



India's Dairy and Livestock Sector

For Prelims: Rashtriya Gokul Mission, National Programme for Dairy Development.

For Mains: Role of dairy and livestock sector in Indian economy, Related issues and Initiatives taken to promote the sector.

Why in News?

Union Budget 2022-23 is expected to boost the dairying and livestock sector with a host of measures to make it sustainable amid the ongoing [Covid-19 pandemic](#).

What is the Current State of the Dairy and Livestock Sector?

- Dairy is the **single-largest agricommodity in India**. It contributes **5% to the national economy** and **employs 80 million dairy farmers directly**.
- A revival in economic activities, increasing per capita consumption of milk and milk products, changing dietary preferences and rising urbanisation in India, **has driven the dairy industry to grow by 9-11% in 2021-22**.
- The **livestock sector** has grown at a **Compound Annual Growth Rate (CAGR) of 8.15%** over the last five years ending 2020.
- Growth in the **liquid milk segment**, which accounts for over half of the dairy industry, is likely to **remain stable (6-7%)**.
- The **organised dairy segment, which accounts for 26-30% of industry** (by value), has seen faster growth, compared to the **unorganised segment**.

What are the Initiatives taken in the Budget 2022-23 for this Sector?

- **Infrastructure Development under Vibrant Villages Programme:**
 - Border villages in northern India with a sparse population and limited connectivity, have been covered under the **'New Vibrant Villages Programme'** in the new budget.
 - **Some 95% of livestock farmers** are concentrated in rural India. Hence, infrastructure development under the Vibrant Villages Programme **will play a significant role** in enhancing market access for these livestock farmers.
 - **New Vibrant Villages Programme** announced in the budget aims to **improve social and financial infrastructure** in remote habitations, primarily along the border with China, and will be an **improved version of the existing border area development programme**.
- **Reducing Alternate Minimum Tax:**
 - To provide a level playing field between co-operative societies and companies, **alternate minimum tax has been reduced from 18.5% to 15%**.
 - Government has also proposed to **reduce the surcharge on co-operative societies to 7% from 12%** at present for those having total income of more than Rs. 1 crore and up to Rs. 10 crore.
 - This would help enhance the income of cooperative societies and its members who

are mostly from rural and farming communities.

▪ **Enhanced allocation for Central Sector Schemes:**

- Allocation for the [Rashtriya Gokul Mission](#) and [National Programme for Dairy Development](#) has been increased by **20% in 2022-23**.
- It is **expected to help in increasing the productivity** of indigenous cattle and quality milk production.
 - Allocation for the **livestock sector** has been increased by **more than 40% for 2022-23** and the enhanced allocation for **central sector schemes by more than 48%** shows commitment by the government for the growth of livestock and dairy farmers.

▪ **Enhancement in allocation for Livestock Health and Disease Control:**

- An almost **60% enhancement in allocation** for livestock health and disease control for 2022-23 over the previous year will ensure healthier livestock.

▪ **Incentivising Digital Banking:**

- Incentivising digital banking, digital payments and fintech innovations will create a ripple effect in the livestock sector through greater transparency by streamlining payments during milk procurement.
- A completely paperless, **e-bill system** will be launched by ministries for procurement.

What are the Current issues with the Sector?

- **Dairy analogues, plant-based products and adulteration** pose a major challenge and threat to the dairy industry.
- **Shortage of fodder resources** and ineffective control of animal diseases.
- **Absence of field oriented conservation strategy** for indigenous breeds.
- **Lack of skills and quality services** to farmers for improving productivity and improper infrastructure to support the sector.

What are the related Schemes for the Sector?

- [Animal Husbandry Infrastructure Development Fund \(AHIDF\)](#)
- [National Animal Disease Control Programme](#)
- [Rashtriya Gokul Mission](#)
- [National Artificial Insemination Programme](#)
- [National Livestock Mission](#)

Way Forward

- There is a **need to increase the productivity of animals**, also ensuring better health care and breeding facilities and management of dairy animals. This can **reduce the cost of milk production**.
- **Awareness on clean milk production and various schemes** by the Department of Animal Husbandry and Dairying and the **new [Ministry of Cooperatives](#)** will help dairy farmers evolve in the future.

Source: DTE