

## National Program for Dairy Development - SCHEMES

NEWS: The Union Cabinet has **approved the Revised National Program for Dairy Development (NPDD)**.

### WHAT'S IN THE NEWS?

#### Revised National Program for Dairy Development (NPDD)

##### Overview

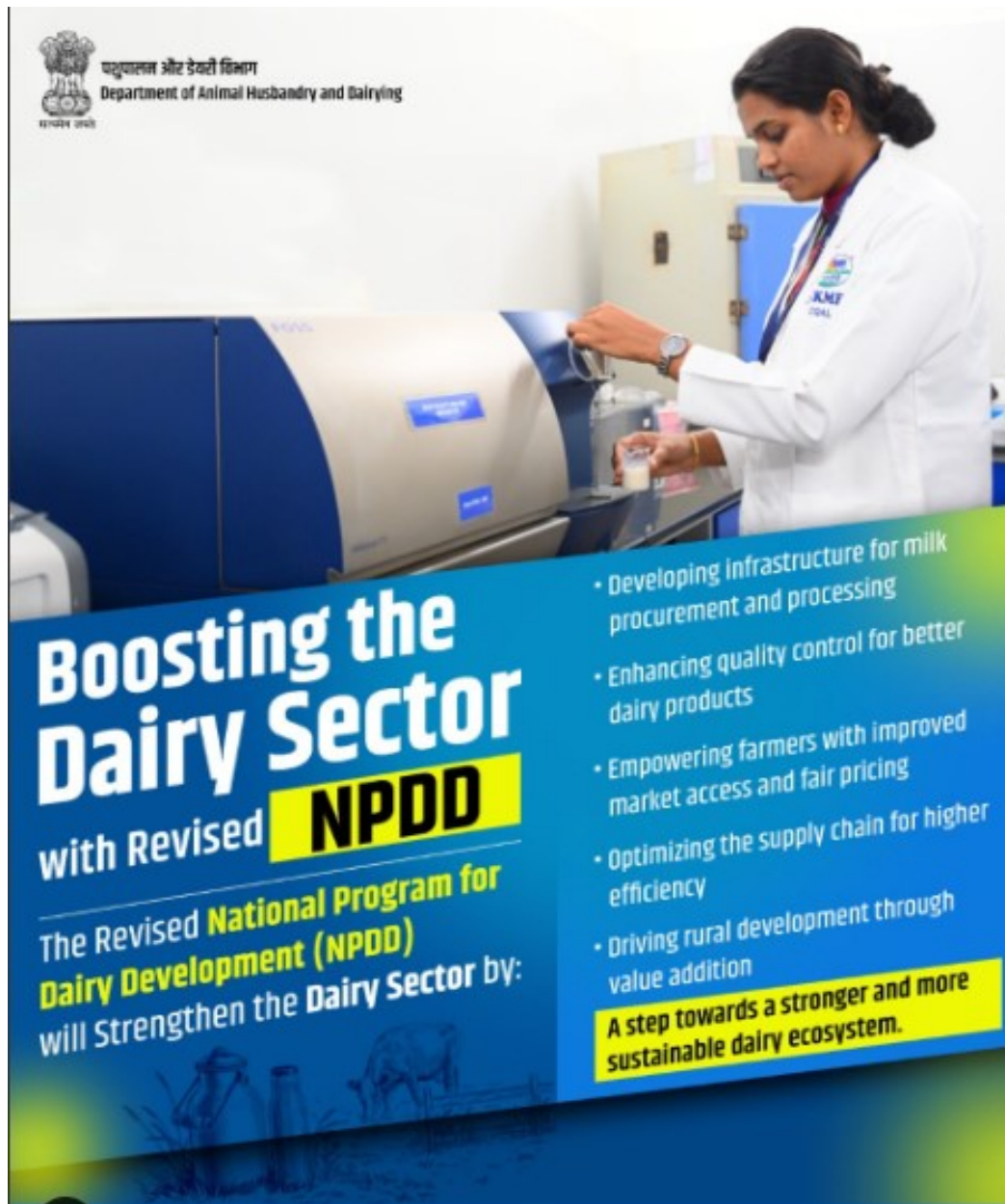
- The NPDD is a **Central Sector Scheme** aimed at **modernizing and expanding dairy infrastructure** across India.
- It focuses on **enhancing milk procurement, processing, and quality control mechanisms** to ensure the **sustained growth** of the dairy sector.

##### Budget and Nodal Ministry

- **Total Budget:** ₹2,790 crore allocated for the **15th Finance Commission period (2021-22 to 2025-26)**.
- **Nodal Ministry:** Implemented by the **Department of Animal Husbandry & Dairying (DAHD)**, under the Ministry of Fisheries, Animal Husbandry & Dairying.

##### Key Features

- **Infrastructure Development:**
  - Establishment of **milk chilling plants** and **advanced milk testing laboratories** to ensure **higher quality standards** in dairy production.
  - Strengthening of **processing units** to increase the capacity for **milk and dairy product manufacturing**.
- **Market Access for Farmers:**
  - Farmers will benefit from **better price realization** through improved market linkages.
  - **Value addition** in dairy products will ensure **higher profitability** for milk producers.
- **Rural Development:**
  - The scheme enhances **supply chain efficiency**, leading to **higher incomes** for dairy farmers.
  - Focus on improving the **sustainability of dairy cooperatives**, particularly in rural areas.



## Components of NPDD

### Component A – Infrastructure Development

- Focuses on **enhancing essential dairy infrastructure** such as:
  - **Milk chilling plants** to preserve milk quality.
  - **Advanced milk testing laboratories** to ensure **safety and hygiene** in dairy products.
  - **Certification systems** to standardize dairy products for domestic and international markets.
- **Expansion of Dairy Cooperatives:**

- Establishment of **10,000 new Dairy Cooperative Societies** across **North Eastern Region (NER), hilly states, and Union Territories (UTs)**.
- **Formation of Milk Producer Companies (MPCs):**
  - Two **Milk Producer Companies (MPCs)** will be created with **grant support** to strengthen dairy entrepreneurship.

### **Component B – "Dairying through Cooperatives" (DTC)**

- **Collaboration with Japan:**
  - This component is supported by the **Government of Japan** and the **Japan International Cooperation Agency (JICA)**.
- **Objectives:**
  - Strengthening **dairy cooperatives** for **sustainable milk production, processing, and marketing**.
  - Improving **dairy infrastructure** in specific states for better productivity.
- **Targeted States:**
  - **Nine states covered under this initiative:**
    - **Andhra Pradesh, Bihar, Madhya Pradesh, Punjab, Rajasthan, Telangana, Uttarakhand, Uttar Pradesh, and West Bengal.**

### **Present Status of the Dairy Sector in India**

#### **Market Size and Growth**

- **Current Market Size (2024):** ₹18,975 billion.
- **Future Market Projection (2033):** Expected to reach ₹57,001.8 billion.
- **Growth Rate:** The industry is projected to grow at a **Compound Annual Growth Rate (CAGR) of 12.35% from 2025 to 2033**.

#### **Milk Production and Market Trends**

- **Largest Global Producer:** India contributes **24% of the world's total milk production**.
- **Dominance of Liquid Milk:**
  - **Liquid milk** remains the **largest segment** in the dairy market.
  - **A2 milk** is the **fastest-growing** segment, gaining popularity due to **perceived health benefits**.

#### **Economic Contribution and Employment Generation**

- **Contribution to National Economy:** The dairy sector contributes approximately **5% to India's total GDP**.

- **Employment Generation:**
  - The dairy industry **directly employs over 8 crore farmers.**
  - **35% of dairy cooperative members are women, highlighting women's participation in rural employment.**

#### **Conclusion**

- The **Revised NPDD** is a **strategic initiative** to modernize India's dairy sector, ensuring **better infrastructure, market access, and income security for farmers.**
- The program **supports dairy cooperatives, strengthens milk production, and encourages global collaborations** to sustain India's position as the **largest dairy producer in the world.**

Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=2113351>