

Dairy companies increase milk procurement prices

Synopsis

The incentive is to help farmers take better care of cattle for higher milk production that dropped by 3-4% since the lockdown last year, said RS Sodhi, managing director of Gujarat Cooperative Milk Marketing Federation, which owns the Amul brand.



Dairy companies said that the drop in milk production is largely in the North where from November to January is the flush season when milk production increases naturally with an abundance of green fodder.

NEW DELHI: **Dairy farmers** are receiving up to 12% more price for milk since the past one week, which can increase in the next four weeks as supplies from them are low, top dairy executives said. However, this increase will not affect retail prices, they added.

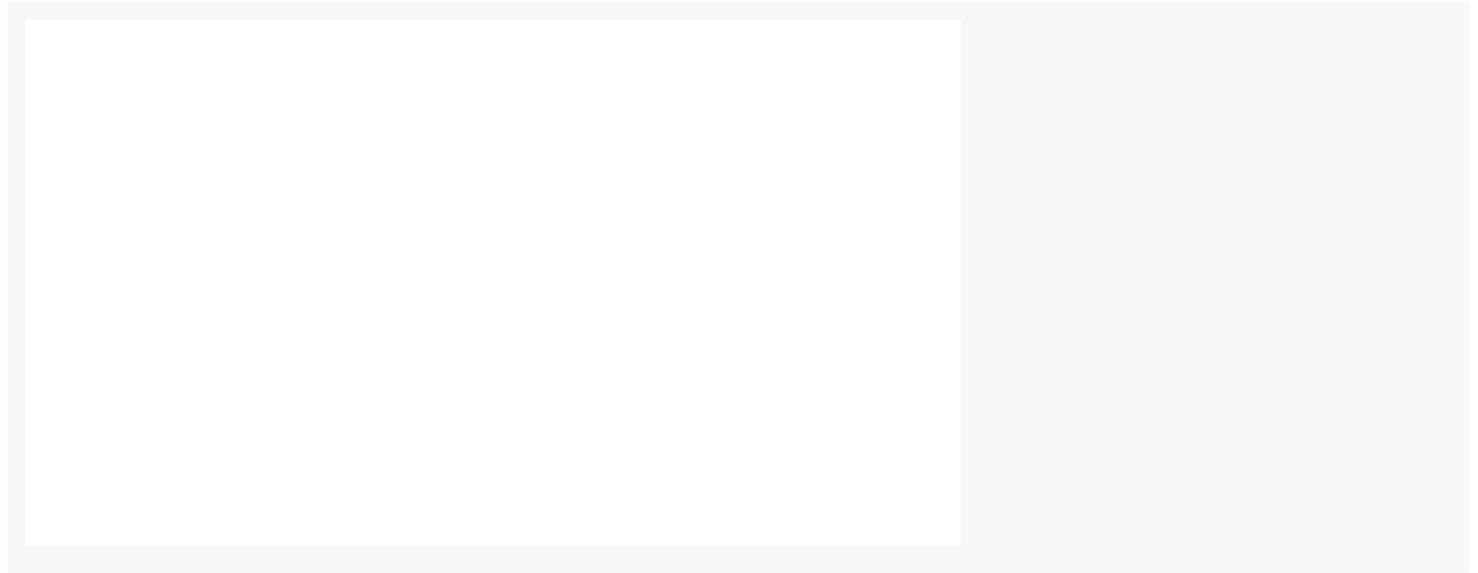
The incentive is to help farmers take better care of cattle for **higher milk production** that dropped by 3-4% since the lockdown last year, said RS Sodhi, managing director of **Gujarat Cooperative Milk Marketing Federation**, which owns the **Amul** brand.

"We have increased the cow and buffalo milk procurement price by Rs 3 per kg from this month. There is scope to increase farmers' prices by Rs 3-4 a kg. However, it will not affect consumer prices," he said.

Currently farmers in Maharashtra were getting Rs 28 per kg for cow milk while for buffalo milk it was Rs 40 a kg, said Sodhi. Amul will look at the demand and supply situation and will increase the procurement prices in the coming month, Sodhi said.

Milk supplies by dairy farmers have been 4% to 5% less compared to the previous year because farmers put advanced fertility treatment for cattle on hold during March-June, leading to a break in the milk cycle and drop in production, said Rahul Kumar, managing director of Lactalis India, the French company that owns Tirumala milk Products.

"We have increased procurement prices by Rs 2-3 a litre or 7% to 12% to Rs 28 a kg for cow milk and Rs 47 a kg for buffalo milk. This will support farmers and help them invest more on their livestock health and quality feed. The institutional and consumer sales are expected to increase after March and demand for milk and milk products too will rise," Kumar said.



Mother Dairy has increased farmer prices by 6% in the last two months despite this being the winter season, said the spokesperson. “The onset of flush season appears to have been delayed, because of which the increase in milk production has not been as anticipated,” he said adding that they do not foresee any movement in consumer prices in the near future.

Dairy companies said that the drop in milk production is largely in the North where from November to January is the flush season when milk production increases naturally with an abundance of green fodder.

*(Catch all the **Business News**, **Breaking News** Events and **Latest News** Updates on **The Economic Times**.)
Download **The Economic Times News App** to get Daily Market Updates & Live Business News.*