

GOVERNMENT OF INDIA
MINISTRY OF FISHERIES, ANIMAL HUSBANDRY AND DAIRYING
LOK SABHA
UNSTARRED QUESTION NO.618
TO BE ANSWERED ON 25th JUNE 2019

CREATION OF BUFFER STOCK FOR MILK

618. SHRI M.K. RAGHAVAN:

Will the Minister of FISHERIES, ANIMAL HUSBANDRY AND DAIRYING
मात्स्यिकी, पशुपालन और डेयरी मंत्री
be pleased to state:

- (a) whether there is any proposal to discard creating of buffer stock for milk and other dairy products by the NDDB, if so, the details thereof;
- (b) whether it is also a fact that huge quantum of skimmed milk powder and other dairy products will remain unsold due to this decision, if so, the details thereof; and
- (c) the criteria for pricing various products sold by NDDB and also the pricing pattern on purchases made from private players?

ANSWER

THE MINISTER OF STATE FOR FISHERIES, ANIMAL HUSBANDRY & DAIRYING
(**DR. SANJEEV KUMAR BALYAN**)

(a) No Sir, Department of Animal Husbandry and Dairying is implementing a scheme named 'Supporting Dairy Cooperatives and Farmer Producing Organization Engaged in Dairy Activities (SDFPO)' to provide soft loan for working capital to the Dairy Cooperatives to help them maintain buffer stocks of dairy commodities. The scheme is to be implemented by National Dairy Development Board (NDDB).

The objectives of the scheme are:-

- (i) To assist the State Dairy Cooperative Federations and Farmer Producing Organization by providing soft working capital loan to tide over the crisis on account of severely adverse market conditions or natural calamities.
- (ii) To provide stable market access to the dairy farmers.
- (iii) To enable State Cooperative Dairy Federations and Farmer Producing Organization to continue to make timely payments of dues to the farmers.
- (iv) To enable the Cooperatives and Farmer Producing Organization to procure milk at a remunerative price from the farmers, even during the flush season.

Under the scheme, a corpus of Rs.300 crore is to be kept in perpetuity with NDDDB. Under the Scheme Rs.53.00 crore has been released to NDDDB.

(b) It is not correct to say that lack of creation of buffer stocks will lead to creation of huge quantum of skimmed milk powder (SMP) and other dairy products. Buffer stock of SMP are created when milk is not sold in market and is converted to SMP & White Butter to save them from getting spoilt. For selling the stock of SMP, the Government had announced exports incentives under Merchandize Exports from India Scheme (MEIS) and other measures by Government of India as well as from respective State Governments, some quantity of stocks of dairy commodities have been exported by cooperatives. This led to reduction in pressure of stocks on domestic milk producers. Keeping in view the present situation of milk production and consumption, the stocks of skimmed milk powder and other dairy products are manageable. The details of measures taken by the Government to stabilise the stocks of dairy products are as under;

- i. Increased the import duty of Whey Powder from 30% to 40% vide notification dated 27.03.2018.
- ii. D/o Commerce vide notification dated 13.07.2018 has allowed 10% export incentive under Merchandise Export from India Scheme (MEIS) for all dairy products. Further, vide Public Notice 40/2015-2020 dated 27.09.2018 had enhanced MEIS benefit to 20% from the current 10% for certain dairy products from the date of publication of this Public Notice for a period upto 12.01.2019.
- iii. Advisory to all the States to include supply of milk/milk products of Cooperatives through Mid-day Meal Scheme, Anganwadis under Integrated Child Development Scheme (ICDS), Health schemes, Tribal Hostels and Government/Institutional canteen.
- iv. State Governments of Maharashtra and Gujarat had announced to provide subsidy of Rs.50/Kg for Skim Milk Powder for a period upto 19.01.2019 in case of Maharashtra and for Gujarat upto 01.01.2019 respectively.

During the financial year 2018-19, the stock of SMP with dairy cooperatives has declined from 1.82 Lakh Metric Tonnes on March 2018 to 1.67 Lakh Metric Tonnes in March 2019 after reaching a peak of 2.08 Lakh Metric Tonnes in May 2018.

(c) National Dairy Development Board (NDDDB) doesn't take part in purchase or sale of any dairy products.
