

Indian dairy industry- swot

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Indian Dairy Sector- Overview & SWOT Posted by admin on Tuesday, July 31, 2012 · Leave a Comment inShare | Import of key items on the increase to meet shortage| Import of dairy items during April 2009-February 2010 surged by a massive 275. 5 per cent to Rs 284. 88 crore. | | In April 2008-February 2009, import of milk and other dairy products was only Rs 75. 86 crore. | The dairy products imports mainly comprise skimmed milk powder and butter oil brought in by the National Dairy Development Board (NDDB) to meet shortfall in milk procurement of its subsidiary, Mother Dairy, and other co-operatives.

With their procurement lagging behind, liquid milk supplies have been affected in many States. B L 180510| SWOT ANALYSIS OF INDIAN DAIRY INDUSTRY| Strengths:| * Demand profile: Absolutely optimistic. | * Margins: Quite reasonable, even on packed liquid milk. | * Flexibility of product mix: Tremendous. With balancing equipment, you can keep on adding to your product line. | * Availability of raw material: Abundant. Presently, more than 80 per cent of milk produced is flowing into the unorganized sector, which requires proper channelization. * Technical manpower: Professionally-trained, technical human resource pool, built over last 30 years. | Weaknesses:| * Perishability: Pasteurization has overcome this weakness partially. UHT gives milk long life. Surely, many new processes will follow to improve milk quality and extend its shelf life. | Lack of control over yield: Theoretically, there is little control over milk yield. However, increased awareness of developments like embryo transplant, artificial insemination and properly managed animal husbandry practices, coupled with higher income to rural milk producers should automatically lead to improvement in

milk yields. Logistics of procurement: Woes of bad roads and inadequate transportation facility make milk procurement problematic. But with the overall economic improvement in India, these problems would also get solved. | Problematic distribution: Yes, all is not well with distribution. But then if ice creams can be sold virtually at every nook and corner, why can't we sell other dairy products too? Moreover, it is only a matter of time before we see the emergence of a cold chain linking the producer to the refrigerator at the consumer's home! Competition: With so many newcomers entering this industry, competition is becoming tougher day by day. But then competition has to be faced as a ground reality. The market is large enough for many to carve out their niche. | Opportunities:| " Failure is never final, and success never ending". Dr Kurien bears out this statement perfectly. He entered the industry when there were only threats. He met failure head-on, and now he clearly is an example of ' never ending success'!

If dairy entrepreneurs are looking for opportunities in India, the following areas must be tapped:| * Value addition: There is a phenomenal scope for innovations in product development, packaging and presentation. Given below are potential areas of value addition:| * Steps should be taken to introduce value-added products like shrikhand, ice creams, paneer, khoa, flavored milk, dairy sweets, etc. This will lead to a greater presence and flexibility in the market place along with opportunities in the field of brand building. * Addition of cultured products like yoghurt and cheese lend further strength – both in terms of utilization of resources and presence in the market place. | A lateral view opens up opportunities in milk proteins through casein, caseinates and other dietary proteins, further opening up export

opportunities. | Yet another aspect can be the addition of infant foods, geriatric foods and nutritional. | Export potential: Efforts to exploit export potential are already on. Amul is exporting to Bangladesh, Sri Lanka, Nigeria, and the Middle East.

Following the new GATT treaty, opportunities will increase tremendously for the export of agri-products in general and dairy products in particular. | Threats:| Milk vendors, the un-organized sector: Today milk vendors are occupying the pride of place in the industry. Organized dissemination of information about the harm that they are doing to producers and consumers should see a steady decline in their importance. | The study of this SWOT analysis shows that the ‘ strengths’ and ‘ opportunities’ far outweigh ‘ weaknesses’ and ‘ threats’.

Strengths and opportunities are fundamental and weaknesses and threats are transitory. Any investment idea can do well only when you have three essential ingredients: entrepreneurship (the ability to take risks), innovative approach (in product lines and marketing) and values (of quality/ethics). | The Indian dairy industry, following its delicensing, has been attracting a large number of entrepreneurs. Their success in dairying depends on factors such as an efficient yet economical procurement network, hygienic and cost-effective processing facilities and innovativeness in the market place. |