

**GOVERNMENT OF ANDHRA PRADESH
ANIMAL HUSBANDRY, DAIRY DEV. & FISHERIES (DY.&VIG.) DEPARTMENT**

**NOTES FOR SHORT DISCUSSION ON DAIRY INDUSTRY IN ANDHRA PRADESH
– PARTNERSHIP WITH AMUL IN A.P LEGISLATIVE ASSEMBLY ON 04.12.2020**

- ◆ Andhra Pradesh has 60 lakhs milch animal population of which 58% are buffaloes.
- ◆ AP is the 4th largest milk producer in India contributing Rs 32,630.00 Cr. at constant prices to the state economy (6% of the GDP). The Per Capita Availability of milk in Andhra Pradesh is 623 gms., as against all India per capita availability of 394 gms.,
- ◆ 412 Lakh Litres of Milk is produced in the state per day out of which 143 Lakh Litres per day is estimated as marketable surplus. 76% of this marketable surplus milk is in unorganized sector.
- ◆ More than 27 lakh women in rural arrears are engaged in dairying activity.
- ◆ The milk producers are subjected to exploitation and the price given to the dairy farmers is very less.
- ◆ Dairy Development activities in the state initially were undertaken by the Government. Later in 1974 they were brought under Andhra Pradesh Dairy Development Corporation. In 1981, 3-tier cooperative system was introduced in dairy industry. District level cooperative unions were started.
- ◆ With the enactment of AP MACS Act, 1995, most of the district milk unions and primary milk societies have got converted into MACS Act, which resulted in lack of supervision leading to accumulation of losses and reduction in service levels to dairy farmers.
- ◆ Of late, the district unions of Visakhapatnam (Srikakulam, Vizianagaram and Vishakapatnam districts), Guntur, and Prakasam districts got themselves incorporated as Producer Companies.
- ◆ Due to the unethical practices followed by the private dairies and due to lack of awareness among the dairy farmers, the cooperative milk societies started accumulating losses and the dairy industry went into the hands of private players.
- ◆ The State Government has identified following key challenges for revival of dairy sector in the state to benefit dairy farmers:
 - Exploitation by Private dairies
 - Dairy co-operatives becoming defunct.
 - Un-utilized and under-utilized dairy plants capacity.
- ◆ Government of AP signed MoU with Amul on 21.07.2020 with the following objectives:
 - Socio-economic upliftment of milk producers in AP with special focus on empowerment of women.
 - To offer the best possible milk price to the farmers
 - To offer quality milk and milk products to the consumers.
- ◆ Amul was chosen for marketing tie-up because it is the best dairy working cooperative sector in India, has vast marketing network for dairy products with

its presence in more than 40 countries.

- ◆ Amul pays provisional milk purchase price to farmers throughout the year. At the end of the year the operational surplus will be paid to the farmers, which is called as **Price Difference/Bonus**.
- ◆ The State Government has identified (9,899) to promote Mahila Dairy Sahakara Sanghalu (MDSS) under AP Co-operative Societies Act 1964.
- ◆ The State Government has decided to support the MDSS for construction of buildings @ Rs 16.90 Lakhs for establishment of Milk Collection Centers /Bulk Milk Cooling Units (BMCU) at an estimated cost of Rs 1,672.00 Crores.
- ◆ APDDCF was permitted to mobilize funds to a tune of Rs 1362.22 Crores under Dairy Infrastructure Development Fund through NCDC.
- ◆ Software application (both web & mobile) were developed in order to ensure efficient procurement in a transparent manner.
- ◆ The farmers will get payment directly to their bank accounts online once in 10 days.
- ◆ The operations of AMUL in the first phase started in 400 villages of YSR Kadapa, Chittoor & Prakasam districts and Amul is planning to start its operations in the entire state shortly.
- ◆ Upon comparison of the milk procurement price being paid by private dairies in AP with that of Amul price, the farmers are able to get better price than what they are getting from private dairies with an extra benefit of Rs.7 per litre for Buffalo Milk and Rs.3 to Rs.5 per litre for Cow Milk
- ◆ Farmers will be able to get technical and input supply services in addition to the guidance on cattle management besides veterinary health care services. The farmers will be educated on clean milk production practices which will help to produce quality milk that can compete international/FSSAI standards.

Milk price paid to farmers by various dairies					
Type of Milk	Milk Quality	Private Dairy *		Amul Price Per Litre	Difference in Rs.
		Name	Price Per Litre in Rs.		
Buffalo Milk	6% Fat & 9% SNF	Heritage	33.60	39.00	5.40
		Dodla	34.20	39.00	4.80
		Jersey	34.80	39.00	4.20
	10% Fat & 9.0% SNF	Sangam & Heritage	58.00	64.97	6.97
		Jersey	60.00	64.97	4.97
Cow Milk	3.5% Fat & 8.5% SNF	Heritage	23.12	28.00	4.88

*Observation based on field survey

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