

At a glance: Dairy industry trends (2023 & beyond)

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The Indian Animal Husbandry and Dairy industry is vital to the growth of the rural economy. A revival in economic activities, increasing per capita consumption of milk and milk products, changing dietary preferences and rising urbanization in India, has driven the dairy industry alone to grow by 9-11% in 2021-22. The sector provides income generation opportunities for millions of households and also serves as an essential food source for them.

The government has been actively involved in providing the required impetus for developments to take place by introducing various schemes and programs and staying committed to the fact that healthy and sizable livestock will always be the backbone for absolute growth of the industry. The industry recognizes the need for private sector players to contribute in order to grow manifolds and achieve the goals for the industry. A proactive public-private collaboration is quintessential to making the dairy sector as prosperous as agriculture and other manufacturing sectors.

At a glance, let us explore some of the trends in the dairy industry that seem to be emerging for the coming years – 2023 & beyond:

Improved Provisions For Enhancing Milk Production And Quality

As milk is one of the most crucial commodities of the industry, it demands better provisions for end-to-end handling. Right from the process of extraction to when the milk reaches a consumer there is an ever growing need for minimum wastage, maximum safety and increased shelf life. To address this critical need, it is expected that the milk storage or chilling infrastructure, milk testing facilities especially at the village level and improved packaging processes be provisioned to strengthen the backbone of the supply chain. In order to cater timely to the growing demand for healthier food options along with that of the processed variants it is imperative that technologies, such as Ultra-High Temperature (UHT) processing, aseptic packaging, intelligent packaging with biosensors or controlled atmosphere, and so forth be implemented widely to improve the shelf life of products.

Scientific Interventions For Improved Productivity

For high yielding and high breed cattle to sustain in the ecosystem, the situation demands emergence of feed manufacturing companies that can cater to the demand for good quality and nutritious feed and fodder for the cattle. So far the industry has been struggling with insufficient sources for availing nutritious feed and severely lacking sources for procuring sufficient fodder. The government is thus expected to intervene to regulate the feed and fodder situation with the help of the private sector. Additionally, for revolutionizing productivity, genetic upgradation of the bovine population along with conservation of indigenous breeds is highly imperative. While cattle productivity can be supported by facilitating adequate healthcare facilities and increasing the availability of high genetic merit bulls for semen production, with the implementation of modern technologies, like Genomic Selection (sex sorted semen production) and Artificial Insemination, availability of high yielding female calves for the

farmers is bound to increase. The industry is looking at interventions, like establishment of IVF laboratories, or making reproductive technologies available to the farmers at affordable prices at their doorstep. This allows us to ascertain a wide-spread demand on the rise for opening of such scientific facilities in the earliest possible time throughout the country.

Technology & Training Boost (RFID and Blockchain)

The emergence of private sector players to drive technology led innovations that can enhance production, logistics and marketing of dairy goods and services is a trend that is gathering huge traction. The industry seems well-positioned and forthcoming for tie-ups between the public sector and the upcoming agri-tech firms to pave the way for the scope to strengthen the dairy industry supply chain by all means possible. Such initiatives are sure to allow technologies like artificial intelligence, blockchain and RFID to streamline trade by improving cattle management practices and facilitating a greater integration within the ecosystem. The provisions of technology and training go hand in hand. While at one end we are looking to strengthen the dairy infrastructure by embedding necessary technologies at different levels such as biometrics for cattle identification, IoT devices and drone technology, on the other hand a great window of opportunity exists for empowering the farmers by facilitating educational training programs and digital platforms to learn the A to Z of making dairy business profitable.

Strengthening dairy processing infrastructure to meet demand for value-added products

Estimating a growth of about 13-15% in the demand for value-added products, schemes like 'Dairy Processing and Infrastructure Development Fund' are sure to open avenues for improvement and more initiatives for upgradation of the dairy processing infrastructure. Such funds are expected to drive the producers to build on capabilities that help minimize costs of production and maximize sales for manufacturing more and more value-added products locally or create the variants that may be at par with global standards. One exemplary solution could be for producers to utilize buffalo milk to develop processed foods like mozzarella cheese and so forth.

Working capital loans to accelerate growth

In order to promote organized operations and gain a competitive edge at the global level in the sector, it is necessary to provision proper infrastructure, technologies and processes. Therefore, the industry recognizes and understands that with the focus on making working capital loans easily available along with subventions on interest; the banks and financial institutions have a great untapped opportunity to introduce new products and services that can significantly provide the required boost to this sector.

A new dimension: Waste to wealth opportunities

This concept of churning waste to credible wealth by converting cattle dung and biomass into biogas and bio-fertilizers has opened up a completely new avenue for prompt intervention by all the existing stakeholder and new ventures to tap into. The trend of generating energy from solid and liquid biomass presents vast opportunities for the rural population to earn a livelihood and also helps to enhance the income of farmers. It is an area which is highly lucrative and yet untapped for energy companies, fertilizer manufacturers and other relevant players to initiate base while working with the farmers by implementing programs to educate and train them.

The collective view amongst industry stakeholders for actual growth of the sector is to explore opportunities that generate employment and are profitable such that they pave the way for a technologically advanced and sustainable future.