

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:275

ANSWERED ON:27.07.2010

HIKE IN PRICES OF MILK

Ahir Shri Hansraj Gangaram;Bais Shri Ramesh;Mishra Shri Mahabal

Will the Minister of AGRICULTURE be pleased to state:

(a): whether there are reports of incessant rise in the prices of milk and milk products of DMS, Mother Dairy, Amul and other brands within a very short span of time in the country during the last two years and the current year;

(b) if so, the details thereof alongwith the reasons for the same;

(c) the reaction of the Government thereto; and

(d) the corrective measures taken by the Government in the matter?

Answer

THE MINISTER OF STATE FOR AGRICULTURE, CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) & (b): No Madam. However, DMS, Mother Dairy, Amul and other brands have increased the sale price of Toned milk up to Rs.6.00 per litre during last two years due to:

1. Increase in procurement price of milk up to Rs. 6.00 per Kg to compensate the farmers for the rising cost of milk production.
2. Reduced availability and increase in the price of fodder due to drought conditions in 2009.
3. Increase in the price of cattle feed by over 50% during the last two years.

(c) & (d): The Government has taken following measures to augment the availability of liquid milk and to stabilize the prices of milk and milk products in the domestic market.

1 NDDB has been allowed to import 30,000 MT of milk powder and 15,000 MT of Butter Oil/ Anhydrous Milk fat (AMF) with 0% import duty for use by milk federations and metro dairies in the lean months.

2 All State Governments have been requested to exempt/reduce VAT on molasses and other cattle feed ingredients used in the manufacture of cattle feed to reduce the cost of cattle feed.