

# Aspects of Dairy Processing: Marketing and Projected Growth

**Ashita Arora and Preeti Birwal**

Department of Economics, SCD Government College, Ludhiana, India  
Scientist, Punjab Agricultural University, Ferozpur Road, Ludhiana – 141004, India

\*Corresponding Author: [preetibirwal@gmail.com](mailto:preetibirwal@gmail.com)

In India dairy industries plays a very important role in both foreign and domestic market by bridging the gap between Indian farmers and consumers. These industries plays a very important role in employment generation in all registered factory sector covering approximately of 12.0% which caters 1.93 million people. Industries which are unregistered in this sector generates employment opportunities to 5.1 Million workers according to 73<sup>rd</sup> national sample survey organisation. In India's dairy processing industry hits its record and it expected contribution to output will be \$535 billion by 2025-26.

## Growth of dairy processing

The contribution of the dairy processing sector in Gross Value Added (GVA) has been rising rapidly that is Rs.1.34 lakh crore in year 2014-15 and Rs 2.37 lakh crore in year 2020-21 at a Compound Annual Growth Rate (CAGR) of 9.97%. To attract Foreign Direct Investment (FDI) in the dairy sector, Government of India adopted a favourable investment policy in which 100% FDI is allowed under the automatic route for manufacturing of food products' and 100% FDI is allowed under the approval route for retailing business which includes e-business, regarding dairy products which is being manufactured or produced in India. Ministry of dairy processing industries has built a Nivesh Bandhu Portal as well as an Investment Facilitation cell with Invest India in order to promote further investment. Total inward of FDI in the dairy sector since the last five years terminating 2021-22 is USD 3.54 billion. Under Pradhan Mantri Krishi Sinchayee

Yojana, 52 operation green Parks, 376 projects of cold chain, 79 Clusters of agro-processing, 489 proposals given for Creation and Expansion of dairy Processing & Preservation Capacities, 61 Creation of Backward and Forward Linkages Projects, 41 mega food parks, 183 Food Testing Laboratories projects has been given approval.

According to the Annual Survey of Industries (ASI) 2018-19, being released by Ministry of Statistics and Programme Implementation, in which 40579 food processing units are registered. The ASI does not give any segregated details of Multi-National Companies (MNCs). Estimation of 8.44% revenue will be generated in dairy market sales of e-commerce sector in financial year 2023-24 which showing increasing demand of processed food items. Volume of this market is estimated to grow by 3,150 billion kg till 2028. The dairy sector is estimated to grow by 4.9% in 2024. The volume in the dairy sector per person on an average is expected to be 338kg in 2023.

## Reasons for the good prospects of dairy industry

- Urbanization has been increased in last decades and this is giving boost to dairy industries in India.
- Population of India is now working in all the sectors with 24\*7 timings which promotes the production of convenient and ready-to-eat products.
- With continuous improvement in education system the living standards also have improved in the country which is

resulting in demand for good and innovative dairy products

- With opening of various supermarkets consumers could be able to choose, evaluate which directly and indirectly boosting all the sectors of food industry right from the storage to packaging industry.

The opportunities in dairy enterprise could be classified in segment like production of milk commodities i.e. farming, processing, production plants, retailer, supplier and the manufacturer of the machinery and feed for the animals. In short one has to understand following point for starting an enterprise are like raw food is having short shelf-life, the varying production volume season wise. Different production and processing systems around the India. Risk of spoilage during transportation. There is great potential in dairy business. Industry is a flexible, where innovations with number experiments in probiotic, fermented, fortified, ready

to cook, ready to serve, ready to eat, ready to pack, dried, retort, UHT products could be generated and could become a key for selling the products. One should see the potential, should understand the chemistry, microbiology and processing of all milk commodities. Wonders could be happened in dairy products industries.

### **Conclusion**

In India dairy Processing Industry sector is showing increasing trends with reference to exports, consumption, production, development or in growth prospects. The processing of food in proper and hygienic manner is a necessity. Also, with great change in life-life, new product development, processing, production of convenient food is high on demand. The government has further granted it a highest priority as a number of financial reliefs and incentives in order to promote propagation and further value addition in agricultural production and further on increase a market share in global market.

\* \* \* \* \*