



Dr. N.R. Bhasin
Ph.D., D.Sc., IAS (Rtd.)
President

INDIAN DAIRY ASSOCIATION

IDA:Pre:

29th December, 2015

Shri Ashok Kumar Angurana
Secretary to the Government of India
Department of Animal Husbandry, Dairy & Fisheries
Ministry of Agriculture, Cooperation & Farmer Welfare
Krishi Bhawan,
New Delhi - 110001

Subject : Subsidy on export of SMP

Dear Shri Angurana,

The Indian Dairy Association had meeting today with the leaders of the dairy industry and discussed issues concerning the current recession and problem that the industry is facing today. This has resulted in substantially lower prices being paid to the dairy farmers.

To help the cooperative dairy industry, the Under Secretary, Department of Agriculture, Cooperation and Farmer Welfare vide Letter No. F. No. 9-1/2015-RKVY (Pt) dated October 15, 2015 has approved Rs. 176 Crores as subsidy under the Rashtriya Krishi Vikas Yojana 2014 guidelines. The subsidy is meant to reprocess the SMP whose shelf life is expiring. The subsidy is proposed to be provided @ Rs. 25 per kg (subject to actual cost) to reprocess the SMP that is about to expire. Instead of liquidating the accumulated stocks of SMP, this is likely to increase and continue to accumulate SMP and would further create recession in the dairy sector.

It is estimated that the dairy sector has approximately 150,000 MT of SMP in stocks. It would be in the interest of the entire dairy sector and the milk producers of India if the government can provide EXPORT INCENTIVE @ Rs. 30 per kg of SMP to export. In the event it is considered that the export would cause difficulties for the consumer market, the government may allow the export of 50,000 MT and review.

The government may consider this proposal to help the dairy industry and the milk producer.

I will also appreciate if the DAHD&F can invite the Association in its Milk Situation Review Meeting conducted on a monthly basis.

Wishing you a Happy New Year and with kind regards,

Yours Sincerely,

N. R. Bhasin

(N. R. Bhasin)
President

CC to : Ms. Rajni Sekri Sibal,
Jt Secretary (DD)