

Asian Dairy, Multi Stakeholder Action and the Sustainable Development Goals, Opportunities and Challenges

Key Note address for the 3rd Dairy Asia Conference

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Ladies and Gentleman, this is a historical moment that the Asian Dairy fraternity is together today to deliberate upon the sectoral issues and derive synergies on common goals on socio-economic development through Dairying. It would have been my privilege and honour to be present among you to deliver this key note address. I profusely thank the organizers especially FAO – RAP Office at Bangkok and Government of Thailand for inviting me to deliver the key note address.

First, let me touch upon some basic facts about Asian dairy sector. Milk production in the World is estimated at 730 MMT and Asia produces 40% of global production. The per capita availability of milk in the Asian region is 64 kgs per person per annum, much lower than the World average of 104 kgs per person. Over the decades, the average productivity of cows in Asia has increased to about 1700 kgs/annum, but still lower than the World average productivity of 2350 kgs/annum. However, due to consistent increase in GDP, changing dietary habits and growth in population, the demand for dairy products in Asia is rising rapidly. About 60% of the global import of dairy products is accounted by this region.

During the March 2015 Dairy Asia meet at Anand, I had said, *“We in NDDDB believe that dairy development is not about the commodity called milk, but about the social and economic transformation of rural households in India. We also believe that dairy development has to be based primarily on the premise that sustainable development is possible only if the natural resources, particularly water, energy and agricultural residues are used with a long term sustainable perspective. Our growth model, therefore, is based on environmental sustainability and of continuous and sustainable improvement in the livelihoods of dairy farmers.”*

The Sustainable Development Goals was adopted by the World leaders at the United Nations Special Summit in New York. I am delighted to see that of the 17 goals, milk is considered to have significant impact in treating under nutrition. A diet that contains sufficient milk or dairy to provide 25-33 percent of the daily protein requirement (about 200-250 ml of milk or 15-20 g of milk powder) may have a positive effect on weight gain and linear growth in children aged 6 months to 5 years who are suffering from moderate malnutrition.

In most of South and Southeast Asia, and in much of sub-Saharan Africa, agriculture and livestock farming is dominated by smallholders, who derive their livelihoods by cultivating small pieces of land and supplementing their incomes with dairy, poultry or fish farming. And, the number of such small-sized holdings has been steadily increasing under the growing population pressure.

Besides improving the food security of milk producing households, small scale milk production also helps in creating numerous employment opportunities throughout the dairy chain, i.e., for small-scale rural processors and intermediaries. Small-scale milk producers also incur lower production costs. Thus, if well organized, they will be able to compete with large-scale, capital-intensive 'high-tech' dairy farming systems in industrialized (and developing) countries and on a more sustainable basis.

In many South East Asian countries, structure and composition of agricultural GDP has changed over the years. About three-fourths of the agriculture GDP now is contributed by High Value Agriculture which includes milk and dairy products besides fruit and vegetables, while about 3-4 decades ago, 75% of the agricultural GDP was from cereals. This has been possible due to market driven growth favouring High Value Agriculture. Consumer spending has also been aligned in a manner in which it is now found that 75% of the food expenditure is towards foods derived from High Value Agricultural enterprises including milk and dairy products. It is therefore necessary that Dairy Asia analyses country specific changes in the agricultural GDP basket and examines country specific policies for sustainable dairy development.

The sustainable alternative is to take a recourse to improving the productivity of the smallholder livestock production given the constraints in area expansion of farm land. This is possible through provision of appropriate breeding, feeding and animal health care facilities to the smallholder producers. Additionally, providing market access to the small producers through collective action by establishing producer organisation, that deliver value to the producers would provide those incomes in their hands at the point of production.

Each country in Asia has adopted their unique approach to dairy development. It is important that countries choose their own model depending on their specific situation. For example, some countries follow an approach of accelerating milk production by promoting large dairy farms . On the other hand, India and many other Asian countries have adopted smallholder milk production, utilising locally produced agricultural crop residues and technology innovation that is suitable for small scale milk production. The Indian experience proves that smallholder milk production is sustainable and profitable from a long term perspective provided they are supported by supportive institutional structure, good breeding, feeding and marketing linkages.

NDDDB is willing to share our knowledge and experience of dairy development with countries who want to adopt this model and the Dairy Asia is an ideal platform to discuss and further such modalities.

Creating an infrastructure and providing reliable and transparent market access with a focus on small producers have lifted many dairy farmers out of poverty and under-nutrition. Economic empowerment of the small dairy farmer is an important pillar in the strategy for providing nutrition security.

The Indian experience of organising more than 15 million small producers (average animal holding of 2-3 animals) into strong cooperative organisations, is unique in the world. This development initiative has not only made India the largest producer of milk, but also increased per capita availability of milk from 112 grams per day in early 1970s to 322 grams in 2014-15.

We have found that in some Asian countries milk is not an integral part of people's diets and there is a greater preference for meat based products. There is an imperative need to promote milk and milk based products in these regions particularly among children. This gains much more importance as we are constantly looking for avenues to cut down on emissions and make each and every process more and more environmental friendly. As per FAO's publications, a kilogram of protein derived from beef results in an emission of about 290 kilogram equivalent of

carbon dioxide as compared to only 80 kilogram equivalent if protein is derived from milk of dairy cattle. This level of emission is even lesser than that of the meat and milk derived from small ruminants which is estimated at 190 and 130 kilogram equivalent of carbon dioxide respectively per kilogram of protein. Thus promoting milk against meat may have significant positive impact on the environment in both short and long term.

Milk is often regarded as a complete food as it is source for most of the nutrients and vital vitamins and minerals. Milk is critical for cognitive and physiological growth in children. Recent government data indicates that Indian households that are engaged in dairying consume almost 2 to 4 times more milk and milk products than the households that do not rear milch animals. This huge divergence is not seen in other food items such as cereals, pulses, vegetables, fruits, edible oil, eggs, meat and fish. Therefore one can assume the critical role milk must be playing towards fulfilling the nutritional requirements of the households especially among the downtrodden and economically disadvantaged.

I hope that the Dairy Asia conference will provide a meaningful opportunity for all the delegates and professionals to deliberate upon different actions that could be shared across the countries and enable the countries to develop their own sustainable models with mutual support and support from FAO.

Thank you.