



# White Revolution 2.0

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**Why is in news?** How to bring about White Revolution 2.0

The government's latest **Household Consumption Expenditure Survey (HCES) for 2022-23** shows **milk emerging as India's top food spend item, both in rural and urban areas.**

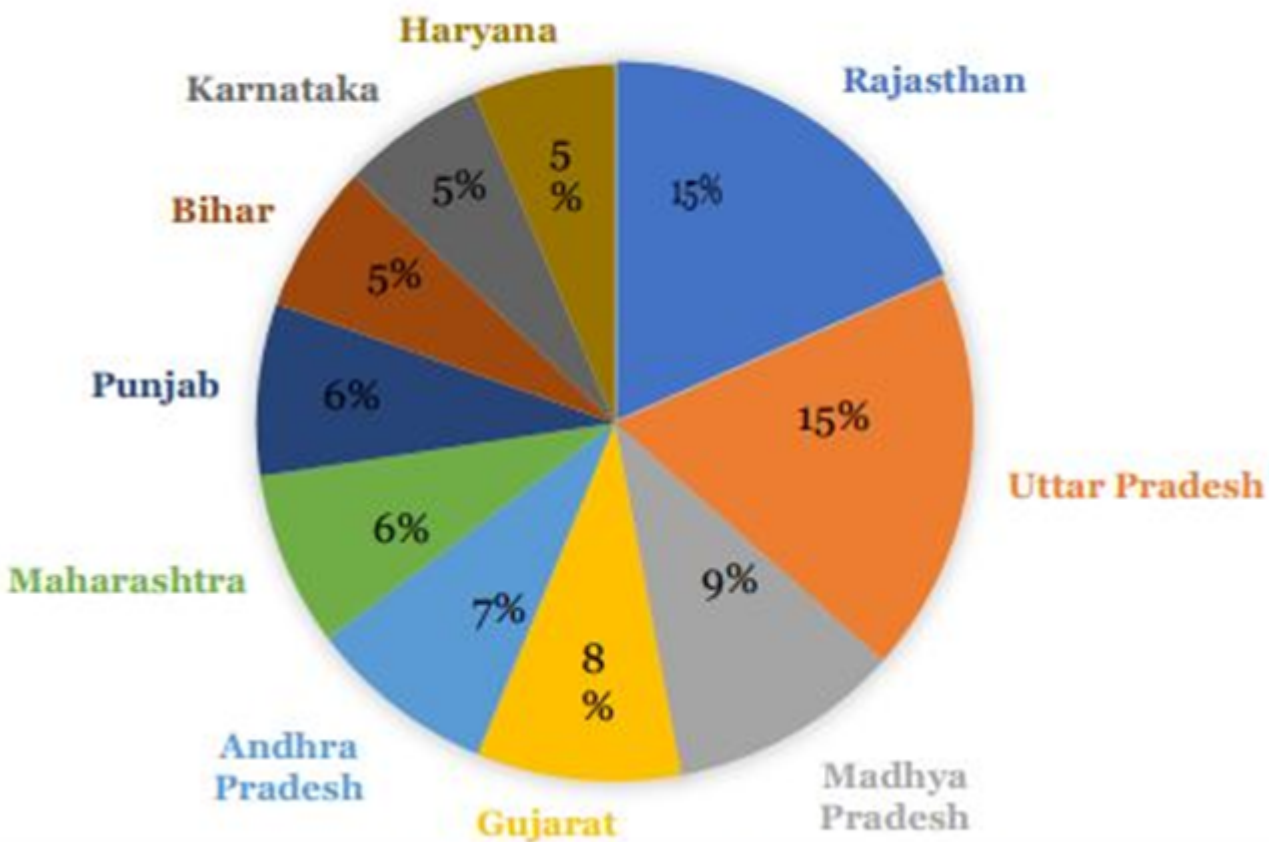
## Dairy Sector in India:

Dairy is the **largest agricultural commodity** in India, contributing **5% to the national economy** and employing over 8 crore farmers directly.

India ranks **1st in milk production** and accounting for 23% of global milk production.

Milk production **has increased by 51.05% in the past eight years**, reaching 221.06 million tonnes in 2021-22.

**Figure 2: Top 10 Milk Producing States**



Milk production is growing at the annual growth rate of 6.1% over the past 8 years whereas world milk production is growing at 1.2% per annum.

Per capita milk availability in India is 444 grams per day, surpassing the world average of 394 grams per day.

### **White Revolution:**

**Operation Flood** is the program that led to “White Revolution.”

It created a **national milk grid linking producers throughout India** to consumers in over 700 towns and cities and reducing seasonal and regional price variations while ensuring that producers get a major share of the profit by eliminating the middlemen.

At the bedrock of Operation Flood stands the **village milk producers’ co-operatives**, which procure milk and provide inputs and services, making modern management and technology available to all the members.

The revolution associated with a sharp increase in milk production in the country is called the White Revolution in India also known as Operation Flood.

White revolution period intended to make India a self-dependent nation in milk production. Today, India is the world’s largest producer of milk and **Dr Verghese Kurien** is known as the **father of the White Revolution in India**.

He was also the **founder of Amul**, the largest milk producer in India.

**National Dairy Development Board** was introduced Operation Flood to **create a national grid** that could streamline the production and distribution of milk across the country.

### **Objectives of White Revolution in India:**

Creating a flood of Milk by Increase production

Increase the incomes of the rural population

Provide milk to consumers at fair prices

### **Significance of Operation Flood:**

The White Revolution in India **helped in reducing malpractice by traders and merchants**.

It also **helped in eradicating poverty** and made India the largest producer of milk and milk products.

It **empowered the dairy farmers** with control of the resource created by them. It helped them in directing their own development.

To **connect milk producers with the consumers** of more than 700 cities and towns and throughout the country, a ‘**National Milk Grid**’ was formed.

The revolution also **reduced regional and seasonal price variations** ensuring customer satisfaction and at the same time. Also, it ensured that the producers get a major share of the price that customers pay.

**Improved the living standards of the rural people** and led to the progress of the rural economy.

### **Need of white revolution 2.0:**

**Inflation:** The all-India modal price of milk has risen significantly, from Rs 42 to Rs 60 per litre over the last five years.

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**Reduction in demand:** Higher prices may result in consumers cutting back on their milk consumption, impacting the overall demand for dairy products.

**Increased production cost:** The costs associated with fodder, feed, and raw materials have seen a significant increase, prompting dairies to raise procurement prices paid to farmers.

**Impact on consumers:** Inflation and increased production cost falls on consumers, as there is a limit on how much more consumers can pay for milk before it causes demand destruction.

### Steps taken by India to promote milk production:

**Rashtriya Gokul Mission:** It was initiated in 2014 with a focus on the conservation and development of indigenous breeds and improve their genetic makeup.

**E-Pashu Haat:** An e-market portal connecting breeders and farmers to provide quality- disease free bovine germplasm.

**Pashu Sanjivni:** An Animal Wellness Programme with the provision of animal health cards along with UID identification.

**National Animal Disease Control Programme:** It was launched in 2019 to control and eradicate the Foot & Mouth Disease (FMD) and Brucellosis amongst the livestock

**Animal Husbandry Infrastructure Development Fund (AHIDF):** It aims to incentivize the investments to establish dairy and meat processing and value addition infrastructure and animal feed plants.

**National Dairy Development Board:** It was launched in 1965 as a premier institution to accelerate the pace of dairy development on cooperative lines in the country.

**National Program for Dairy Development:** It aims to strengthen infrastructure for the production of high-quality milk as well as for the procurement, processing, and marketing of milk and milk products.

### Challenges to White Revolution 2.0:

The Indian cows and buffaloes **are generally low yielding and non-descript** because of the lack of healthy cattle-feed and fodder, tropical heat and diseases.

Despite **lack of water and gradually declining arable land**, dairy farming is on the rise.

Free trade agreements, or FTAs, for instance, will allow **EU government-subsidised products** to be imported from Europe with little entry barriers. This will pose a big challenge to cow-farmers.

Due to **unhygienic production, handling conditions and high temperatures**, the quality of milk is adversely affected.

Because of **inadequate marketing facilities**, most of the marketable surplus is sold in the form of ghee which is the least remunerative of all milk products.

### Measures needed:

India may consider **reducing GST on ghee and milk fat**, from 12% to 5% to bring it at par with the GST rate for SMP. This has **been a long-standing demand of the dairy industry** and will ultimately benefit milk producers, increase rural incomes, spur demand and hasten economic recovery.

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**Increase in the market share** depends on how dairy firms' capabilities and their resources are utilised given the opportunities and threats emanating from emerging markets economies.

**Contract/corporate dairying and emerging global dairy trade** are required to rope in dairy supply chains stakeholders in order to expand their outreach and "on-the-go" product positioning into the target segment.

**Digital technology-enabled dairy firms** need to identify their compatible partners and competitors for co-creation through product-process innovation via relationship/value-based marketing.

**Freshness in milk, and convenience to store milk or milk products** can be a technology innovation brought in by large dairy firms in association start-ups.

**Education and Training at Panchayat level** for small and medium size farmers

**Subsidizing cattle production** and encouraging cattle markets. Improved **Veterinary facility** specially in artificial insemination of cattle

**Encouraging private sector firm** to procure dairy produced at rural level. **Low interest loans** for small and medium scale farmers for cattle purchase

**Insurance of cattle** against diseases like Anthrax, Foot and Mouth, Peste des Ruminantes, etc.

**Nurture dairy entrepreneurs** through effective training of youth at the village level coupled with dedicated leadership and professional management of farmers' institutions.

Agricultural practices, sanitation, quality of drinking water & fodder, type and quality of pipelines – all of these need to be aligned to the goal of healthy milk