



Standards in Goods: Dairy Sector

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Contents

- ▶ India in the Global Dairy market
- ▶ India : 2025
- ▶ Dairy Trade: Current scenario
- ▶ Standards for Dairy Products
- ▶ Case Studies
- ▶ Road map



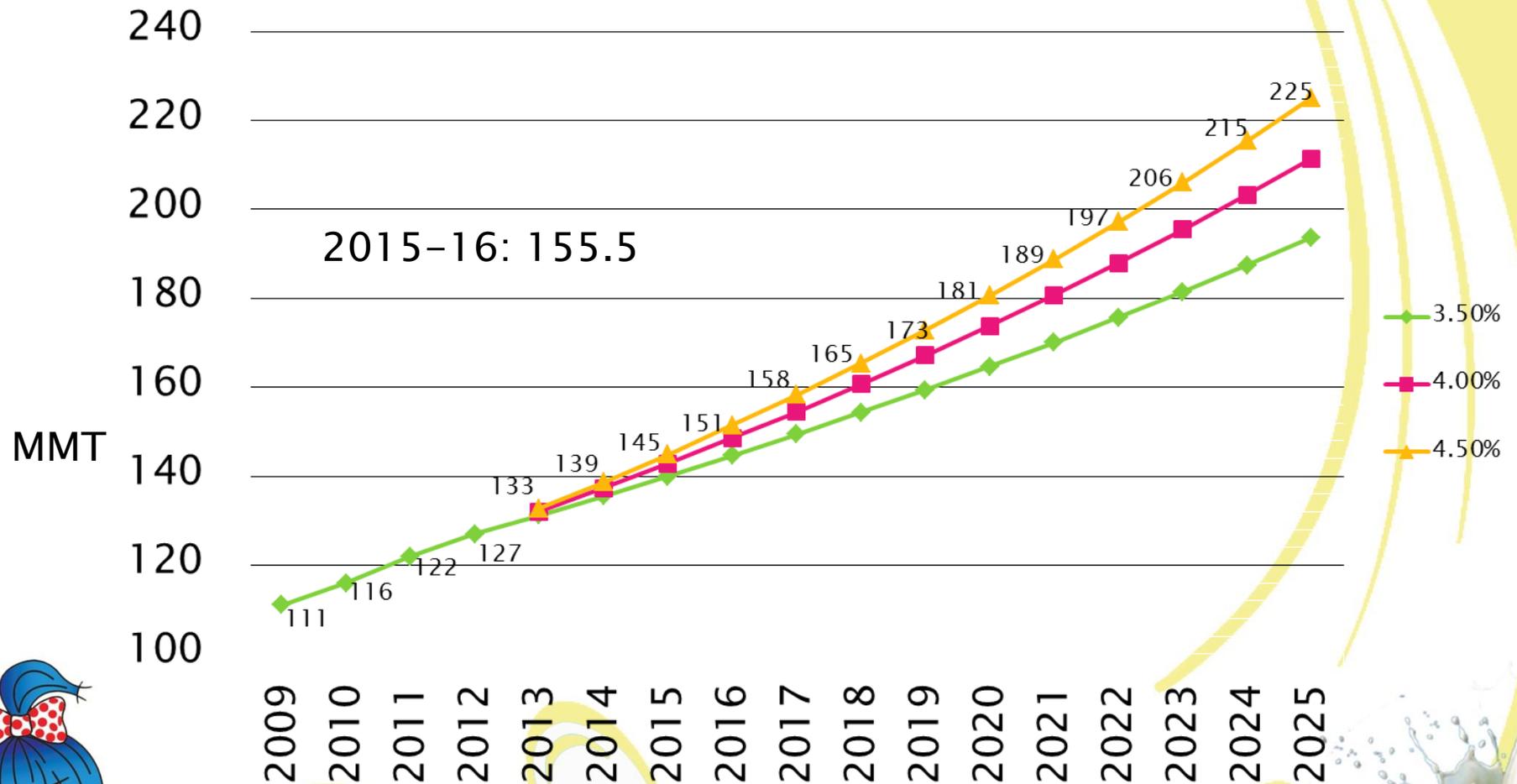
Milk Production Outlook 2025

Region	Past 2000	+15 Years	Present 2015	+10 Years	Future 2025
World Milk Production	560 Million MT	230 (41%)	790 Million MT	190* (24%)	980 Million MT
India Milk Production	80 Million MT	66 (82%)	146 Million MT	54-74** (37%)	225 Million MT

* FAO Estimates,
**GCOMF Analysis



India : Milk Production Projection



India Today

- ▶ Agriculture:
 - 18% contribution to GDP
 - Employment to 60% of population
- ▶ Livestock sector–Largest contributor to Agriculture GDP (~ 30%)
- ▶ Milk is the largest ‘agricultural crop’ of India
- ▶ Dairy is a supplementary source of income for >75 million families

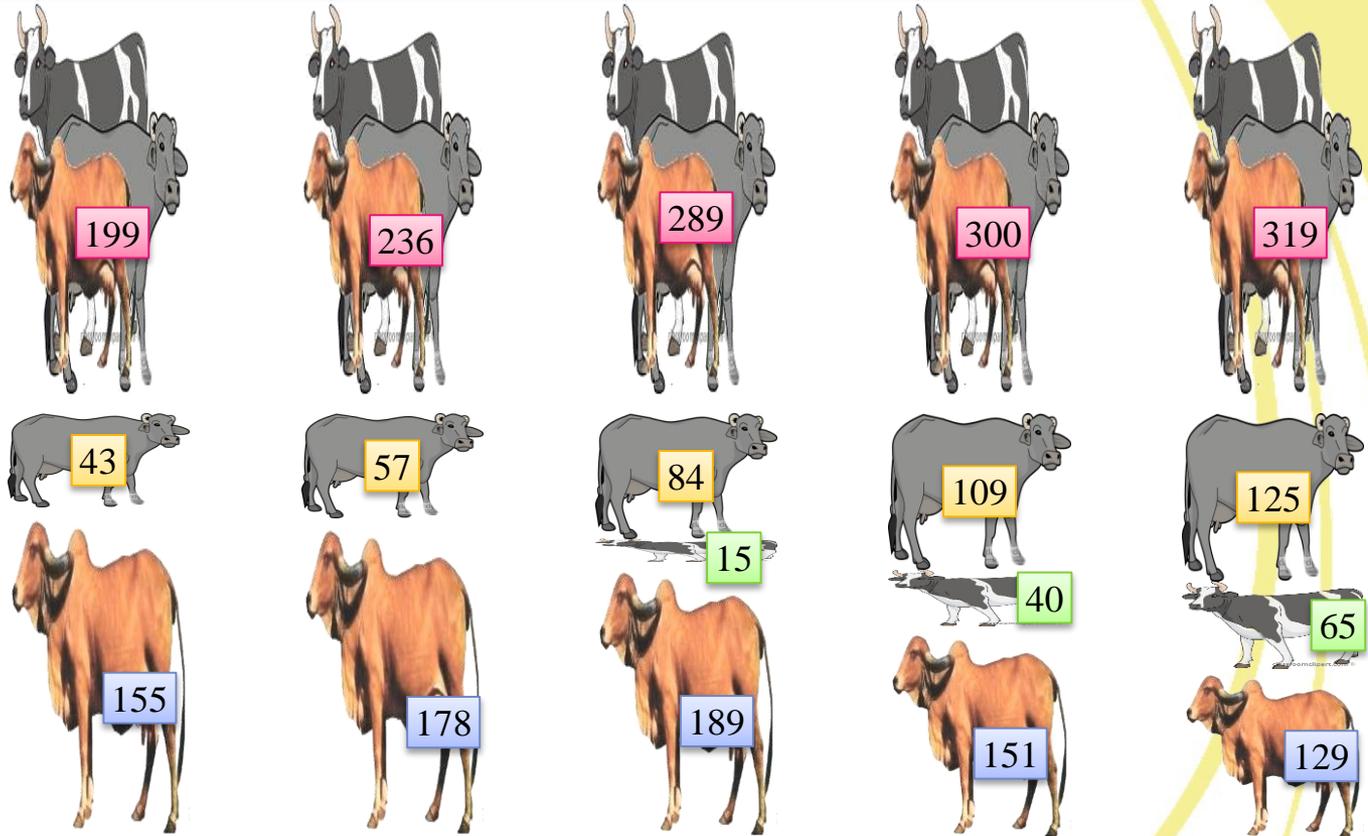


India Dairy Industry

- ▶ Largest bovine population in world : 300 Mn
- ▶ Largest milk producer in World :
 - 156 MMT per annum (18.5% of the world's milk production)
- ▶ CAGR: 4.3% Per annum (last 10 years)
- ▶ Market Value of Total Milk produced:
 - US\$ 70 billion annually.
- ▶ Largest producer of A2 Milk in the World



Population of Dairy animals (in Million)



	1951	1972	1992	2012	2025
Total	199	236	289	300	319
Buffalo	43	57	84	109	125
Crossbreed	0	0	15	40	65
Local cows	155	178	189	151	129

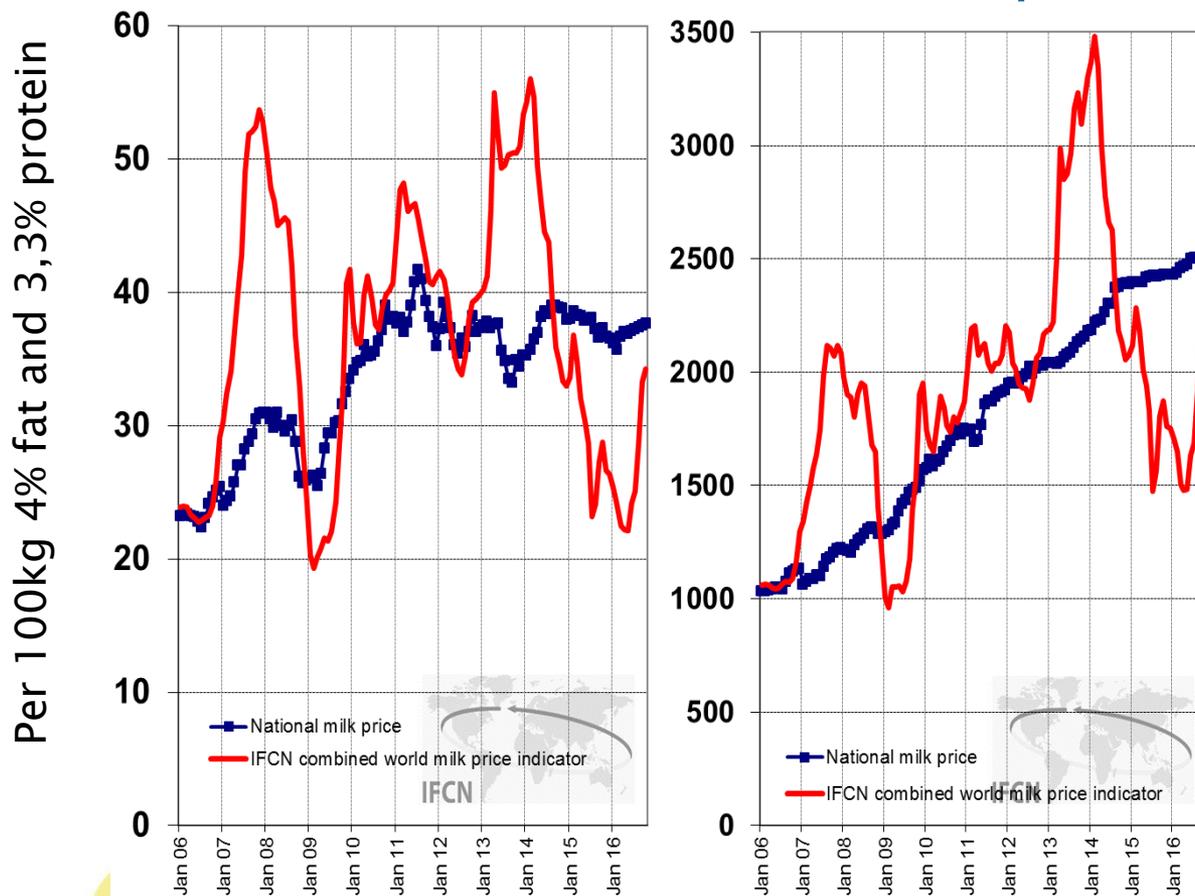
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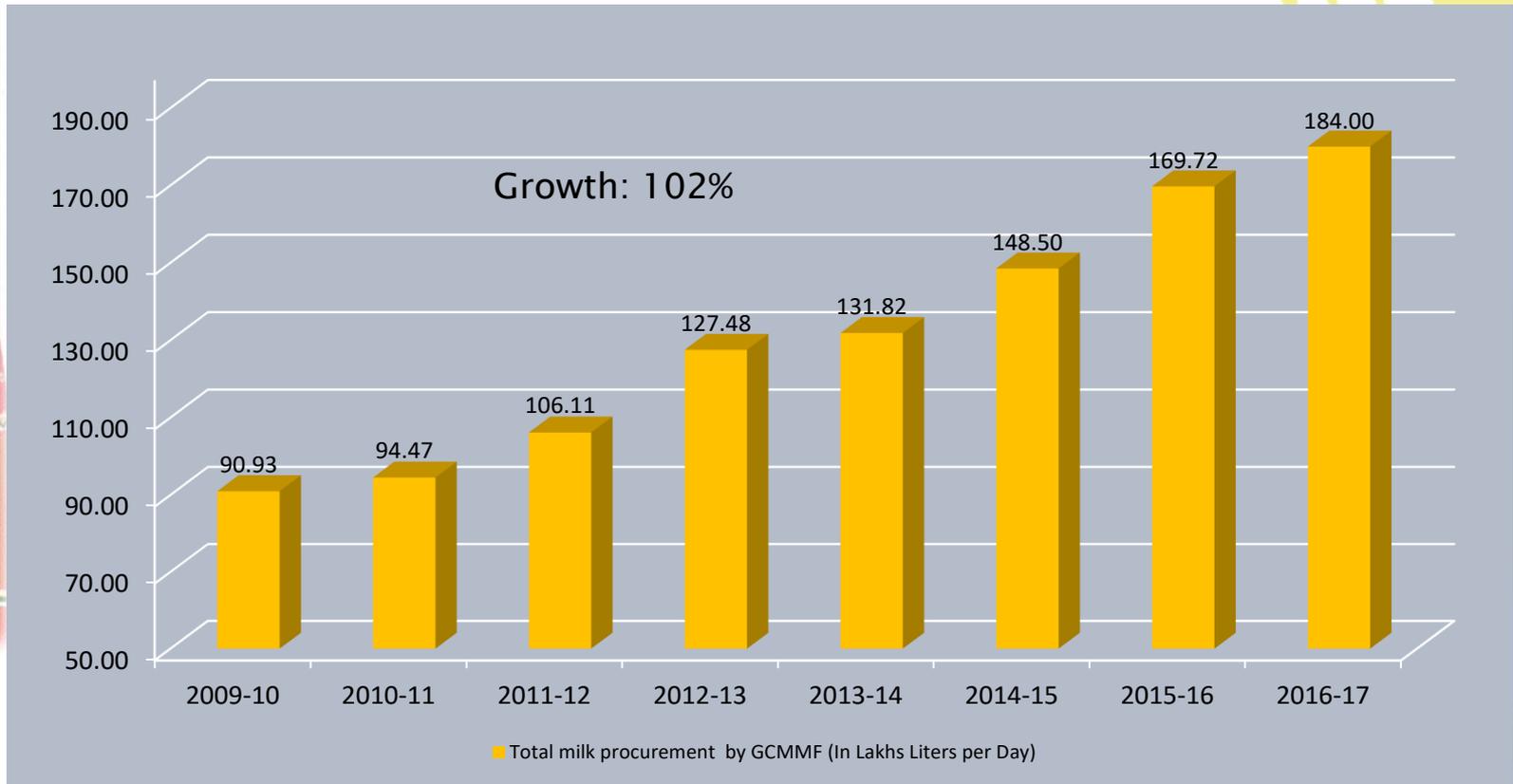
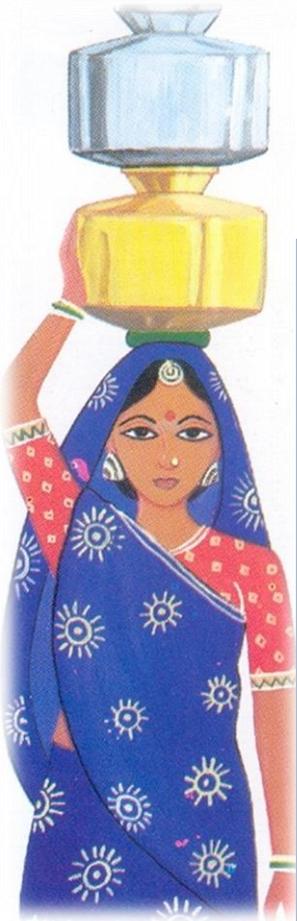
Indian Farmer's income from milk increased 2.5 times in last 10 years

in US- \$

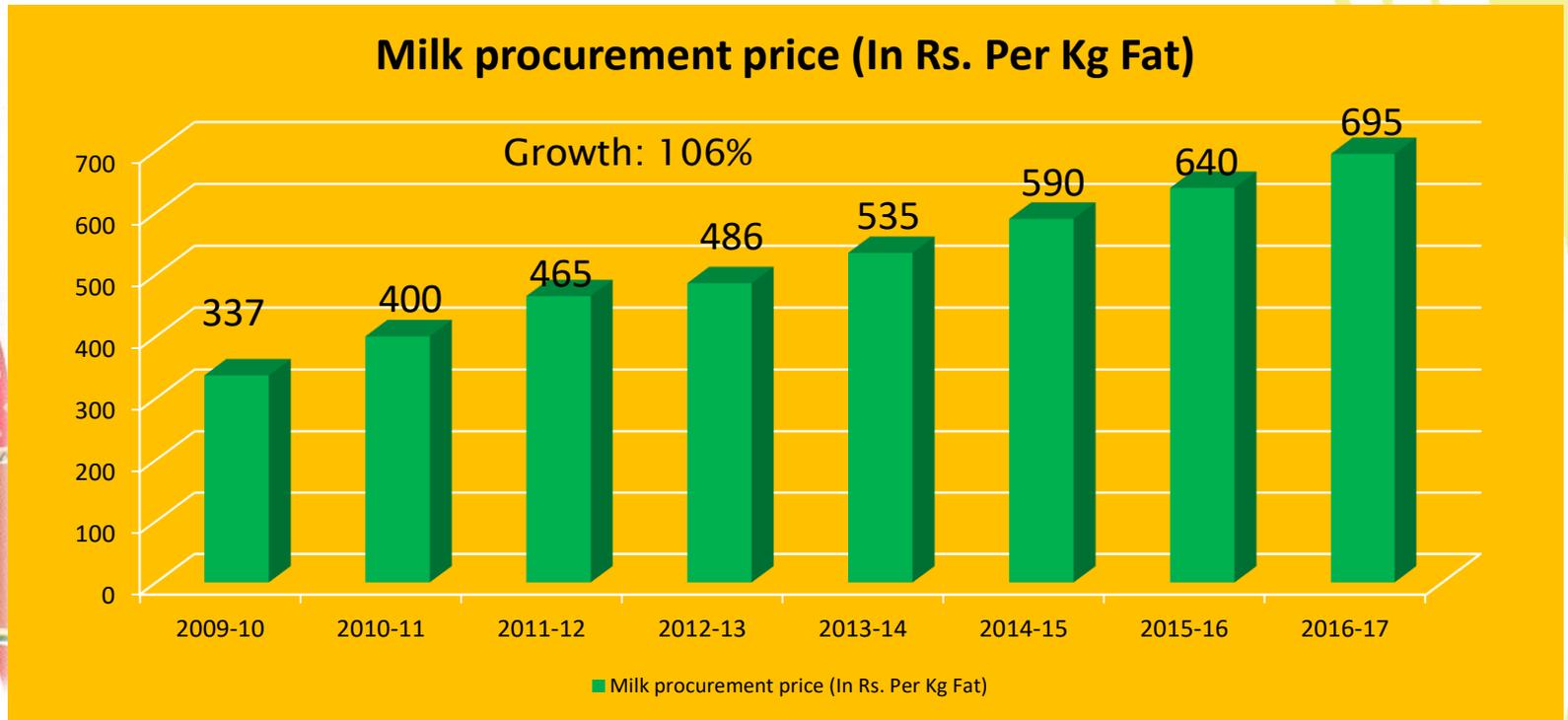
in Indian Rupee



Amul Average Milk Procurement (Lakh Lit. Per Day)



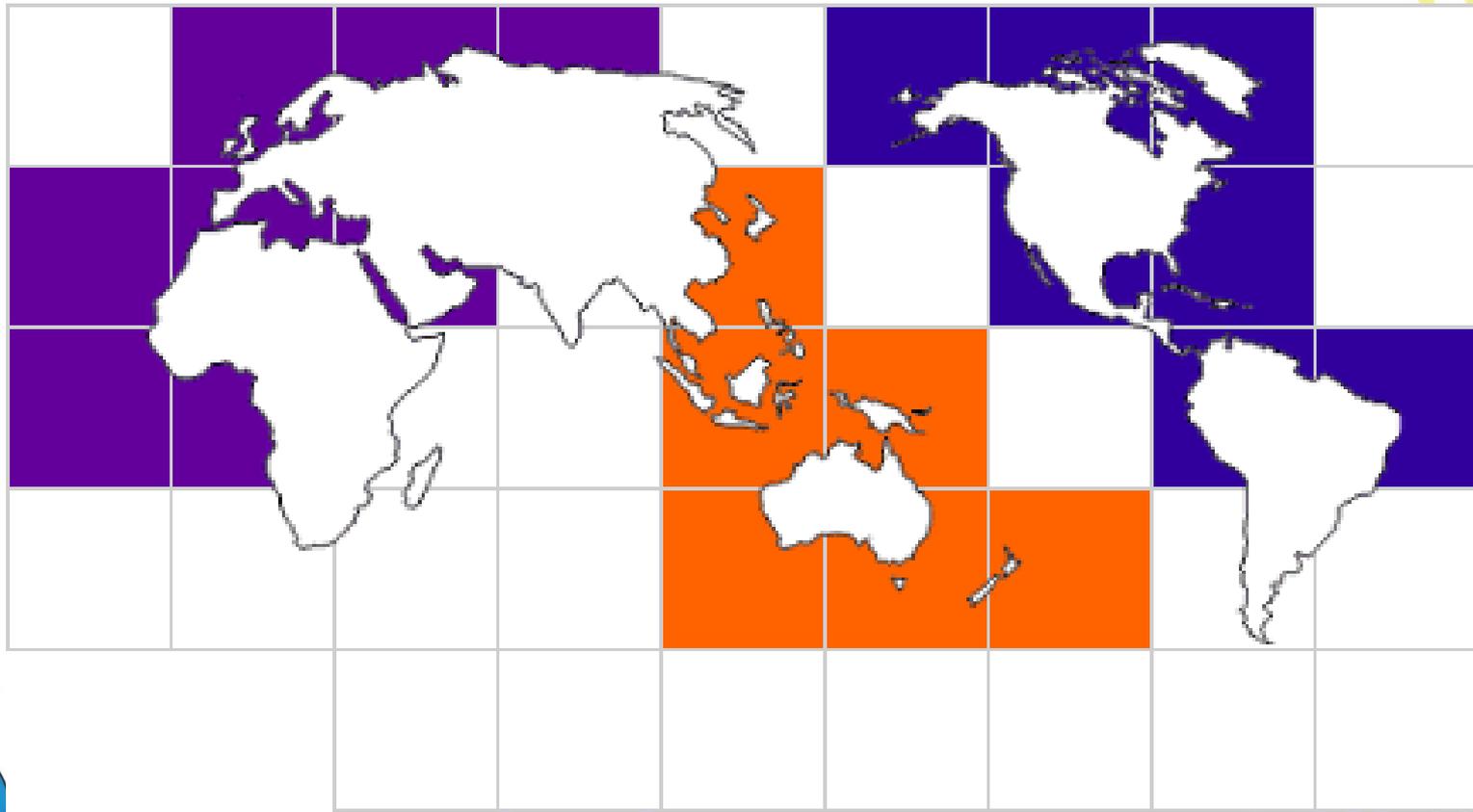
Amul Milk Procurement Price (in Rs. Per Kg fat)



Amul – The Market Leader

- 
- ❖ India's largest Food Products Marketing Organisation
 - ❖ A US\$4 Billion Organisation with sales turnover of Rs 27000 crores ('16-17)
 - ❖ Unduplicated Group Turnover of GCMF and 18 Member Unions : Rs 38000 cr (5.6 Billion Dollar)
 - ❖ Milk Procured from 3.6 million farmer members
 - ❖ 18545 Village Dairy Co-op. Societies

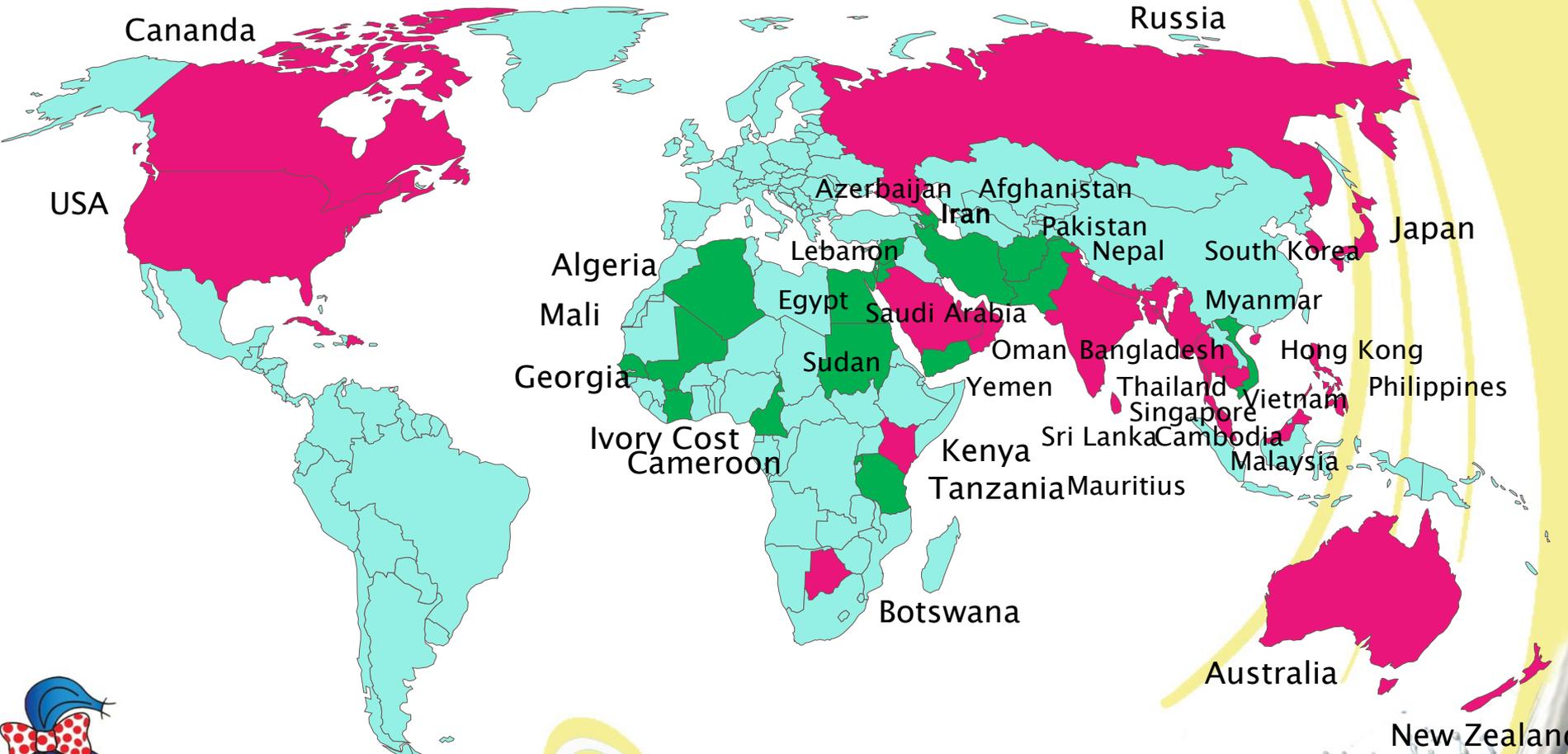
Spreading the Taste of India Across the Globe



A to Z of Amul Exports

A	Afghanistan	I	Iraq	R	Russia
	Algeria		Israel		Saudi
	Angola	J	Japan	S	Sierra Leone
	Australia		Korea		Singapore
B	Bahrain	K	Kuwait		South Africa
	Bangladesh		L		Laos & Lebanon
	Benin	M		Madagascar	Sudan
	Bhutan		Malaysia	Syria	
	Botswana		T	Maldives	Taiwan
	Brunei			Mauritius	Tanzania
C	Cambodia	N	Myanmar	Thailand	
	China		Nepal	UAE	
D	DRC (Congo)	O	New Zealand	U	Uganda
E	England		Nigeria		USA
	Ethiopia	P	Oman	V	Vietnam
F	Fiji (thru Australia)		Pakistan		W
G	Gambia	Q	Philippines	Y	Yemen
H	Hong Kong		Qatar		Z

Our Presence across the world



-  Consumer Products reach
-  Bulk Products reach





About GlobalDairyTrade

- What is GDT?
- How does it work?
- Q&A
- CRA - Trading Manager
- Email alerts
- Calendar
- Announcements

GlobalDairyTrade Sellers



Dairy for life

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Contact Fonterra:
gdtHELP@fonterra.com



Visit: www.dairyamerica.com
Contact DairyAmerica:
gdt@dairyamerica.com



Visit: www.mgc.com.au
Contact Murray Goulburn:
gdt@mgc.com.au



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Visit: www.amul.com
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Visit: www.euroserum.com
Contact Euroserum: gdt@euroserum.com

About EUROSERUM

EUROSERUM is the world's largest producer of demineralised whey powder destined for the manufacture of infant milk, and also offers a wide range of dairy ingredients and milk powders.

Importance of International Standards

International standards act as a vehicle for the transfer of technology. The active participation and interest of every developed country in standardization work means that international standards represent an international consensus on optimum technological solutions to standardization problems. Every international standard is easily available to developing countries. Its use does not require any outflow of foreign exchange.



Importance of International Standards

International standards provide internationally accepted specifications that can be applied to the development, manufacture and marketing of local goods and services, thus raising a country's ability to compete in export markets around the world.



Importance of International Standards

International standards and guidelines on product, personnel and system certification and for accreditation of bodies providing certification, inspection and testing services provide opportunities for developing countries to demonstrate product and system conformity in foreign markets.



Importance of International Standards

While divergent national as well as regional standards could become barriers to trade, the adoption of international standards by national exporters and importers can reduce such technical barriers.



International Standards for Dairy Products

1. Codex Alimentarius (FAO, WHO – 1963)
2. World Organisation for Animal Health (OIE)
3. SPS Agreement (OIE+IPPC+Codex)
4. TBT Agreement (all not covered by SPS)
5. EU Directives for community production (for EU)
6. Private Standards



Divergent Regulations : Cost to Exporters

1. Loss of Economy of Scale
2. Conformity assessment costs
3. Information Costs
4. Surprise Cost

Source: WTO



Export Not Allowed

S No	Country	Overseas Indian Population	Total Population	% of Total Population
1	UK	18,25,000	6,41,00,000	2.8
2	South Africa	15,50,000	5,29,80,000	2.9
3	Canada	12,00,000	3,51,60,000	3.4
4	Netherlands	2,25,000	1,68,00,000	1.3
5	Indonesia	1,25,000	25,54,62,000	0.0
6	Italy	1,20,000	6,07,95,612	0.2
7	Kenya	1,00,000	4,40,90,000	0.2
8	Germany	1,10,000	8,06,20,000	0.1
9	Portugal	80,000	1,04,60,000	0.8
10	Spain	30,000	4,64,64,053	0.1
11	Austria	23,000	86,02,112	0.3
12	Ireland	19,365	63,78,000	0.3
13	Sweden	18,000	97,75,572	0.2
14	Belgium	18,000	1,12,39,755	0.2
15	Russian Federation	15,007	14,39,75,923	0.0
16	China	14,950	1,35,73,80,000	0.0
17	Switzerland	12,354	82,11,700	0.2
18	Greece	12,013	1,08,15,197	0.1
19	Denmark	7,381	56,68,743	0.1



Case Study : United States

- ❑ Despite Pasteurised Milk Ordinance of USFDA regards Buffalo milk as milk, Amul was forced to change the declaration of Table Butter and Ghee exported to US as “Made from Cow and Water Buffalo”.



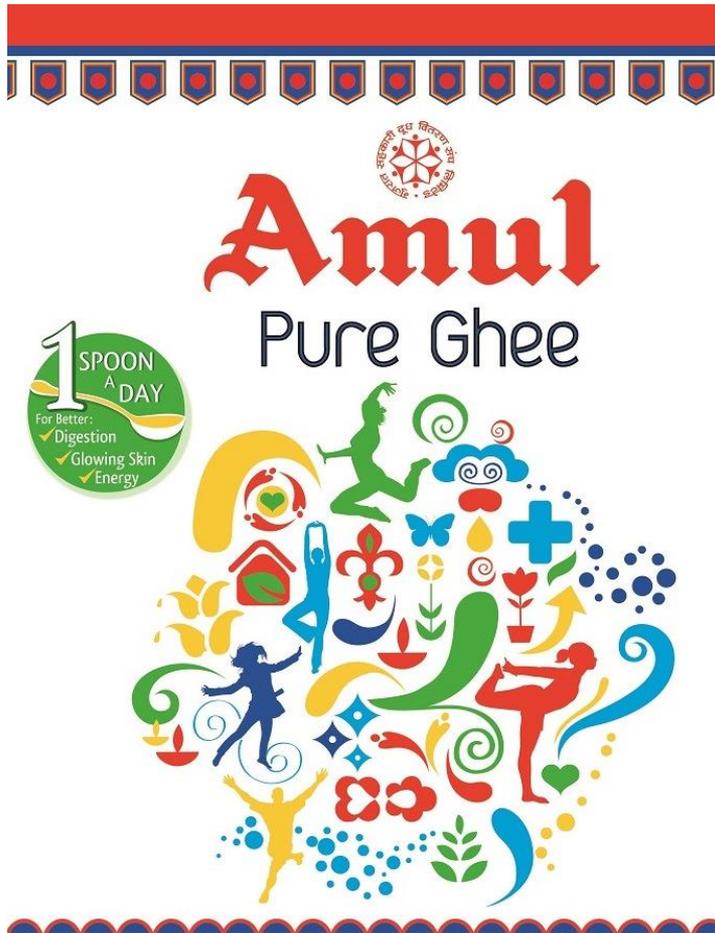
Indian Market



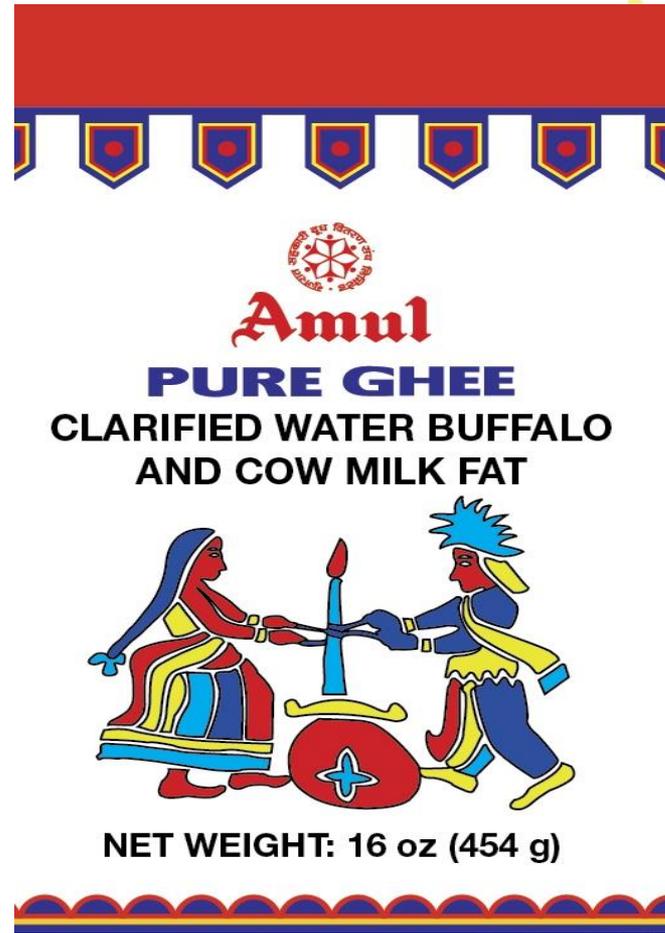
USA Market



Case Study : United States



Indian Market



USA Market



Case Study : United States

- ❑ Red Alert Imposed by US on Milk and Milk Products of Indian Origin due to a report on Milk adulteration published in the Newspaper (in 2012).
- ❑ Efforts of 12 years of building the market of Indian dairy products in US were wasted all of a sudden. After exporting 12 containers, the red alert been lifted by US FDA which has cost both time and money.
- ❑ Parallel exports without EIA certificates resulted into red alert of ghee manufactured by Mother Dairy which is still not removed.

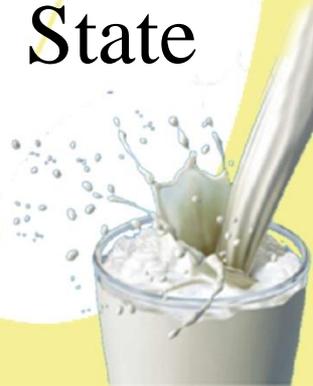


❑ EIA is requested to give rejoinder to such news immediately to help Indian dairy Industry to come out of such situations, which affects livelihood of millions of Indian farmers.



Indian Dairy Exports : Issues

- ▶ In addition to the large number of standards to be followed, **States have their own Acts and Laws**, of which technical regulations form a statutory part.
- ▶ At the outset it is not possible for an exporter to fully be aware of all the technical regulations and standards and all their amendments over the years by the Regional Standardizing Bodies as well as the State concerned.



Indian Dairy Exports : Issues

- ▶ **EU does not allow import of Indian dairy products as they do not approve any of India plant for export to EU under their so called extremely strict Sanitary and Phyto-Sanitary (SPS) standards. This is actually a non-tariff barrier imposed by them which India had never been able to break.** It may be noted that whole of Europe is not permitting import of any of dairy products from India under one or other non-tariff barrier even if India is willing to pay import duties.



Indian Dairy Exports : Issues

- ▶ **Saudi Arabia:** Despite both Indian and SFDA (Saudi Arabia) standards for Aflatoxin M1 (0.5ppb in the milk) follow the limit as per the guidelines of Codex, powder of Indian origin was rejected/ quarantined due to lack of interpretation of the Standards.



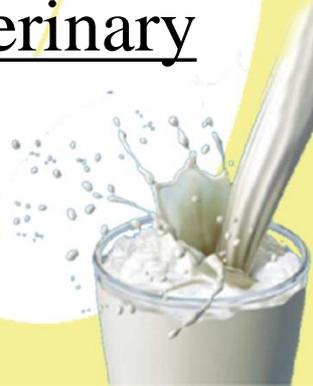
Indian Dairy Exports : Issues

- ▶ **Egyptian** authorities quickly followed suit and revised their standards of Aflatoxin M1 overnight, without following the guidelines provided by WTO, to a 10 times stringent value resulting in rejection of consignments of milk powder exported from India.



Indian Dairy Exports : Issues

- ▶ Export of milk and milk products to **Russia** has been held up due to non-surveillance of State veterinary authorities on the various dairies in India.
- ▶ Amul has a strict surveillance of the veterinary staff of the District level milk Unions.
- ▶ Though compliances on all aspects of the veterinary and sanitary requirements and regulations of the Customs Union and the Russian Federation was demonstrated by the Amul, non-conformance was attributed in absence of control of State Veterinary Services on the activities.



Indian Dairy Exports : Issues

- ▶ **Australia** classify India as FMD affected country and restrict the import of dairy products from India. Amul group has a sturdy system of veterinary services and the cattle are free from FMD but still dairy products are not being allowed in these countries. Australia also has a specific clause of 'retorting of dairy products' for issuance of import license to the dairy products excluding cheese.



Indian Dairy Exports : Issues

- ▶ **Indonesia** also classify India as FMD affected country and restrict the import of dairy products from India.
- ▶ **South Africa, Venezuela, Mexico, Chile** does not allow import of dairy products of Indian origin in absence of veterinary protocol with Govt. of India.



Indian Dairy Exports : Issues

- ▶ Even in a country like **Myanmar**, where domestic production of fresh milk is currently underdeveloped, the country imports large volumes to meet this growing demand. The licensing process is too exhaustive requiring certification of each and every SKU to be exported getting samples analyzed and certified from the local FDA.
- ▶ **China** does not allow import of dairy products of Indian origin



Standards for Dairy Commodities

The vertical standards for bulk dairy commodities such as SMP, WMP, Butter Oil and White Butter are available like Codex, ADPI etc.

The Horizontal standards like Aflatoxins, Pesticide Residues, Heavy metals etc for bulk dairy commodities need harmonization.



Support of the Government

- ▶ India is the largest producer and consumer of milk in the world.
- ▶ Milk is the largest agricultural crop of India.
- ▶ Food security and Livelihood are two most important issues for India.
- ▶ India should not give duty concessions for imports of dairy products under any FTA.
- ▶ Government should help in improving market access for exports of Dairy products

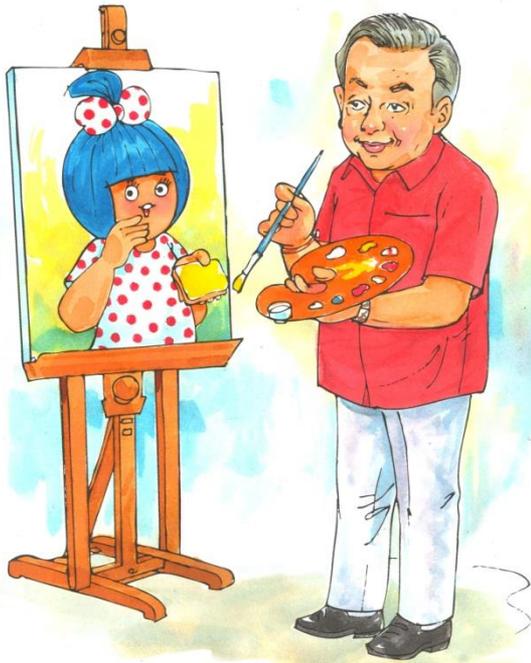


The Road Ahead

- ▶ The required International and National Standards are harmonized and streamlined by all International (SPS, WTO) & National authorities (EIA, FSSAI), will definitely improve export of Milk and Milk Products from India, thereby improving the livelihood of millions of poor farmers of India.
- ▶ There is a strong need to develop a system from where all the specification-SPS and otherwise for all the products of all the countries / regions can be retrieved.
- ▶ Robust Implementation of EIA's structured system for Exports and ensuring to stop illegal exports based on data provided to EIA.



And Finally . . .



1921-2012

“We have traversed a path that few have dared to.

We are continuing on a path that still fewer have the courage to follow.

We must pursue a path that even fewer can dream to pursue.

Yet, we must, because we hold trust in the aims and aspirations of millions of our countrymen.”

– Dr. V. Kurien





Thank you

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