

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:784
ANSWERED ON:27.11.2012
HIKE IN MILK PRICES
Yadav Shri Ranjan Prasad

Will the Minister of AGRICULTURE be pleased to state:

- (a) the number of times the price of milk has been increased in the country during each of the last three years and the current year;
- (b) the reasons for increase in the prices of milk; and
- (c) the steps taken by the Government to increase the supply of milk and to bring the milk prices under control?

Answer

THE MINISTER OF STATE FOR AGRICULTURE & FOOD PROCESSING INDUSTRIES (DR.CHARAN DAS MAHANT)

(a) & (b) Yearly Wholesale Price Index (WPI) (base year 2004-05 = 100) of milk for 2009-10 was 146.41, for 2010-11 was 175.88, for 2011-12 was 194.01 and during the month of October, 2012 was 209.4 [Source:-Office of Economic Adviser, M/o Commerce and Industries]. Rise in prices of milk is mainly due to increase in the cost of inputs for production including cattle feed & fodder, labour & fuel, procurement, processing and marketing.

(c) Milk prices are not regulated by the Central Government. Department of Animal Husbandry, Dairying and Fisheries is implementing the following schemes for increasing the milk production in the country as a long term measure:

1. National Dairy Plan-I
2. National Project for Cattle & Buffalo Breeding
3. Intensive Dairy Development Programme
4. Dairy Entrepreneurships Development scheme
5. Livestock Health and Disease Control
6. Fodder and Feed Development scheme

In addition to this some short term measures had also been taken which are as under;

i. National Dairy Development Board was allowed to import 50,000MT of Skimmed Milk Powder(SMP) and Whole Milk Powder and 15,000 MT of Butter, Butter Oil and anhydrous milk fat at 0% concessional duty under Tariff Rate Quota for the year 2011-12 for reconstitution of milk by State Milk Federations and Metro Dairies vide notification dated 14.01.2011 and 04.08.2011.

ii. Duty Entitlement Pass Book (DEPB) benefit for skimmed milk powder, casein and other milk products were withdrawn with effect from 25.01.2011.

iii. Export of milk powders (including skimmed milk powder, whole milk powder, dairy whitener and infant milk food), Casein and Casein products were prohibited from 18.02.2011. Later casein and casein products export permitted under license on 01.05.2012, ban on export of Skimmed milk powder removed on 07.06.2012 and ban on export of whole milk powder, dairy whitener and infant milk food and other products under HS code 0402 on 22.11.12.

iv. Full exemption from basic customs duty has been provided to de-oiled soya extract, oil cake/oil cake meal of groundnut, sunflower, canola, mustard up to 31st March 2012 and also to maize bran vide notifications dated 21.08.2012 and 17.09.2012 respectively.