

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:383

ANSWERED ON:05.08.2014

RISE IN PRICES OF MILK

Dastidar Dr. (Smt.) Kakoli Ghosh;Dastidar,Dr. (Smt.) Kakoli Ghosh;Patil Shri Vijaysinh Mohite

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the prices of milk has shown a rising trend recently, if so, the details thereof and the reasons therefor;
- (b) whether the Government proposes to scrap the incentive being given on the export of skimmed milk powder and if so, the details thereof including the total quantum of milk powder exported during the last one year and the current year;
- (c) whether the Government proposes to give additional incentives to dairy farmers including women milk cooperatives to increase the milk production and if so, the details thereof; and
- (d) the other remedial steps taken/being taken by the Government to check the rising prices of milk and to boost its availability in the country?

Answer

THE MINISTER OF AGRICULTURE (SHRI RADHA MOHAN SINGH)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO 383 FOR 05.08.2014 REGARDING 'RISE IN PRICES OF MILK'

(a) The price of milk is not regulated by the Government of India. On an average, milk prices are determined by the Cooperatives and Private Dairies 2 to 3 times in a year. The last increase in price of milk and milk products was reported in May, 2014. This increase in price is, reportedly, on account of increase in milk procurement price. Between May, 2013 and May, 2014, the average procurement price of milk has risen by 17.68% while the consumer price (sale price) of milk has risen by 14.50% in the Cooperative sector. Milk Prices are determined by the Cooperative and Private Dairy sector, on the basis of market conditions including the procurement cost, which in turn depends upon inputs like cost of feed, fodder, labour, electricity and transportation etc.

(b) Government of India has withdrawn 5% incentive on Skimmed Milk Powder (SMP) exports under the Vishesh Krishi and Gram Udyog Yojana (VKGUY) vide Public Notice No.67 (RE2013)/2009-14, dated 15.07.2014 by Ministry of Commerce. The total quantum of SMP exported in the year 2013-14 and in the current year (up to June, 2014) is 1,24,017.79 MT and 11,822.86 MT respectively as reported by M/O Commerce and DGCIS.

(c) Under Dairy Entrepreneurship Development Scheme, Government of India has been providing back ended subsidy to dairy farmers, including women in milk cooperatives, to increase milk production, since November, 2011. No additional incentives are proposed by Government of India to dairy farmers including women.

(d) Department of Animal Husbandry, Dairying and Fisheries, Government of India does not regulate the price of milk. This Department is implementing the following schemes to enhance production of milk in the country which also contributes to stabilizing the milk prices:

i) National Programme for Bovine Breeding and Dairy Development.

ii) National Dairy Plan-Phase I.

iii) Dairy Entrepreneurship Development Scheme.

iv) Livestock Health and Disease Control

v) National Livestock Mission