

# \$352-million World Bank credit for National Dairy Support Project

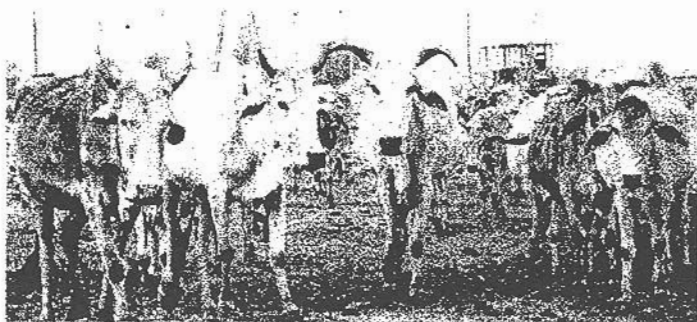
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The World Bank has approved a \$ 352-million credit for the National Dairy Support Project.

The project will cover over 40,000 villages across 14 major dairying states in the country, benefitting an estimated 1.7 million rural households. The States included in the project, such as Bihar, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh, account for more than 90 per cent of the national milk production, according to a World Bank report.

The project will support the implementation of the first phase of the National Dairy Plan (NDP) of the National



► *A major concern in the country's dairy sector is low animal productivity.*

Dairy Development Board (NDDB), which aims at increasing the animal productivity, expanding infrastructure for milk procurement at the village level and enhancing

milk processing capacity and marketing, among other things.

It is pointed out that while the dairy sector in India had seen significant growth over

the decades, the growth rate of milk production has slowed down in recent years. From an average 4.3 per cent per annum in 1990s, the growth rate came down to 3.8 per cent in 2000s.

On the other hand, the demand for milk is expected to increase as the economy grows and the income levels rise. According to the Union Government's estimates, the demand for milk is projected to grow to around 180 million tonnes by 2021-22. This will require milk production to grow by 5.5 per cent per annum over the next decade to meet the anticipated demand.

At the same time, a major concern in the country's dairy sector is low animal produc-

tivity. The average milk yield of Indian cows is only about 3.4 kilograms per day as against a world average of 6.3 kg. The productivity is low mainly for reasons such as poor nutrition, health and low genetic potential for milk production.

In the circumstances, the primary focus of the dairy project is on increasing milk production by genetic improvement of the cows and buffalos and optimal use of feed and fodder. The project will support long-term investments in animal breeding, extensive training to dairy farmers and doorstep delivery of artificial insemination and advisory services on balancing animal feed and nutrition.