



**Will India become
a major dairy importer
in 2020?**

**Press Release from the
IFCN Regional
Workshop 2013 in India**

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IFCN Dairy Research Center
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International Farm
Comparison Network

IFCN Regional Workshop 2013 in India, Punjab, Ludhiana



Participants of the 2013 IFCN Regional Workshop

India's still growing importance in the global milk market is undeniable. Two third of the world's dairy farmers produce with one third of the world's cows (adult cows/buffalos) a fifths of the milk world-wide.

To contribute to a long-term dairy development in India, the IFCN organised this regional workshop bringing together

57 participants of various stakeholders in the dairy chain. The event was aiming at the research question: How to sustainably grow milk production in India at a price consumer can afford?

Key challenge: Will India become a major dairy importer in 2020?

As the Indian dairy industry will be more and more exposed to the world market, world market prices for milk and the raw milk prices paid to Indian farmers are getting closer and thus open for import considerations.

The import scenario: The ongoing structural change among milk farmers is likely to gain momentum as general living conditions in India continue to improve. These developments put the backbone of India's milk production – the family dairy farm based on 2-3 animals/farm utilising crop residuals as a feed source – under threat. As the general salary level rises along with the ongoing prosperous development of India's economy, family dairy farming might not be an adequate source of income anymore. Results are less dairy farmers of this type and less milk production in this segment. Unless the existing farming systems become more competitive, milk demand will rise faster than supply making India a major importer of dairy products as China.

To avoid this import scenario, the balance between the following opportunities to grow milk production has to be found:

- 1. Get more from the same** – improve the productivity of the current traditional small scale farming system especially with regard to breeding and feeding.
- 2. Get more from the new** – establish new farming systems and upscale farm size. Once these new farming models allow family farmers to earn an income which is competitive with the rising salary level milk production will grow. The example of Punjab shows a structural change of farms moving towards progressive and commercial oriented production systems. Large scale dairy farms with more than 300 cows create opportunities for external investors entering the dairy sector. However, the difficulties to acquire good cows and experienced farm/herd management are the limiting factors.

Both ways of improvement require an appropriate knowledge transfer to any kind of dairy farm in order to support the sustainable development of milk supply.

Impressions from the workshop and the farm visits



Visiting dairy farms



Working groups on different dairy farm types

The workshop participants and their feedback

The workshop was the first meeting including all major private stakeholders in the whole dairy chain from input suppliers to milk processors. The consensus was that regular meetings would be valuable for the whole industry and also facilitate the possibility to express common opinions to official bodies and the public.

The whole workshop had spread knowledge and increased the understanding among the participants and created networking opportunities for future collaboration and coordination.

Selected feedback quotations from the participants:

- IFCN opens our eyes.
- It is scaring scenario if India has to import dairy products.

- Never forget the small farmers/family base.
- India is part of the dairy world, we can't stay separate! This implies risks and also opportunities

- Sustainable dairy farming begins by understanding the economics.
- Dairy farm has to be by design, not a result of default.

- Let's first do our homework (stakeholders), then ask the government.
- We (stakeholders) have to take the next steps!

- Feed is an investment, not a cost!
- Forage management needs to be improved.

- Better exchange of ideas and discussion is needed.
- Knowledge is like manure: it smells if you keep it to yourself but makes a lot of difference if you spread it.

What is IFCN?

The IFCN is a global network of dairy researchers related to companies and other stakeholders of the dairy chain. The IFCN has a Dairy Research Center (DRC) with around 15 researchers coordinating the knowledge creation process and running dairy research activities.

The IFCN focusses on milk production and other related topics because in the dairy chain the major share of a) the costs, b) resources used, c) emissions created and d) the political challenges come from producing the milk itself.

For more details see www.ifcndairy.org.