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## World Bank to provide \$352mn for dairy development in India

NEW DELHI: The World Bank signed an agreement with India to provide \$352 million for the National Dairy Support Project, a step that will benefit about 17 lakh rural milk producing households.

"Government of India and the World Bank today signed an agreement for an IDA credit of \$352 million (about Rs 1,805 crore) for the National Dairy Support Project to increase productivity of milk animals and improve market access of milk producers in project areas," World Bank said in a statement.

The project will be financed by credit from the International Development Association (IDA), World Bank's concessionary lending arm, which provides interest-free loans with 25 years to maturity and a grace period of five years.

The National Dairy Development Board (NDDB) has prepared a National Dairy Plan (NDP) to improve animal productivity, strengthen infrastructure for milk procurement at the village level, and enhance milk processing capacity and marketing, backed by appropriate policy and regulatory measures, it said.

The World Bank supported National Dairy Support Project will support and operationalise the first phase of the NDP through investments.

"The project will cover some 40,000 villages across 14 major dairying states and is expected to directly benefit about 1.7 million rural milk producing households," Department of Economic Affairs Joint Secretary Venu Rajamony said.

The 14 states included in the Project account for more than 90 per cent of the national production and include states such as Bihar, Madhya Pradesh, Orissa, Rajasthan, and Uttar Pradesh, he added.

"The Project will provide an opportunity for the World Bank to re-engage at a national scale in further development of the Indian dairy sector with potentially significant benefits for large numbers of dairy producers," World Bank Country Director for India Roberto Zagha said.

According to NDP Mission Director Dilip Rath, the primary focus of the project is on increasing milk yields by genetic improvement of the dairy herd (cows and buffalos) and optimal use of feed and fodder.

The Project will support long-term investments in animal breeding, extensive training of dairy farmers and doorstep delivery of artificial insemination and ration balancing advisory services, he added.

As per NDDB, the growth rate of milk production has slowed in recent years, from an average of 4.3 per cent per annum in the 1990s to 3.8 per cent per annum in the 2000s. As the economy grows and incomes rise, demand for milk and milk products' is expected to rise even further.

More than 70 million of some 147 million rural households depend on dairy, in varying degrees, for their livelihood. The annual milk production in the country is about 112 million tonnes, most of which is consumed in the country.

According to government estimates, the demand for milk is projected to grow to at least 180 million tonnes by 2021-22 and for meeting this demand, production should grow at 5.5 per cent per annum over the next decade.

The agreements for the National Dairy Support Project were signed by Rajamony on behalf of the Government of India, Rath on behalf of the NDDB and Governance Adviser (World Bank India) Roland Lomme on behalf of the World Bank.