

Amul's Punjab foray likely to boost dairy sector

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The entry of the Gujarat Cooperative Milk Marketing Federation, popularly known as Amul, in [Punjab](#) might boost dairy production in the state, which is currently growing at the rate of two per cent, against the targeted growth of four per cent.

In November, [Amul](#) had announced its entry into Punjab, with plans to procure 200,000 litres of milk a day from the state.

According to the Punjab Dairy Development Board (PDDDB), the average daily milk production in the state is 26.5 million litres a day. Out of the total, only 8.5 million litres is processed by milk plants, including state-owned dairy cooperative and private milk plants in the state. The retention rate in the state is almost 40 per cent, while the marketable surplus is about 60 per cent. Currently, the milk retailing in the state is dominated by the unorganised sector.

There are 36 milk plants in the state with an installed capacity of 7.3 million litres a day and nine plants in cooperative sector with an installed capacity of 1.2 million litres a day. Currently, the cooperative network of the state government-owned Punjab State Cooperative Milk Producers' Federation (Milkfed) is procuring about 1.1-1.2 million litres milk a day, which is less than five per cent of the total milk produced daily in the state. It markets its product under the Verka brand.

Speaking to *Business Standard*, PDDDB Director Inderjit Singh said, "Milk and milk products retailing in the state are dominated by the unorganised sector. The entry of cooperative giant such as Amul will boost the [dairy sector](#) in the state and the consumer will also be benefited by the presence of the organised sector, as the chances of adulteration is nil. We also expect that the initiative by Amul would help strengthen the cooperative dairy movement in the state and benefit more farmers."

Singh said, "We also expect the commercial dairy farming in the state will get shot in the arm

with the entry of Amul. Currently, our milk production is registering a growth of two per cent on a year-on-year basis, against the targeted growth of four per cent. So, it will encourage progressive dairy farmers of the state.”

The state has about 10,000 progressive dairy farmers, with farms varying in size from 10 to 500 high-yielding breeds of cows. Also, the daily production of milk by these farms is about 800,000 to one million litres. They are rearing the world famous Holstein Friesian (HF) cattle for milk production.

[Milkfed](#) is the leading player in the state and apprehensions are there that Amul give tough competition to its Verka.

On being asked about the issue, Singh added, “Amul’s entry will not challenge Verka of Milkfed , as the market is huge, there is immense demand of pure and unadulterated milk in the state. The entry of Amul would not be any competition because presently it is more into value added products. Even if it enters into retailing of milk in the near future, there is market for everybody.”