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Mains Practice Questions

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Q. Over the past few decades, the Dairy sector has emerged as a lifeline of the rural economy in India. However, it has become one of the most vulnerable sectors of the rural economy too. Discuss.

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Approach

- Start the answer by briefly mentioning the importance of dairy sector
- Discuss the major challenges faced by the dairy sector.
- Conclude Suitably.

Introduction

- Dairy sector is one of the biggest agri- businesses in India and a significant contributor to Indian economy. It is the largest single agricultural commodity with nearly 4 per cent share in the economy.
- The significance of the dairy sector assumes more importance as it improves farmer livelihoods, creates jobs, supports agricultural industrialization and commercialization, and enhances nutrition for the masses.

Body

Associated Issues With the Dairy Sector

- **Informal Nature of Dairy Sector:** Unlike sugarcane, wheat, and rice-producing farmers, cattle raisers are unorganised and do not have the political clout to advocate for their rights.
- **Invisible Labour:** The unpaid female family labour supplies a major part of the labour requirement for milk production.
- **Lack of Remunerative Pricing:** There is no official and periodical estimate of the cost of production and Minimum Support Price for milk.
- **Negative Impact of Economies of Scale:** Even though dairy cooperatives handle about 40 percent of the total marketable surplus of the milk in the country, 75 percent of the milk bought by dairy cooperatives is at its lower price band.
- **Half Hearted Government Efforts:** In August 2020, the department reported a requirement of 2.02 lakh artificial insemination (AI) technicians in India whereas the availability is only 1.16 lakh.

Dairying was brought under MGNREGA to compensate farmers for the income loss due to Covid-19. However, the budgetary allocation for 2021-22 was curtailed by 34.5 percent.

Way Forward

- **Increasing Productivity:** There is a need to increase the productivity of animals, better health care and breeding facilities and management of dairy animals.
This can be enhanced by ensuring the availability of veterinary services, artificial insemination (AI), feed and farmer education.

- **Marketing Infrastructure:** To address the infrastructure deficit in rural areas and address the power shortage, there is a need to invest in solar powered dairy processing units.
- **Augmenting Production:** There is a need to strengthen dairy cooperatives. In this pursuit, the government should promote farmer producer organisations.
- **Promoting Food Processing:** To provide remunerative pricing to dairy farmers, it is imperative to have a comprehensive strategy for food processing, producing quality and safety of dairy products.

Conclusion

If India has to emerge as a dairy exporting country, it is imperative to develop proper production, processing and marketing infrastructure, which is capable of meeting international quality requirements.