.7	11.9	12.3	53.8	127.8	167.9	69.9	65.0	104.6	111.2	111.1	115.3	118.9	122.1
2	Total Labour (Rs./Day)	10.7	46.7	5.8	7.2	8.1	60.5	81.3	100.3	103.7	101.4	68.3	68.3	64.9	52.9	52.9	52.9
3	Veterinary Cost (Rs./Animal/Day)	1.1	1.7	1.2	2.3	2.2	1.2	2.0	1.1	2.8	3.0	1.9	3.3	3.9	5.3	8.1	7.0
4	Transportation Cost	0.0	0.0	1.0	2.0	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A	(Rs./Animal/Day) [Sum of 1 to 4]	48.3	133.4	14.7	24.2	25.0	115.5	211.1	269.3	176.4	169.4	176.4	186.3	183.9	173.5	179.9	181.9
	Returns																
1	Returns from Milk Production (Production*Avg Price)	49.7	150. 9	30.5	93.7	95.0	129.8	235.4	299.4	66.7	121.4	181.8	191.1	190.2	186.4	198.4	202.0
2	Income from Dung (Rs./Animal/Day)	2.6	2.8	2.4	2.5	3.5	0.0	0.0	0.0	37.6	43.7	10.8	10.3	8.7	4.0	4.3	6.0
B	Total Income (Rs./Animal/Day) [Sum of 1 to 2]	52.3	153. 7	32.9	96.2	98.5	129.8	235.4	299.4	104.3	165.1	192.6	201.4	198.9	190.4	202.7	208.0
	Net Return/Profit (RS./Animal/Day) [Difference between A & B]	4.0	20.4	18.2	72.0	73.5	14.3	24.3	30.1	-72.1	-4.3	16.2	15.1	15.0	16.9	22.8	26.1

Note: Per animal per day cost of milk production were observed.

LC-Local Cow; CB-Cross Breed; B-Buffer