

## IDA News

### 50<sup>th</sup> Dairy Industry Conference Announced



The Central Executive Committee of Indian Dairy Association (IDA) decided to organize 50<sup>th</sup> Dairy Industry Conference (DIC) in Hyderabad. The meeting was held on March 15, 2023 prior to 49<sup>th</sup> DIC in Gandhinagar, Gujarat.

On the third day of the 49<sup>th</sup> DIC during the Valedictory function, members were informed about the upcoming 50<sup>th</sup> DIC by Dr. Satish Kulkarni, Chairman, IDA (SZ) and Shri C.P. Charles, former Chairman, IDA (SZ) and CEC Member - IDA.

IDA HQ had also put a banner at its 49<sup>th</sup> DIC Exhibition counter to make the members/visitors aware about the upcoming Golden Jubilee 50<sup>th</sup> DIC, scheduled to be held during Feb. 22-24, 2024 in Hyderabad. It will be organized by Telangana State Chapter of IDA and IDA (South Zone). Enquiries kept coming at the IDA's 49<sup>th</sup> DIC Exhibition Stall and member/visitors were well informed about the upcoming 50<sup>th</sup> DIC.

### New Zonal Executive Committee of IDA (SZ) Assume the Office

Subsequent to the election for the Executive Committee of IDA-SZ, the new Zonal Executive Committee (ZEC)

INDIAN DAIRYMAN

assumed office on 20<sup>th</sup> February 2023. Shri C.P. Charles and Dr. N.K.S. Gowda, the Outgoing Chairman and Secretary handed over the charge to Dr. Satish Kulkarni and Dr. S Subash, respectively. Shri C.P. Charles in his address thanked the office bearers and members of ZEC for their support in his tenure as Chairman for making IDA-SZ as one of the best and most active zones in IDA. Members of the outgoing committee expressed their feelings and gratitude for being a part of the committee. Dr. Satish Kulkarni, while taking the charge of Chairman remarked that the new ZEC will continue the excellent work done by the previous committee and assured more such meaningful activities looking to the need of the dairy industry, academia, farmers, and the policies. He thanked Dr. R.S. Sodhi, President, of IDA and solicited the support of CEC for conducting more dairy-related activities by the south zone.

The present composition of ZEC of IDA (SZ) are :-  
**Chairman:** Dr. Satish Kulkarni; **Vice Chairman:** Dr. N.K.S. Gowda & Dr. R. Rajendra Kumar; **Secretary:** Dr. S. Subash, **Treasurer:** Dr. Kajal Sankar Roy; **Member, RE category:** Dr. N. Laxman Naik & Dr. C.T. Sathian; **Member, MP category:** Shri V. Venkatachalapathy; **Member, PP category:** Shri Abraham K Joseph; **Member, DI category:** M/s. Malabar Regional Cooperative Milk Producers Union Ltd. & M/s. R.K. Ganapathi Chettiar, **Immediate Past Chairman:** Shri C.P. Charles; **Chairman, IDA-AP Chapter:** Dr. S Ravikumar; **Chairman, IDA-Kerala Chapter:** Dr. S.N. Rajakumar; **Chairman, IDA-TN Chapter:** Shri S. Ramamoorthy, **Chairman, IDA-Telangana Chapter:** Shri C. Rajeswar Rao.



## Training Organized on 'Preparation of Fermented Milk Products and Starter Culture Technology'

Indian Dairy Association (IDA) - Kerala State Chapter (KSC) and Department of Dairy Microbiology, Verghese Kurien Institute of Dairy and Food Technology (VKIDFT),



Kerala Veterinary and Animal Sciences University (KVASU) jointly organized the second hands on training on "**Preparation of Fermented Milk Products and Starter Culture Technology**" for two days during February 24-25, 2023. Eighteen participants from various parts of Kerala attended the training programme. Dr. A.K. Beena, Professor and Head, Department of Dairy Microbiology, VKIDFT deliberated during the inaugural session. Ms. Syama Mohan, Teaching Assistant, VKIDFT took over the session on yoghurt preparation. Starter culture maintenance was demonstrated by Ms. Twinkle Joy K. and Ms. Sreya Unnikrishnan, Teaching Assistant, VKIDFT during the afternoon session of the first day of training. Preparation of chakka, the base material for Shrikhand was done by the participants and the session was concluded.

On the second day, a visit was arranged to KVASU Dairy plant to give the participants an idea regarding industrial processes. Preparation of Shrikhand and curd pudding was covered in the second day. Shri Rejeesh R, Assistant Professor, VKIDFT spoke on "**Consumer and Market Trends in Dairy Industry**". Dr. P. Sudheer Babu, Registrar, Kerala Veterinary and Animal Sciences University inaugurated the Valedictory function and distributed certificate to all the participants. Dr. S.N. Rajakumar, Dean, VKIDFT and Chairman, IDA (KSC) and Dr. A.K. Beena, Vice Chairman, IDA (KSC) graced the Valedictory function with their presence. During the feedback session the participants thanked the organizers

for the meticulous conduct of the training and conveyed that they all get benefitted by attending it. Coordinators of the training programme were Shri Rejeesh R., Assistant Professor, VKIDFT and Dr. Vinod Viswanath, Teaching Assistant, VKIDFT.

## NATIONAL News

### Basic Animal Husbandry Statistics - 2022 Released

Hon'ble Union Minister (FAHD) Shri Parshottam Rupala unveiled the department's annual publication, the '**Basic Animal Husbandry Statistics 2022**' on March 15, 2023 in presence of Minister of State of both Animal Husbandry & Fisheries Department along with Secretary



(AHD) and other Senior Officers of the Ministry. The Minister congratulated Animal Husbandry Statistics Division for coming out with this publication. He said the book has become a tradition and important source of information in the field of Livestock.

The publication gives an overview of Animal Husbandry sector briefly in terms of important livestock statistics on livestock population, livestock production and other information like animal diseases, infrastructure, etc. It is the primary source of data on production estimates of four Major Livestock Products (MLPs) like Milk, Egg, Meat and Wool for the year 2021-22 and other technical aspects of Integrated Sample Survey (ISS).

In addition to the production estimates, it also contains data of secondary information like livestock population as per latest 20th Livestock Census, import and export data of livestock and livestock products, incidence of livestock disease, infrastructure and economic contribution of livestock sector. The information contained in this publication will be useful for all stakeholders for planning and policy making purposes as well as for research and academician across the globe.

The major highlights of "Basic Animal Husbandry statistics 2022" are given below:

- Total milk production in the country during 2021-22 is 221.06 million tonnes.
- In the current year 2021-22, the milk production has registered an annual growth rate of 5.29%.
- Top five major milk producing States are Rajasthan (15.05%), Uttar Pradesh (14.93%), Madhya Pradesh (8.06%), Gujarat (7.56%) and Andhra Pradesh (6.97%).
- In 2021-22, the total egg production in the country is 129.60 billion nos which has increased by 6.19% as compared to previous year.
- Total five major egg producing States are Andhra Pradesh (20.41%), Tamil Nadu (16.08%), Telangana (12.86%), West Bengal (8.84%) and Karnataka (6.38%).
- The total meat production in the country is 9.29 million tonnes for the year 2021-22 with an annual growth rate of 5.62%.
- The total five major meat producing States are Maharashtra (12.25%), Uttar Pradesh (12.14%), West Bengal (11.63%), Andhra Pradesh (11.04%), and Telangana (10.82%).
- The total wool production in the country during 2021-22 is 33.13 thousand tonnes which has decline by 10.30% as compared to previous year.

- The top five major wool producing States are Rajasthan (45.91%), Jammu and Kashmir (23.19%), Gujarat (6.12%), Maharashtra (4.78%) and Himachal Pradesh (4.33%).
- The per-capita availability of milk is 444 gram/day during 2021-22 increased by 17gram/day over previous year.
- In 2021-22, the per-capita availability of egg is 95 nos/annum increased by 5 nos/annum over previous year.

The per-capita availability of meat is 6.82 kg/annum during 2021-22 increased by 0.30kg/annum over previous year. During 2014-15 and 2020-21, the value addition of sector grew at a compound annual growth rate of 7.93%. In 2020-21, the share of Livestock at constant prices in Agriculture Sector and total GVA was 30.13% and 4.9% respectively.

Hon'ble Minister (FAHD), Shri Parshottam Rupala; Hon'ble Minister of State (FAHD), Dr. Sanjeev Kumar Balyan; Hon'ble Minister of State (FAHD), Dr. L. Murugan; Secretary(AHD), Shri Rajesh Kumar Singh; Additional Secretary (AHD), Ms. Varsha Joshi; Additional Secretary & Financial Advisor (FAHD), Shri Sanjiv Kumar; Advisor (Stat), Shri Sumedh Nagrare and other senior officials were present on the occasion.

The publication may be accessed at the following link:  
<https://dahd.nic.in/schemes/programmes/animal-husbandry-statistics>



## 50<sup>th</sup> Dairy Industry Conference

### First Announcement

At the Valedictory function of 49<sup>th</sup> Dairy Industry Conference at Helipad Exhibition Centre, Gandhinagar, Gujarat, it was announced that Telangana State Chapter of IDA and IDA South Zone will organize the 50<sup>th</sup> Golden Jubilee Dairy Industry Conference in Hyderabad during February 22-24, 2024.

Members will be shared the new information about the 50<sup>th</sup> DIC as and when we will have new updates. Please keep in touch with IDA social media *i.e.* Twitter/Facebook/YouTube/LinkedIn, etc.

## VKCoE Organizes a Workshop on Ensuring Sustainable Livelihood of *Maldharis*

Verghese Kurien Centre of Excellence (VKCoE) organized a workshop on 'Climate Change and Ensuring Sustainable Livelihood of *Maldharis* through Dairying' at IRMA on February 24, 2023 in collaboration with Maldhari Rural Action Group (MARAG). The workshop began with an inaugural address by Dr. J.B. Prajapati, Chairperson, VKCoE. He emphasized that the session should be more interactive and that one has a lot to learn from the *Maldhari* attendees.



Christina Adams, the author of 'Camel Crazy' who joined online from California expressed her gratitude to be a part of this workshop which was translated for the audience in Hindi. Dr. Artabandhu Sahoo, Director, National Research Centre on Camels, Bikaner spoke about the reducing misconceptions about acidity in camel milk and recommending policy for camel milk as per the FSSAI guidelines.

Ms. Dhaniben, the sarpanch of village panchayat in Khara Pasvariya of Anjar taluka and Ms Nathiben spoke about the struggles as *Maldharis* in Kutch district. Shri Niraj Kumar Singh, District Development Manager, NABARD-Kutch joined online and suggested that the next workshop should be held in Kutch, the heartland for the *Maldharis* and that market oriented value addition and market linkages are important for popularizing *Maldhari* production. Shri Dinesh Rabari, Director, MARAG expressed his gratitude to the VKCoE team for collaboration in research.

He talked about the *Maldhari* way of living and how it needs to be preserved and reached to the wider audience. Shri Ramesh Bhatti from Centre for Pastoralism and Sahjeevan Trust briefed about the recent policy changes on the government level to include *Maldhari* people in dairy policies.

Dr. Smruti Smita Mohapatra, from VKCoE presented findings of the project 'Mitigation strategies against adverse effects of climate change on animal husbandry practices by *Maldhari* community of Kutch district in Gujarat'. Prof. Bhavbhuti M. Mehta, SMC College of Dairy Science, Kamdhenu University delivered a talk on 'Camel, Sheep, and Goat Milk and Milk Products: Techno-challenges and Sustainable Livelihood for *Maldharis*'.

In the first group of panel discussion moderated by the VKCoE Chairperson, Christina Adams, a writer, researcher and globally known expert in autism and camels delivered a talk based on scientific evidences and shared 'A Global Perspective on Pastoralist Value to Biodiversity and Human Health'. She shared the personal experience of improving the health of her autistic son with Bedouin camel milk from the Middle East. Dr. Ilse Koehler-Rollefson, a veterinarian from Germany known for championing pastoralism, ethno-veterinary medicine and camels with special reference to India highlighted about 'Camel Dairying for Raika in Rajasthan'. Post lunch, Dr. Varsha Bhagat-Ganguly, Professor and Research Head, Institute of Law, Nirma University spoke about a study based on 'Climate Change and Adaptation Strategy of *Maldhari* of Kachchh for Pastoralism'.

In the second round of panel discussion, Dr. T.K. Gahlot, Camel Surgeon, Rajasthan spoke about 'Management



and Veterinary Care for Camels'. Ms. Anu Verma, Foundation for Ecological Security, Anand emphasized pastoralism as the answer to all the five crises that the globe is grappling with - crises of food, job, climate, peace and energy. Shri Ramesh Bhatti, Centre for Pastoralism and Sahjeevan Trust discussed how mobility helps the pastoral production system for climate resilience and highlighted the different pastoralist communities across the Himalayas, western India and Deccan plateau. Ms. Bhavana Desai from *Maldhari* Mahila Sangathan (Pastoral Women Alliance) appreciated VKCoE's initiative of 'Rural *Haat* for *Maldharis*' which paved the way of sustainable rural livelihood for Maldhari women such as initiation of Laxmiben Rabari Handicrafts. The workshop ended with a vote of thanks by the VKCoE Chairperson.

This was followed by an exposure visit to Amul Dairy Demonstration Farm and Chocolate plant, Mogar, Anand. The event was attended by fifty participants - mostly comprising of sheep and goat herders of Rabari community from Anjar and Rapar blocks, the camel herders/Jat *Maldharis* of Bhachau block in Kutch, final year students of SMC Dairy Science College, KU and representatives from GCMMF.



## Grand Start-up Conclave on Livestock and Dairy in Hyderabad

Under the aegis of *Azadi Ka Amrut Mahotsav*, The Department of Animal Husbandry & Dairying, Govt. of India organized a grand start-up Conclave recently in order to promote the existing and emerging start-ups in the livestock, dairy and animal husbandry sectors at Marriott Convention Center, Hyderabad in close collaboration with the National Dairy Development Board, Start-up India, CII and the Animal Husbandry Department of Telangana.

Shri Parshottam Rupala, Hon'ble Minister for Fisheries, Animal

Husbandry and Dairying, Government of India graced the event with his presence as Chief Guest in august presence of Dr. Sanjeev Kumar Balyan, Hon'ble Minister of State of Fisheries, Animal Husbandry and Dairying and Dr. L. Murugan, Hon'ble Minister of State of Fisheries, Animal Husbandry and Dairying and Shri T. Srinivas Yadav, Minister for Animal Husbandry, Fisheries and Cinematography of Telangana.

This event brought together entrepreneurs, investors, and industry experts to share their ideas, network, and learn from each other. It provided an excellent opportunity to showcase innovative ideas and products and network with fellow entrepreneurs and stakeholders. The event featured keynote speeches by prominent industry leaders, interactive sessions, panel discussions, and presentations by successful start-ups.

The Conclave included showcasing of selected start-ups, Pitch fest, buyer seller meet and a workshop for start-ups to train the early-stage start-ups operating in the Animal Husbandry and Dairying Sector in the art of pitching, building the main business pillars and their story of impact.

Addressing the Conclave, Shri Parshottam Rupala stated that the agriculture diversification through animal husbandry is one of the primary drivers of growth in rural incomes and higher public investment in Livestock Sector is the need of the hour. The Ministry of Animal Husbandry and Dairying (MoAHD) stands committed to work with all stakeholders to further boost growth in livestock sector and thereby making animal husbandry more remunerative to farmers and entrepreneurs engaged in Livestock Sector.

Dr. Sanjeev Kumar Balyan, Hon'ble Minister of State of Fisheries, Animal Husbandry and Dairying also addressed the gathering and highlighted the importance of livestock sector and major challenges of livestock sector in India *viz.*, lower productivity and emerging diseases. Ministry of Fisheries, Animal Husbandry and Dairying is dovetailing and synergizing efforts with other Ministries and stakeholders in order to overcome all these



challenges and promoting entrepreneurship, technology interventions, digitalization, innovative ideas, etc.

Dr. L. Murugan, Hon'ble Minister of State of Fisheries, Animal Husbandry and Dairying emphasized that transforming rural economy through scientific intervention in livestock sector has already commenced and we are speeding up the process to achieve new milestones and Valuable suggestions of all the stakeholders will help us to formulate policy for further development.

Shri T. Srinivas Yadav, Minister for Animal Husbandry and Fisheries, Govt. of Telangana congratulated the Department to organize such conclave of start-ups in Hyderabad.

Shri Rajesh Kumar Singh, Secretary in his opening remarks highlighted the enormous potential of India's livestock and dairying sector and various interventions being taken by Government for livestock including infrastructure development, enhancing productivity, product value addition improving livestock health and providing services at farmers' doorstep.

Ms. Varsha Joshi, Additional Secretary, Gol gave a brief presentation on the promotional and supportive activities of the department of Animal Husbandry nurturing the growth of start-ups. Dr. Sapna Poti, Director, Strategic Alliances Division, PSA Office, discussed industry & start-up engagements through the MANTHAN Platform at the Conclave.

Shri Meenesh Shah, Chairman, NDDDB extended vote of thanks for the dignitaries and participants of the Conclave.

## FMCG, Dairy Betting on Double-Digit Sales Growth this Summer

Demand for ice creams and cold beverages have surged because of the onset of early summer and sales are likely to grow in strong double-digits this season, according to top executives of FMCG and dairy firms. The summer season will also get a tailwind in the form of an abatement of the pandemic with increased consumer mobility. This will also help the out-of-home (OOH) segment, where the companies expect a sharp rise in sales after a slump of two years.



Companies are ready with new and innovative offerings anticipating strong demand for their products this season and have started building inventory.

Mother Dairy, one of the leading sellers of milk, dairy beverage products and Ice creams, said it is already "witnessing a surge in demand" with rising temperature and expects the trend to continue in the coming days. "In line with the same, we have already beefed up our value-chain to cater to any surge in demand across channels. For a category like ice creams, which is a highly infrastructure-led business, we have ramped up our production, cold-chain infrastructure, refer vehicles and have invested in asset deployment at our consumer touch points to ensure shelf strength," said Mother Dairy Managing Director Shri Manish Bandlish.

In addition, Mother Dairy is also geared up to entice consumption with the launch of about 15 new variants and flavours this season and excite consumers to explore for more. The company expect ice cream category to grow by about 25 per cent in the upcoming season.

The organized branded ice cream market is around Rs 8,000 crore per annum. This year the market is expected to grow by 12 per cent on volume basis and value wise about 22 per cent, as price has increased by 10 per cent, said President-IDA Dr. R.S. Sodhi.

Expecting a good season, companies have also increased their marketing spends on endorsements, brand campaigns, etc. targeting the consumers.

Dabur India said a warmer and longer summer would be good for its summer-centric products, particularly its beverages and glucose portfolio. "We are already witnessing good demand for these products and have started building inventory for the same, both at the retail and stockist end," said Dabur India Chief Operating Officer Shri Adarsh Sharma.

It is expected that both urban and rural markets will see good demand for these categories but urban will be much faster.

## Bill to Regulate Milk Procurement Passed in AP Assembly

The Andhra Pradesh Assembly passed a Bill on March 20, 2023 to regulate the transactions at the milk procurement centres, enforce safety standards for the produce and protect interests of dairy farmers and the consumers.

Minister for Animal Husbandry, Dairy Development and Fisheries Shri Seediri Appalaraju moved the Bill titled "A.P. Milk Procurement (Protection of Farmers) and Enforcement of Safety of Milk Standards Bill, (APMPESMS) 2023".

In a first of its kind in Andhra Pradesh, the Bill has defined the adulteration of milk. According to it, 'Adulterant' means any material which is or can be employed for making milk unsafe or substandard or misbranded or containing extraneous matter. This Bill mandates a licence for the use of milk analysers. Section 12 of the Bill says, "No person shall use milk analyser for procurement of milk unless he obtains a licence from the authorized officer in such manner and on payment of such fees, as may be prescribed. An online platform will be made available for issuing of licence and other procedures of this Act through software application."

This Bill has also introduced penalties and imprisonments for violations of the law. Livestock farming contributes to 10.72% of the GSDP. The government opines that farmers are not paid 'fair price' at the procurement centres due to unfair practices. At present, officials of Animal Husbandry Department, along with their Legal Metrology counterparts, are conducting raids to protect the dairy farmers' interests.

In a bid to check adulteration of milk and milk products and manipulation of testing equipment, the government decided to enforce an Act to bring all the rules under one umbrella for effective enforcement of law and delegate power to seize milk analysers in case of violations.

"Procurement centres are using milk analysers, but use of this equipment is unregulated. To report quality parameters such as fat, Solid Not Fat (SNF) and added water content, these analysers need to be regulated. So, there is a need for licensing of milk analysers and registration of milk procurement centres," the Minister said.

## Dairy Cattle Require Special Care to Augment Milk Production

As summer peaks and temperatures rise, management of dairy cattle assumes more significance. Dairy farmers say there is a 20-25% dip in milk production during summer months. Scarcity of green fodder, heat and certain diseases affect the milk production.

Since Kerala has more than 96% cross-bred cattle, appropriate summer management advisories must be followed to maintain milk production. Extreme summer conditions create scarcity of green fodder, vitamin A deficiency and incidences of bovine mastitis (udder inflammation) among cattle. There will also be increased respiration rate and body temperature, says Dr. T.P. Sethumadhavan, former Director of Entrepreneurship, Kerala Veterinary and Animal Sciences University (KVASU).



"In order to sustain milk production, scientific interventions have to be followed during feeding and management phases. Provision for adequate ventilation must be assured in the cattle shed. Fans and cooling systems, including sprinkling of water, can be arranged. Sufficient drinking water must be made available. Try to feed during the cooler times of the day, and fresh feed is recommended. High-quality forages with increased fibre content will ease digestion," he said.

Ms. Sreeja K.V., a dairy farmer from Arangottukara, Thrissur, says milk yield clearly goes down in during summer. "Some farmers in our region have started growing fodder grass to overcome the scarcity. We try to keep them under tree shades. Shortage of water is also a problem," she says.

Dr. Sethumadhavan points out that milch cattle must be given 60 g of vitamin-mineral mixture daily to counter deficiencies. "If adequate quantity of green fodder is not available, vitamin A can be supplemented orally at a rate of one ounce per 2-3 days interval. The cattle should not be allowed to graze during hot hours of the day," he says.

"Care must be taken to avoid infestation of ecto-parasites and to assure the quality of drinking water. During extreme hot hours, 30 g of sodium bicarbonate can be added to the feed. Feed and water can be given separately. Recent research reveals that curcumin at the rate of 1 g per day facilitates milk production and assure immunity against heat stress in cattle," adds Dr. Sethumadhavan.

## **IDF Dairy Innovation Awards 2023**

The International Dairy Federation (IDF) Dairy Innovation Awards 2023 are now open for registration.

Entries in all categories can be submitted until June 1, through the IDF website ([https://fil-idf.org/idf\\_events/idf-dairy-innovation-awards-2023](https://fil-idf.org/idf_events/idf-dairy-innovation-awards-2023)).

With a focus on sustainable and community led initiatives, as well as new product development and innovative practices, entries are invited in 9 categories:

Innovation in sustainable farming practices: (a) environment, (b) animal care, (c) socio-economic; Innovation in sustainable processing; Innovation in sustainable packaging; Innovation in new product development with focus on food safety and consumer nutrition; Innovation in Women empowerment in the dairy sector; Innovation in Climate Action; and Innovation in Marketing & Communication initiative building dairy category.

This year, two new categories have been introduced: Innovation in Women empowerment in the dairy sector, which aims to highlight the growing female leadership in the dairy value chain and Innovation in Marketing & Communication initiative building dairy category, seeking to award value generation for the dairy category through Marketing and Communication strategies and campaigns.

The 2nd annual awards are designed to demonstrate the engagement and dynamism of the dairy sector worldwide, offering a unique platform to showcase innovative processes, practices and products that improve efficiency and contribute to the UN Sustainable Development Goals.

The IDF Dairy Innovation Awards are hosted by the IDF in partnership with world-leading food and drinks consultancy Zenith Global, with Headline sponsorship from Tetra Pak - a global leader in food processing and packaging solutions company.

In its inaugural edition, the IDF Dairy Innovation Awards received 144 entries with participation from every continent worldwide, which shows that the Dairy Sector's commitment with innovation and sustainability has no boundaries and may be found in every link of the milk and dairying production chain.

The awards is open for entries since March 15 and will run until June 1, 2023.



Winners will be announced on October 16, 2023 in a dedicated awards ceremony at the IDF World Dairy Summit in Chicago, USA.

## **International Dairy Market Overview**

As per the latest USDA data of mid-March 2023, international market overview are as follows:

### **EUROPEAN**

#### **Western European**

Seasonal milk production continues to grow across much of Western Europe. While adverse weather periodically inhibits weekly milk collection growth, the general trend has been toward higher milk outputs in much of northern Europe to start the year. However, in parts of France and southern Europe, drier conditions have prevented a strong start to the milk production year. Farmers in Belgium and the Netherlands drove tractors to their nations' capitals in protest over proposed nitrogen emission regulations. The new rules would curtail the efficacy of animal agriculture in parts of the two countries. A European dairy trade association released its report on 2022 dairy trade. The report suggests global dairy exports finished the year, 2.2 percent lower than 2021, the first decline in global trade in the last two decades.

#### **Eastern European**

Milk production in 2022 exhibited strong growth in such eastern European countries as Poland and the Czech Republic. Seasonally, milk deliveries are growing in Eastern Europe. And while milk output growth is anticipated in parts of the region, the war between Ukraine and Russia will weigh heavily on other parts of the region. The deal to keep Black Sea ports open to grain shipments is set to end March 18th, unless Ukraine and Russia agree to an extension.

### **OCEANIA DAIRY MARKET**

#### **New Zealand**

New Zealand milk production is set to slow down



seasonally, ahead of approaching colder conditions. Sources point to a recent ease in the NZ milk price, \$8.56/kgMS, with a range of \$8.50 - \$8.65/kgMS. Key dairy industry co-ops, to optimize their farmgate milk prices, are moving more milk into skim milk powder and cream products. As such, New Zealand processors are focused on inventory management, aligned with the seasonal peak period that runs through March.

**Australia**

In Australia, recent reports show that the volumes of January's exports for many dairy commodities moved lower as the country continues to struggle with pasture conditions, from early season flooding, in some key milk production areas. For some farmers it could take another six months before milk production returns to typical output levels.

**South America Dairy Market**

Farmers in the South American sphere are facing a number of climactic challenges, still, but those challenges vary widely from one area to another. Due to a number of factors, the dairy commodity importing pipeline into Brazil, namely of skim milk powder, has slowed down in early 2023 after a busy second half of 2022. Marketers say there are expectations they will look at other global partners if Brazilian importers continue to ebb purchasing. Milk availability may become a concern, though. Feed cost increases, due in part to the inclement weather mentioned above, are expected to keep a bearish pressure for the near-term on milk output.

**Global Dairy Price Index Down by 0.7%. Cheddar Prices Crashed**

Global dairy price index went down by 0.7% at its 327th auction on March 7th 2023. The new average price is USD 3403 per MT. The total traded commodities volumes also contracted to 26747 MT. Cheddar cheese was the major casualty with its prices crashing in double digit.

It has been a second consecutive drop in milk prices in last one month. The prices of various dairy commodities have changed.

**Key Results**

- AMF index down 1.8%, average price US\$5,340/MT
- Butter index down 0.3%, average price US\$4,899/MT
- BMP index down 4.5%, average price US\$2,521/MT
- Ched index down 10.2%, average price US\$4,509/MT
- LAC index up 0.3%, average price US\$1,112/MT
- SMP index down 1.1%, average price US\$2,739/MT
- SWP not offered
- WMP index up 0.2%, average price US\$3,277/MT

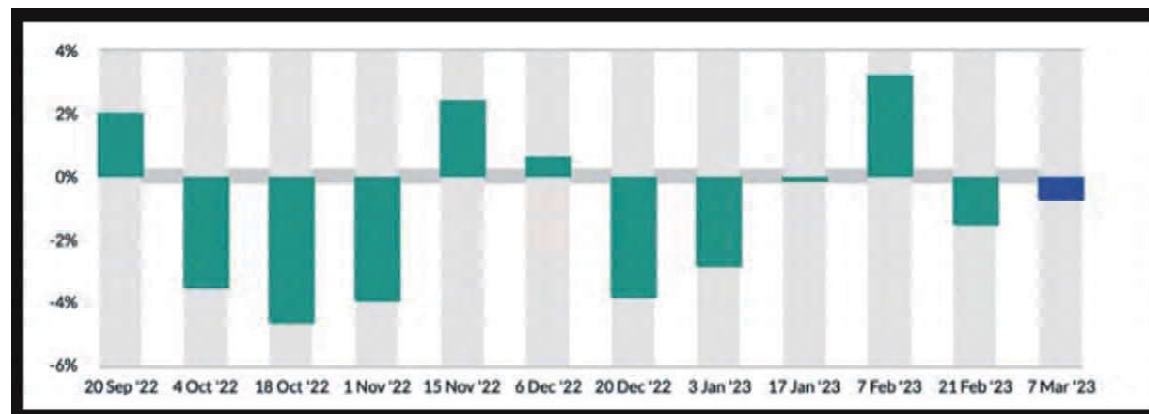
The landed cost of SMP and Butter in India without duty are at Rs 240 per kgs and Rs 420 per kgs respectively.

**Innovations Identified as Key to Dairy Sector in China**

More efforts should be made in supply chains and innovations to fuel the high-quality development of the domestic dairy industry in China, which will bolster the development of farming and boost the nation's rural vitalization progress, said deputies to the 14th National People's Congress (NPC).

Shi Yudong, a Deputy to the NPC and Director of the Research and Development department of Mengniu Dairy, said the prosperity of China's dairy industry lies in the development of production chains, especially in farms and industrial clusters.

Shi said Mengniu Dairy owns more than 100 farms and 250,000 cows in more than 10 dairy industrial parks nationwide, providing more than 700,000 jobs. Setting up reserves for dairy raw materials to safeguard market



supply and price stability is of significance to China's dairy industry, he said.

With such reserves collecting key dairy raw materials, Shi suggested a national center for dairy raw materials trade to be built to further safeguard the steady and orderly development of the country's dairy industry.

China still relies heavily on imports of high-quality fodder grass and seeds, which has been a challenge for the domestic industry, prompted enterprises like Mengniu Dairy to bring suggestions on enhancing efforts to plant good grass to improve the self-sufficient supply of fodder grass and raising high-quality cows through updating breeding.

Wang Caiyun, also an NPC Deputy and Senior R&D Manager with dairy giant Yili Industrial Group Co Ltd, said technology breakthroughs and innovations are key in boosting the vitality of the domestic dairy industry, which is expected to serve as a pivotal role in facilitating rural vitalization.

Recently, Wang and her team developed a concentrated lactalbumin, or whey protein, production technology - a crucial element for infant and baby formula products - breaking the technology monopoly of foreign companies.

"At present, many obstacles still exist in dairy production chains. We will further strengthen the application of research in production, particularly in new dairy processing technology and the processing of high value-added dairy raw materials, so as to transform the production value into actual profits for farmers and herdsmen to achieve rural vitalization," said Wang.

Since 2014, Yili Industrial Group Co Ltd has spent more than 110 billion yuan (\$15.93 billion) on financial support for their farming partners, with technologies to raise daily dairy production volume and lower farming costs. Dairy players have also invested in nutrition and health products and marketing efforts to further boost dairy consumption, including developing organic, low-fat and low-sugar dairy products.

## Entire Dairy Value Chain Feeling Pressure around the World

According to a new report from Rabobank, participants all along the dairy value chain are being squeezed. Producers' milk prices have tumbled from 2022's lofty levels while feed prices are at record highs. Processors and dairy cooperatives entered the year discounting expensive inventory made with high-priced milk. Meanwhile, higher inflation and rising interest rates are pressuring consumers toward more frugal purchasing behaviour.

Greater year-on-year milk production growth has emerged in 2023 in the key export regions, compared to 2022's low levels. At the same time, farm gate milk prices are catching up to global commodity market trends and have moved lower. Expensive input costs remain a clear headwind worldwide and, combined with lower milk prices, are resulting in farm-level margin pressure. In response, dairy cow slaughter rates have escalated.

"Milk production from the Big 7 export regions is anticipated to grow by 0.7% year-on-year in 2023, following 2022's decline of 0.9%," says Mary Ledman, Global Sector Strategist for Dairy at Rabobank. "Rabobank downgraded its 2023 forecast from last quarter's estimate of 1%. This slower growth is attributed to increase culling in the US and weather-related production challenges in New Zealand, Brazil, and Argentina."

Price uncertainty continues Dairy market price uncertainty remains across regions and dairy products. A little more milk and a little less demand have contributed to weaker dairy commodity prices in Q1 2023. However, stock levels in the key exporting regions are not burdensome. Cheese and butter prices have performed the best, while skim and whole milk powder markets have yet to find sound footing.

Consumers are part of the story. In a complex macroeconomic environment, with core services inflation remaining strong, there are increased signs of a slowdown in household consumption, which is likely to continue deteriorating over the coming months. "Consumers haven't left the dairy aisle, but they are looking for value," says Ledman.

Eyes on Chinese demand Lower global cheese, milk powder, and whey prices, year-on-year, are expected to support exports. Still, much depends on internal Chinese policies and broader demand resilience to support dairy product prices in 2023.

Global dairy trade in 2022 was better than expected, despite China's retreat. Exports to key importers including Mexico, Indonesia, Japan, Algeria, and South Korea, among others, surpassed 2021 levels. "Through November 2022, trade in total dairy product volume was within 1.5% of the previous year, despite about a 20% reduction in China's imports," notes Ledman. With China's reopening, Rabobank forecasts foodservice revenues there to improve by 1% to 2% compared to pre-Covid levels. "Looking ahead, China's dairy imports in the first quarter of 2023 are expected to fall short of year-ago levels, with renewed buying interest developing in the second quarter of the year. We expect a mild year-on-year increase in imports in the 2<sup>nd</sup> half of 2023."