

# Sustainability And The Dairy Industry



Most dairy manufacturing plants are now working towards a “Zero discharge” policy wherein the water utilized in processing is recycled and reused within the plant itself

Mr RS Sodhi  
President, Indian Dairy Association  
Former Managing Director, AMUL

**G**OI has introduced some very healthy reforms in the union budget for promotion the co-operative sector in India.

The establishment of a separate ministry last year was a welcome initiative, recognizing the contribution of the co-operative business model in India’s growth story and the potential that is yet to be realized. The total outlay for the ministry of co-operation was increased. The introduction of new tax reliefs for the co-operatives is a key announcement made in the Union budget.

#### Nationwide Database Grid

A nationwide database grid is being prepared for the mapping of all small and big co-operative business units in India. GOI has announced an additional investment of Rs. 2516cr to enable the computerization of 63,000 Primary Agricultural credit societies (PACS). These PACS have been formulated in a way that they can function as multipurpose societies assisting the small and marginal farmers.

GOI has also announced setting up of a massive, decentralized storage capacity to help farmers store their produce and realize remunerative returns for the same. The overall allocation for the Animal Husbandry sector has been increased from 3000cr to 4300cr, with a separate agricultural sector fund of Rs. 20lakh cr for the upliftment of the India’s rural economy. By extending support to the co-operative sector, the government is now headed towards more inclusive growth in the country.

#### New Consumer Preferences

FY 2022-23 is coming to an end and the last year saw a lot of volatility. The demand for milk and milk products kept soaring high with the supply of milk hitting several roadblocks. Consumer preference started evolving with the onset of the pandemic. The normalcy that followed the lockdown era saw the waning impact of certain preferences on one hand and some trends growing stronger than ever on the other.

One such trend that we saw among consumers was the increased awareness of the climate crisis. People, now more than ever, were cognizant of the deteriorating climatic conditions and wanted to contribute towards saving the environment. Consumers’ growing awareness of the climate crisis is prompting them to re-evaluate their purchasing habits and seek out brands that are actively addressing sustainability issues. In 2018, the WMO issued a statement that read – “We are the first generation to completely understand climate change, and probably the last generation to be able to do something about it.”

#### All-Round Sustainability Of Dairy Industry

Dairying as an industry has always been at the receiving end of misconceived notions. The sector is always wrongly linked with environmental damage whereas the actual carbon footprint of dairy products is significantly lower than as compared to the

common perception. The dairy co-operatives of India have been at the forefront of innovation and in promoting sustainable ways of operation. And when I use the word sustainability, I mean all-round sustainability – environmental, social, and economic.

#### Role Of Village Co-Operative Societies

The business of milk is one of the toughest businesses with respect to logistics and maintaining the quality of milk from cows to the final consumer. For the longest time, co-operative as well as private players have cracked the code of optimum logistics. Right from identifying the potential of milk procurement in a particular area to demand estimation and finalizing the perfect product mix to minimize the energy, manufacturing and logistic costs.

At the level of milk procurement many village co-operative societies are now opting for solar panel installations for the BMCs. The solar panels not only fulfil the demand of electricity at the district collection centers but also benefits from the surplus electricity that is sold to the grid. Another major initiative undertaken by the manufacturing plants is the development of bio-gas plant as a source of renewable energy.

Apart from processing, transportation of milk and finished milk products accounts for a significant share in fuel consumption. Most dairy manufacturing plants are now working towards a “Zero discharge” policy wherein the water utilized in processing is recycled and reused within the plant itself. Dairies are now investing in in-house RO water treatment plants to gain long term incidental benefits from treated water, thereby resulting in increased energy and hydraulic efficiency.

Dairies are now moving from traditional methods of operations and are moving towards end to end digitization. There is reduced manual intervention at every level of operation and reduction in the use of paper, resulting in reduction of carbon dioxide emissions.

Dairies are now more focused on capturing data for livestock management from each level of operation in the field to analyze the macro picture and plan for the upcoming years. For the past couple of years, many dairies have introduced path breaking technological interventions for capturing livestock data that has helped in providing timely farmer support in the present, planning for the future and also helped in anticipating and mitigating disastrous outbreak of diseases among livestock.

Dairying in India has been contributing immensely towards the food security in India and has been a source of affordable nutrition for millions of consumers. All round sustainability is the mantra to ensure that the sector serves a larger customer base and empowers many more producers. With these and many other initiatives, the Indian dairy industry is now moving towards appropriate strategies of creating a long lasting, truly incentivizing and an environment friendly sector in India.