

DAIRY EXPORT IN INDIA

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DOI: <https://doi.org/10.5281/zenodo.15706594>

ABSTRACT

Milk is an essential, complete food consumed by over 6 billion people globally due to its nutritional value, affordability, and availability. India is the world's largest milk producer, contributing 24.27% to global production with 239.30 million tonnes (FAO, 2023). Despite this, India accounts for only 0.25% of global dairy exports. However, recent years have seen a sharp rise in exports, particularly of ghee, butter, and milk powder. In FY 2022, Indian dairy exports increased by 93% in value and 63% in quantity, surpassing \$500 million. Bangladesh and the UAE are leading importers, followed by the US, MENA region, and parts of Africa. To boost exports, the Indian government has launched initiatives like the Dairy Processing and Infrastructure Development Fund (DIDF), export subsidies, and cold chain improvements. Though domestic consumption remains high, India's enhanced processing capabilities and supportive policies are positioning it to emerge as a major player in the global dairy export market.

KEYWORDS: Milk consumption, dairy exports, India, ghee, butter, global trade, dairy processing, cold chain

Globally, over 6 billion people, or more than 80% of the world's population, regularly consume milk and its products. Milk is considered a complete food as it contains various essential nutrients that help meet body requirements. It is one of the most affordable and widely available food items. The uniqueness of milk lies in its safety for daily consumption by people of all ages. India ranks first in milk production, currently producing 239.30 million tonnes and contributing about 24.27% to global output (FAO, 2023). There is also a rising demand for Indian dairy exports like ghee and clarified butter due to better quality, purity, and cost-effective production.

India accounts only 0.25% of global dairy export with major export including ghee and butter (59.32%), milk powder (27%) cheese (11%) of total dairy export. A significant growth can be seen in the country's dairy export due to the notable demand of products from different countries. In FY 2022, there is an increase in 93% in value and 63% in quantity of Indian dairy export, reaching over \$500 million. In FY 2023-24, 63,738.47 metric tons of dairy product exported worth \$272.65 million.

Bangladesh is the largest importer receiving an export of 45% Indian dairy

products because of its smoother trade agreements between the countries, less geographical distance thus lowering the transportation. United Arab Emirates (UAE) is the second largest importer accounting 25% of the country's total dairy exports. UAE mainly imports butter, ghee and cheese because of its high demands of Indian brands in the country. Besides these, some of the other importing destination includes – US, Middle East and North Africa, Egypt, Nigeria, Kenya.

To meet the rising global demand and boost dairy exports, the Government of India has introduced subsidies and incentives, set up the Dairy Processing and Infrastructure Development Fund (DIDF), focused on maintaining the cold chain for product freshness, and worked on strengthening international agreements. Although India is the world's largest milk producer, it does not yet lead in global dairy exports. This is mainly due to high domestic consumption driven by population growth and rising demand. However, with strong government support, improved processing technology, and a focus on sustainable dairy exports, India is moving closer to becoming a global leader in dairy exports.

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Cite this article:

Das S., Mandhale S. (2025). Dairy export in india. *Vet Farm Frontier*, 02(05), 82–83.
<https://doi.org/10.5281/zenodo.15706594>