## Dairy sector to grow at 15% CAGR till 2020 to Rs 9.4 trillion

India’s dairy industry is expected to maintain 15 per cent compounded annual growth (CAGR) over 2016-20, and attain value of Rs 9.4 trillion on rising consumerism, a report said. "India’s dairy industry is worth Rs 5.4 trillion by value, having grown at 15 per cent CAGR during 2010-16. Going ahead, the dairy industry is expected to maintain 15 per cent CAGR over 2016-20, and attain value of Rs 9.4 trillion on rising consumerism, Edelweiss Securities said in a report.

India has progressed from being deficient in milk production at 20 million MT in 1970 to becoming the world's largest milk producer at 160 million MT, accounting for 18.5 per cent of global milk production. Further, India is expected to emerge as the largest dairy producer by 2020, the report said.

The Union government implemented the Central Scheme National Dairy Plan - Phase 1 during 2012-17 to improve productivity of dairy cooperatives through several input activities. Investments by private players in the domestic dairy sector is also expected to further augment milk productivity, it explained. Going ahead, India s milk production is expected to outperform global production and grow at a similar 4.2 per cent CAGR to 185 million MT per annum, and surpass EU to emerge the largest dairy producer by 2020.

Interestingly, the country’s per capita milk consumption has also been increasing at 3 per cent CAGR as compared to 1 per cent CAGR globally.

The report notes that there is huge scope for India’s per capita milk consumption to spurt led by growth in value-added products (VADP), which is at 34 per cent of industry versus 86 per cent for the global mature markets like EU, the report said. India has a potential of 15-30 per cent plus growth in VADP like cheese, whey, UHT milk over next few years, it added.

Led by rising disposable income, and growing consumer preference for branded and value-added milk and milk products, investments by organised players in the sector has been on the rise. *(PTI: December 18, 2017)*