

# CM asks milk unions to put on hold reduction in procurement price

**The Hindu Bureau**  
BENGALURU/MYSURU/  
SHIVAMOGGA

The reduction in procurement price of milk by the district milk unions has come under the scanner of the newly elected State government with Chief Minister Siddaramaiah on Sunday asking the Karnataka Milk Federation (KMF) to put any downward price revision on hold.

While Bengaluru Milk Union Ltd. (Bamul) had reduced ₹1.5 per litre of milk procured from the farmer, Mandya Milk Union Ltd. (Manmul) had cut the price by ₹1 per litre. A few other unions, KMF sources said, were also in the process of cutting down the procurement price when the direction came from the Chief Minister.

In Bengaluru Rural, Bengaluru Urban and Ramanagara districts, farmers get ₹34 per litre while it is ₹32.25 per litre in Mandya district. Among other districts, milk producers in Hassan and Shivamogga districts get ₹34.5 and ₹33.71 per litre, respectively.

A note from the Chief Minister's Office (CMO) said that Mr. Siddaramaiah has directed KMF authorities to not take any decision to reduce procurement price, and discuss with the State government in future before taking such a decision. Following the order, Bamul sources said that the decision to reduce the price has been put on hold. It is a common practice to increase



Milk being procured from farmers at a milk co-operative society in Malur village, Channarayana taluk, of Ramanagara district. BHAGYA PRAKASH K.

the procurement price in summer to support the farmers and also to ensure steady procurement of milk, and this hike is rolled back when milk production increases, sources said.

"Currently, Bamul is losing ₹1 per litre of milk sold in retail. It is also unable to divert milk for products, which is profitable, since it has to ensure retail milk supply to Bengaluru," Bamul president Narasimhamurthy explained to *The Hindu*. He said: "Bamul pays ₹34 per litre as procurement price and ₹1.50 per litre to the societies besides paying commission to the retail milk agents. The union is left with ₹1.50 per litre, which is meagre

to cover the transportation and packaging among other overheads. In the current procurement price regime, the monthly loss for Bamul is expected to be around ₹15 crore."

In most other district unions too, problems remain the same as price had been increased in summer to attract more milk and also support farmers as fodder availability comes down. Meanwhile, sources said that the overall procurement that had seen a dip in summer due to off season is slowly picking up as several areas have received rains resulting in availability of green fodder.

(Inputs from Sharath S. Srivatsa, Shankar Bennur, and Sathish G.T.)

## Milk unions may seek hike in sale price

**The Hindu Bureau**  
BENGALURU

Milk unions are likely to seek another round of hike in sale price of milk.

According to Bamul president Narasimhamurthy, the government allowed a hike of ₹2 per litre in the last four years. "The input costs went up and irregular hike meant, the hike amount was not sufficient. We will ask the government to increase the milk sales price by ₹5 per litre," he added.