



India Dairy
Too big to ignore.....any more

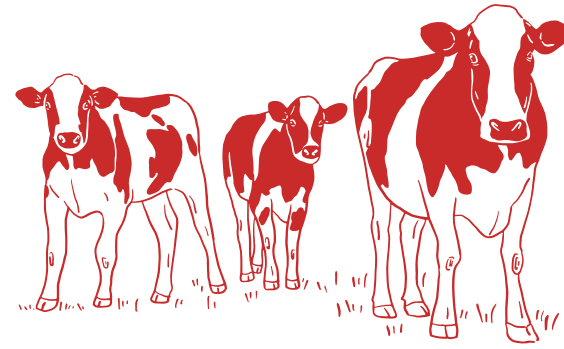


Indian Dairy Landscape



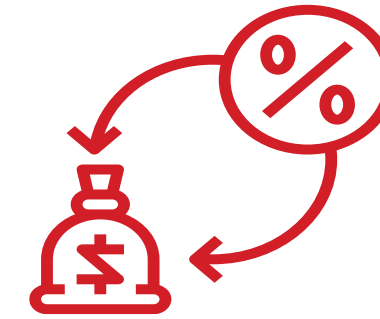
230 million tonnes

India is the leading global milk producer



330 million

India is home to more than 300 million bovine females.



2.4 kg

Average daily milk yield per cow.



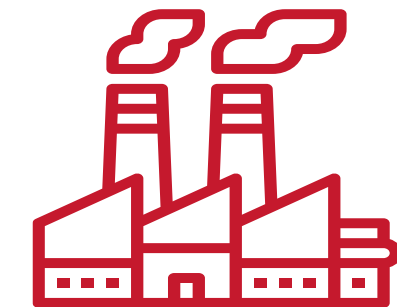
24%

India contributed 24% of global milk production in 2021-22.



70- 80 million

Estimated number of farmers / average holding of 2-5 animals.



25%

Share of the organised sector

A vibrant, crowded street market in India, likely a major city. The street is filled with people, many wearing traditional Indian attire. There are numerous colorful signs and banners hanging from the buildings, including one for 'PAV' and another for 'No.3'. The scene is bustling and represents a typical urban market environment in India.

5th largest economy in the world

GDP of \$3.25 trillion

Will overtake USA to be second biggest middle-class economy

A market of 1.37Bn people

35% live in cities

Young demographic

+/- 50% of population is vegetarian

Impossible to feed India without dairy

Demand drivers

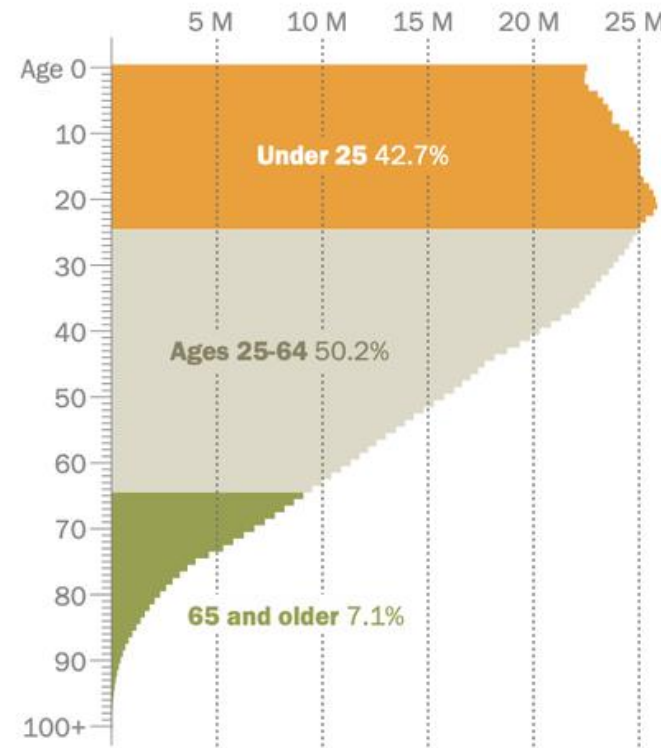
The heavyweights: how the top 5 economies will grow according to the OECD (Five yearly average growth rates in % terms)

	China	Germany	Japan	US	India	World
2022 to 2025	4.9	2.0	1.1	2.2	8.2	3.7
2026 to 2030	3.7	0.7	0.6	1.6	5.9	2.7
2031 to 2035	2.9	0.7	0.5	1.5	4.7	2.3
2036 to 2040	2.1	0.8	0.4	1.4	3.8	1.9
2041 to 2045	1.6	0.9	0.3	1.4	3.1	1.7
2046 to 2050	1.3	0.9	0.2	1.3	2.7	1.5
2051 to 2055	1.3	0.9	0.4	1.3	2.4	1.5
2056 to 2060	1.2	1.0	0.5	1.3	2.3	1.5

Source (basic data): OECD; Note: For India, data is on fiscal year bases. 2022 implies FY23 and so on.

More than four-in-ten people in India are under 25 years old

Number and share of people in India, by age

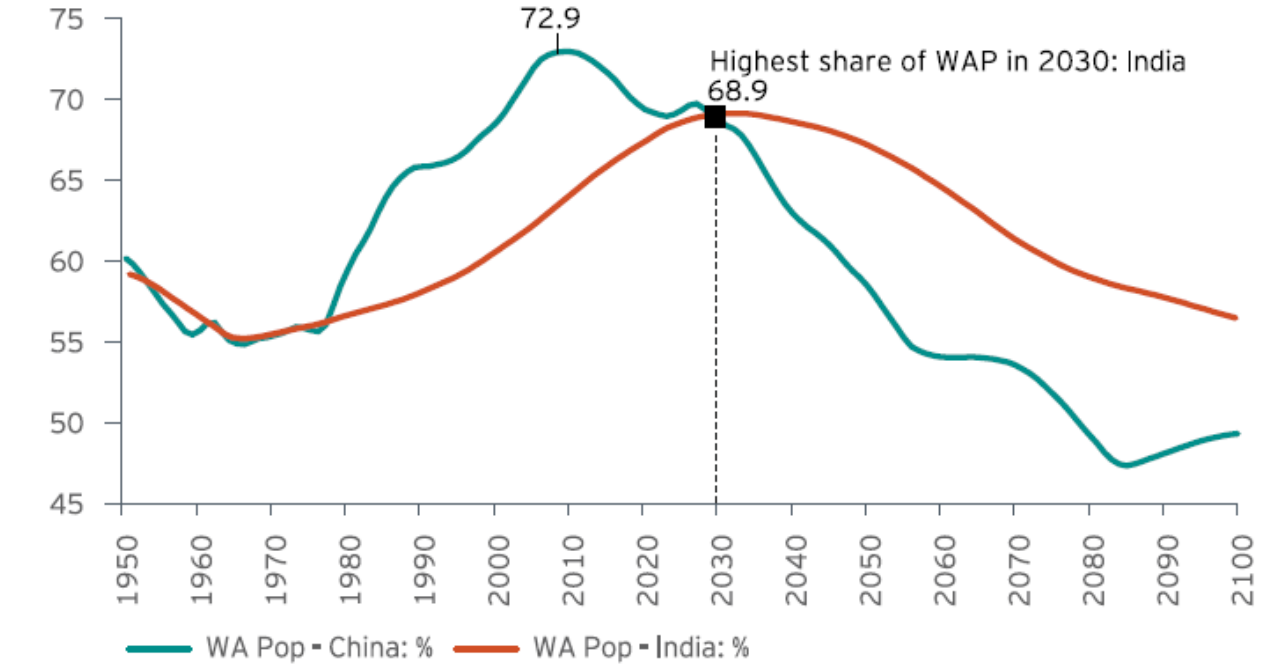


Note: The projection depicted is the UN's "medium variant" scenario for the year 2023.

Source: UN Population Division's World Population Prospects: The 2022 Revision.

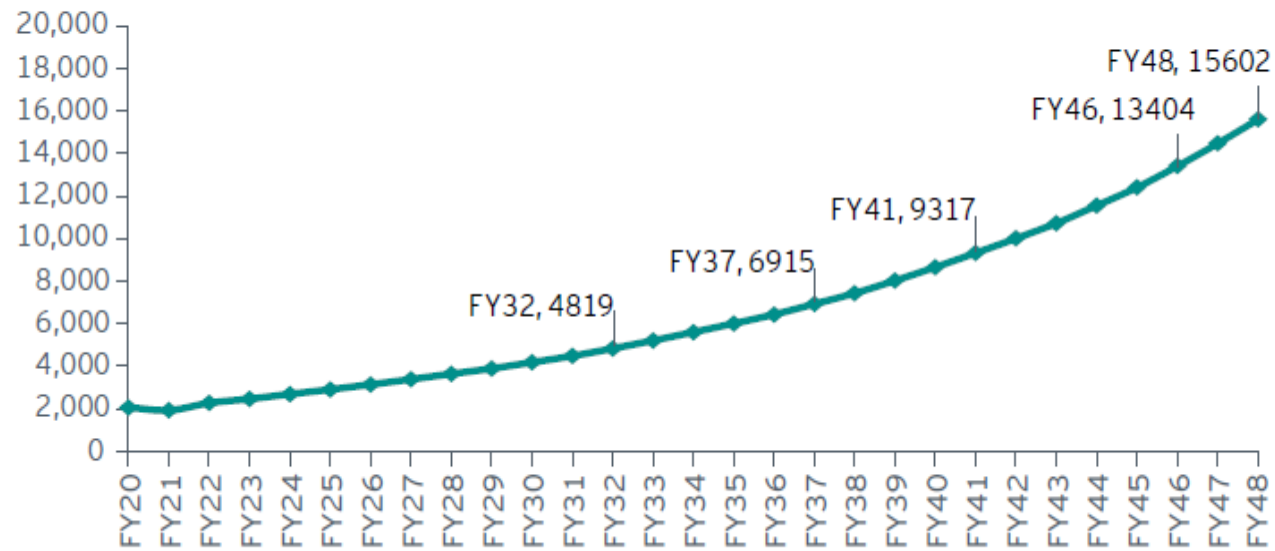
PEW RESEARCH CENTER

India's working age population to total population ratio will be the highest of any large economy



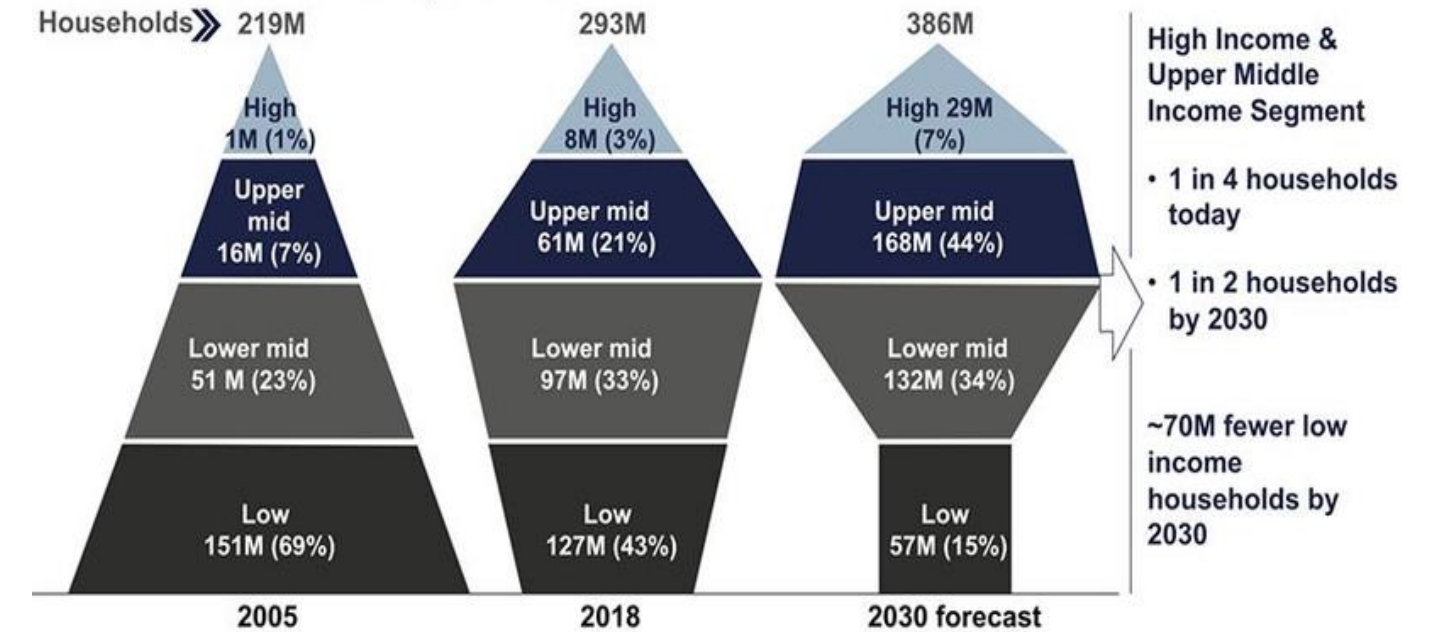
Source (basic data): UN Population statistics 2022; WAP stands for working age population

From developing to developed Profile of India's per capita GDP (in US\$)



Source: [Consultance.Asia, E&Y](https://www.consultanceasia.com).

Evolution of the household-income profile in India









High Income & Upper Middle Income Segment

- 1 in 4 households today
- 1 in 2 households by 2030

~70M fewer low income households by 2030

Demand drivers

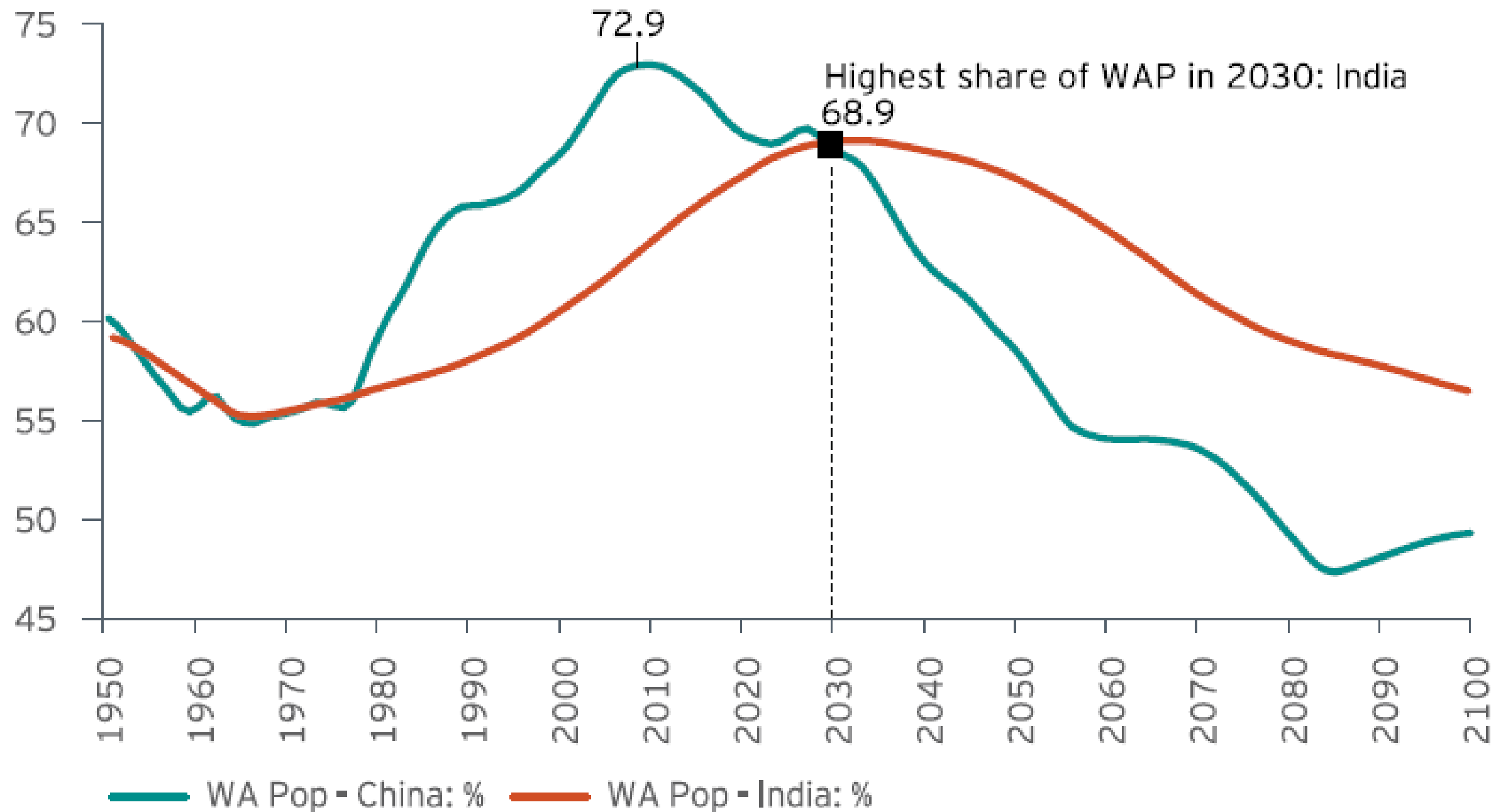
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Demand drivers

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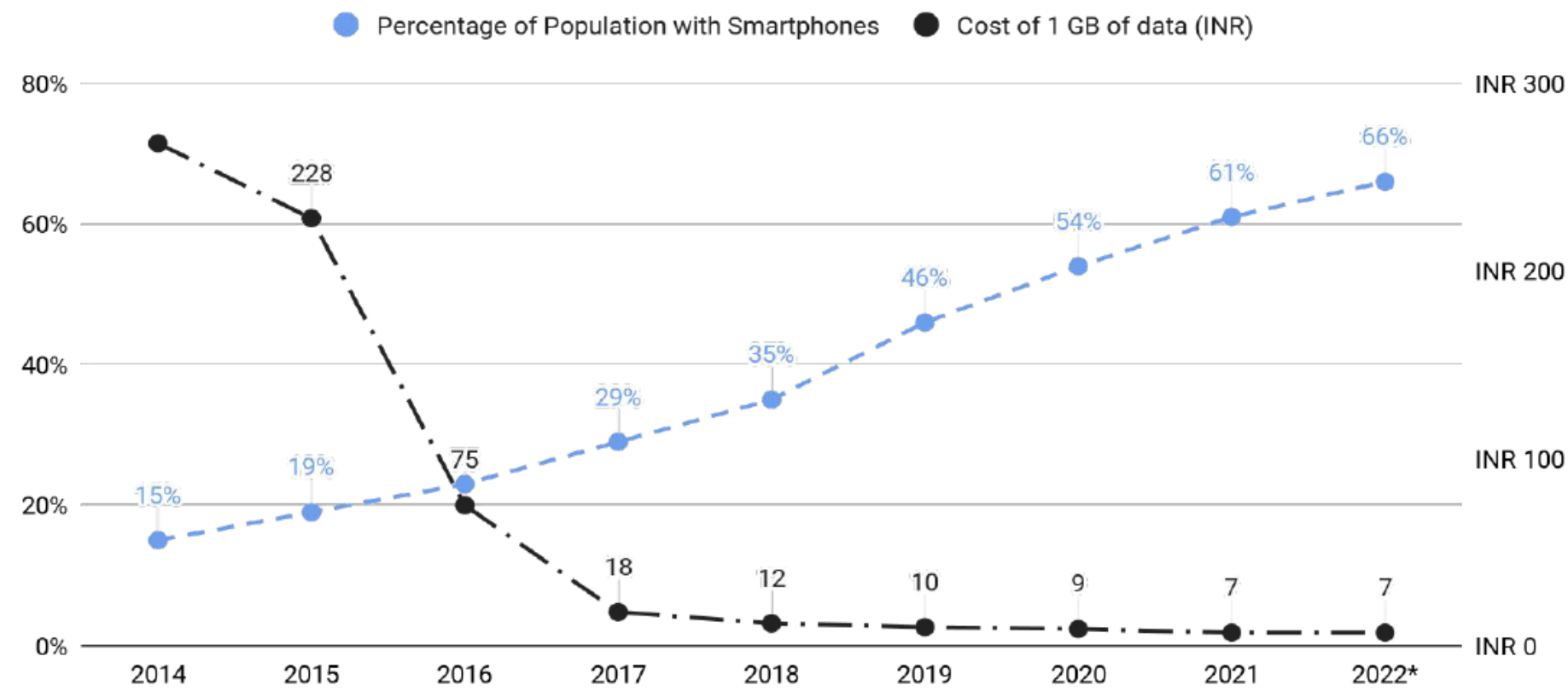


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Demand drivers

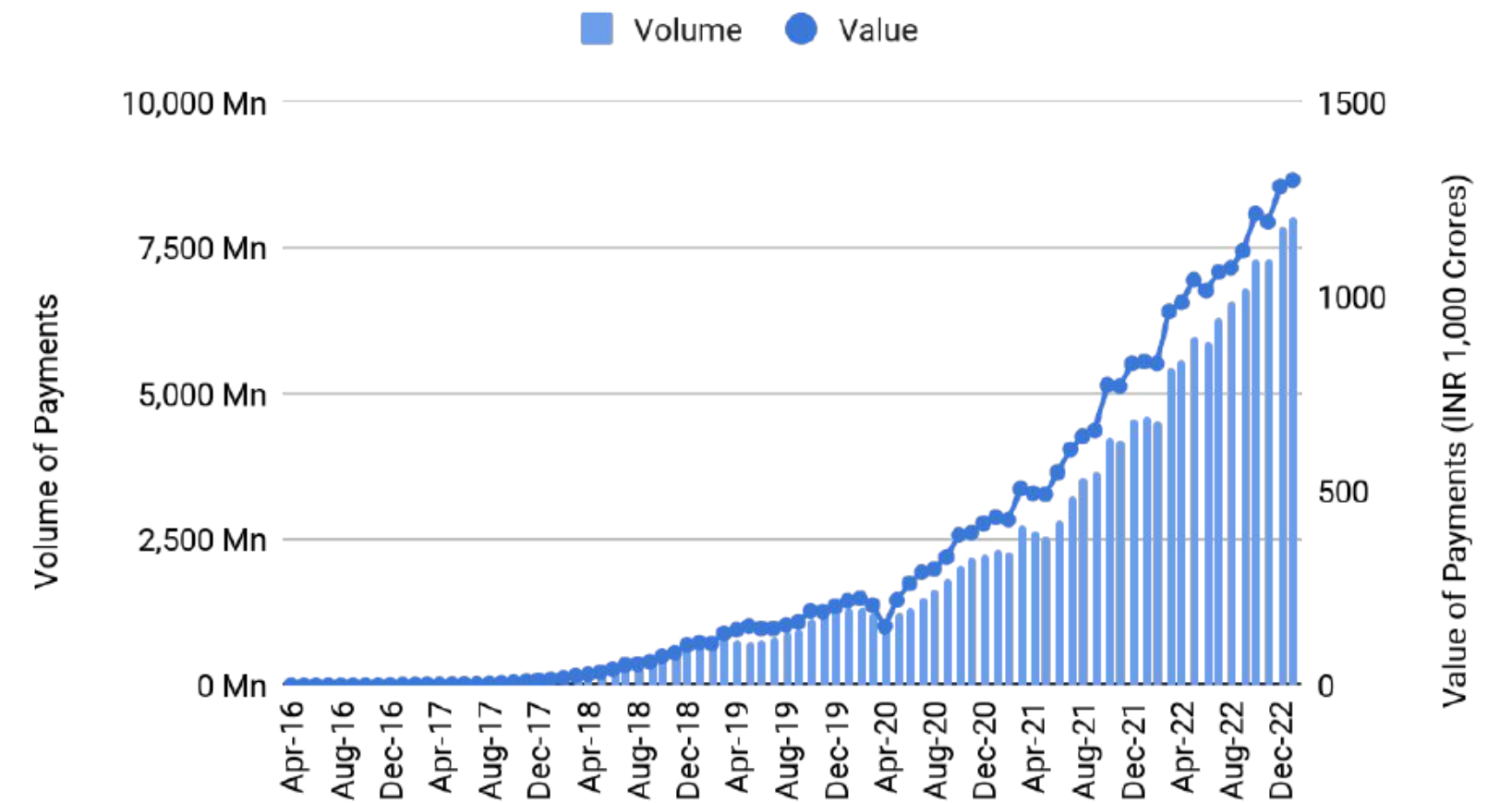
Huge uptake in mobile phone usage

Smartphones and Data Costs

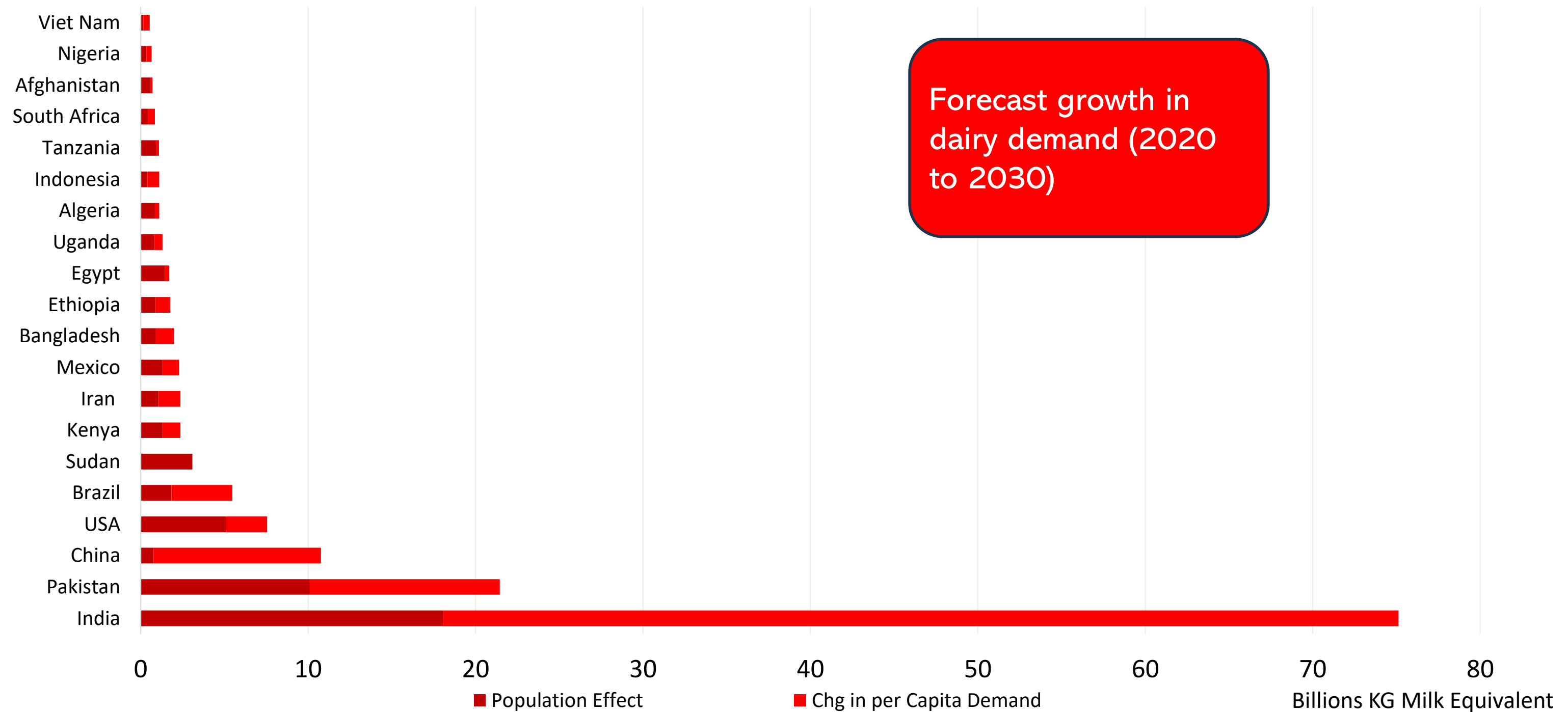


Source: Blume Research, NPCI statistics

World's largest user of digital payments

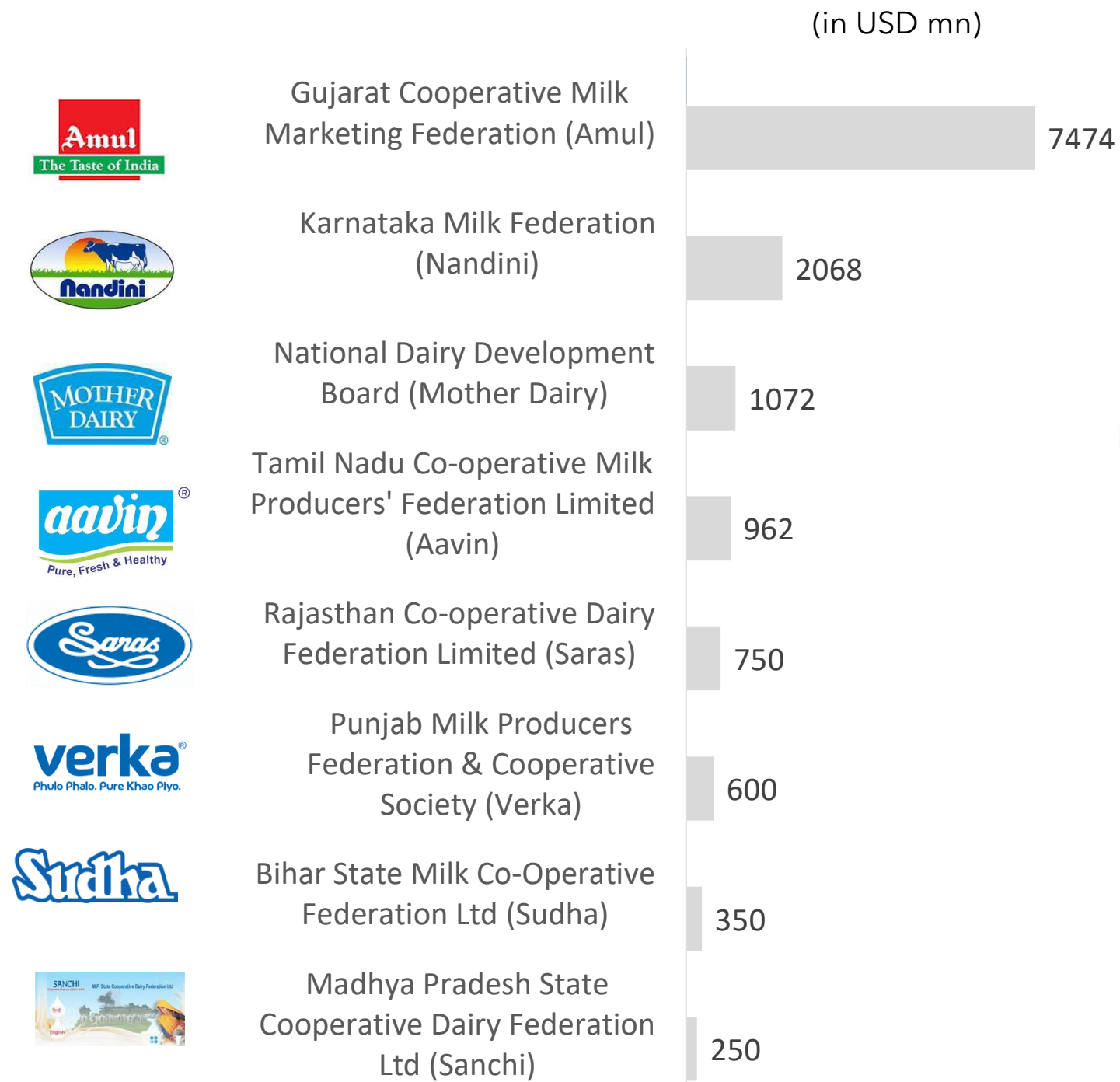


Global growth of dairy will come from India



Based on UN Population Estimates, OECD, IFCN, RaboResearch.

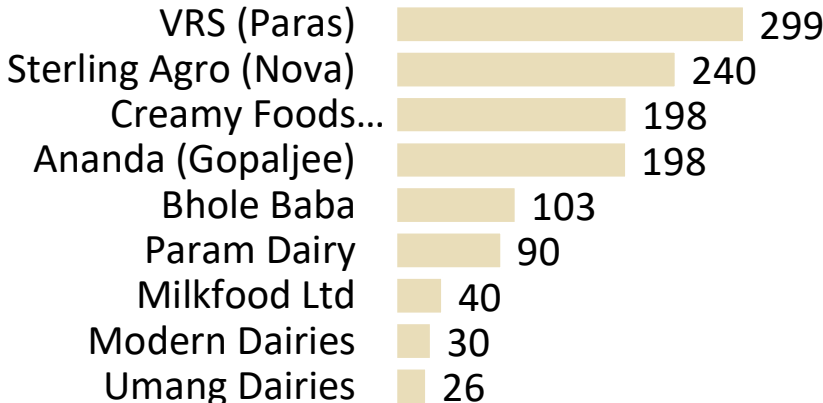
India's cooperative structure



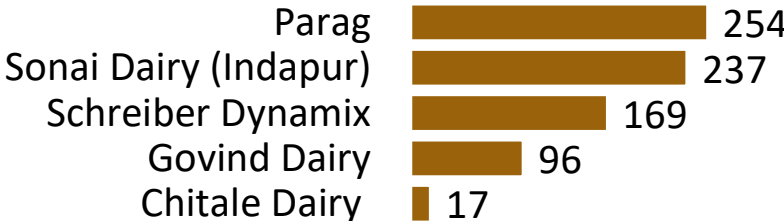
Growing entrepreneurial presence

(USD mn)

North



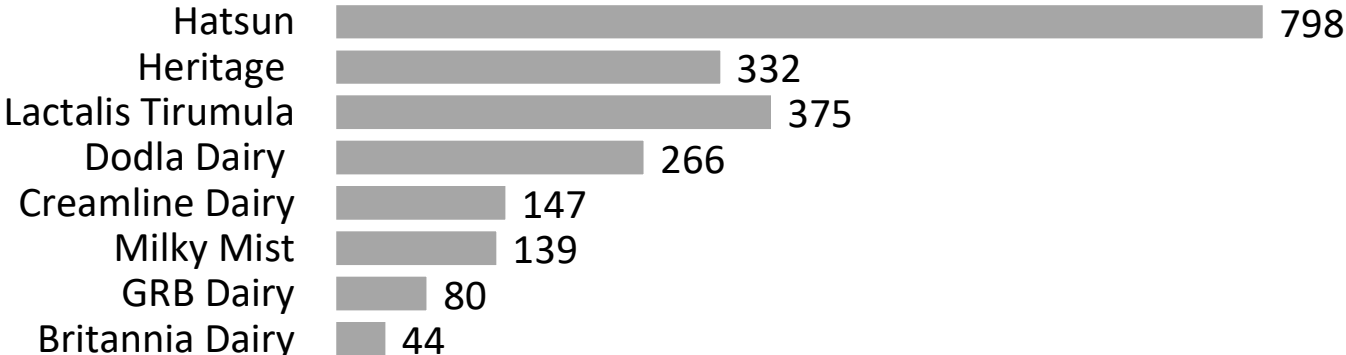
West



East



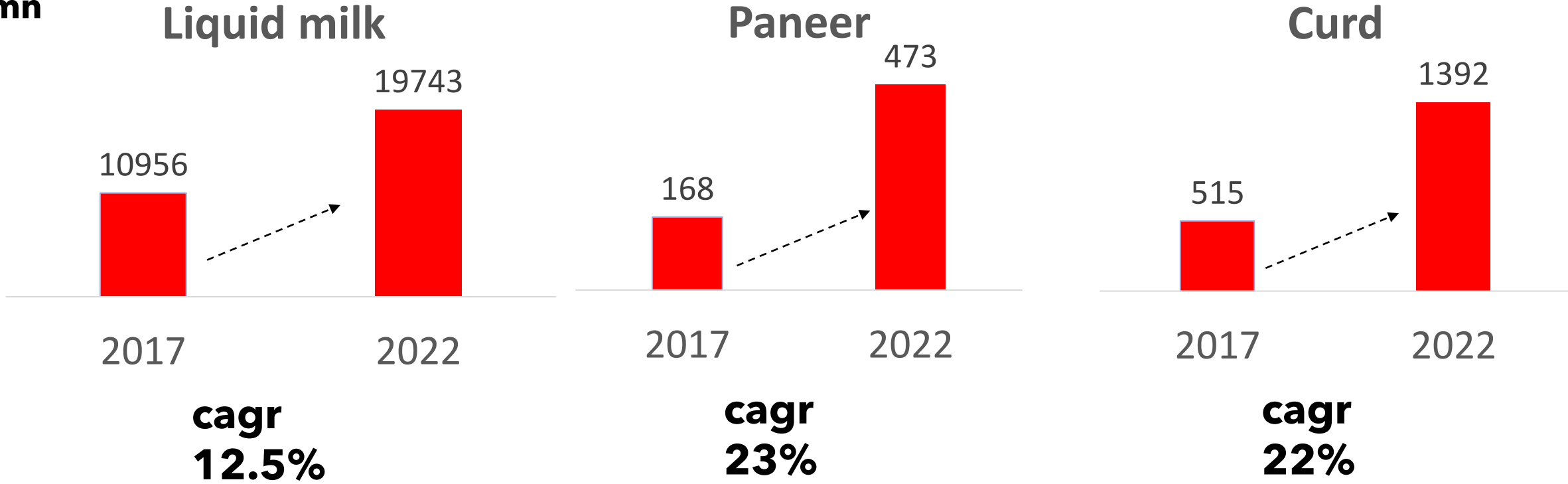
South



Note: FY22 Revenue for some companies not available. Estimated revenues are provided for those companies.

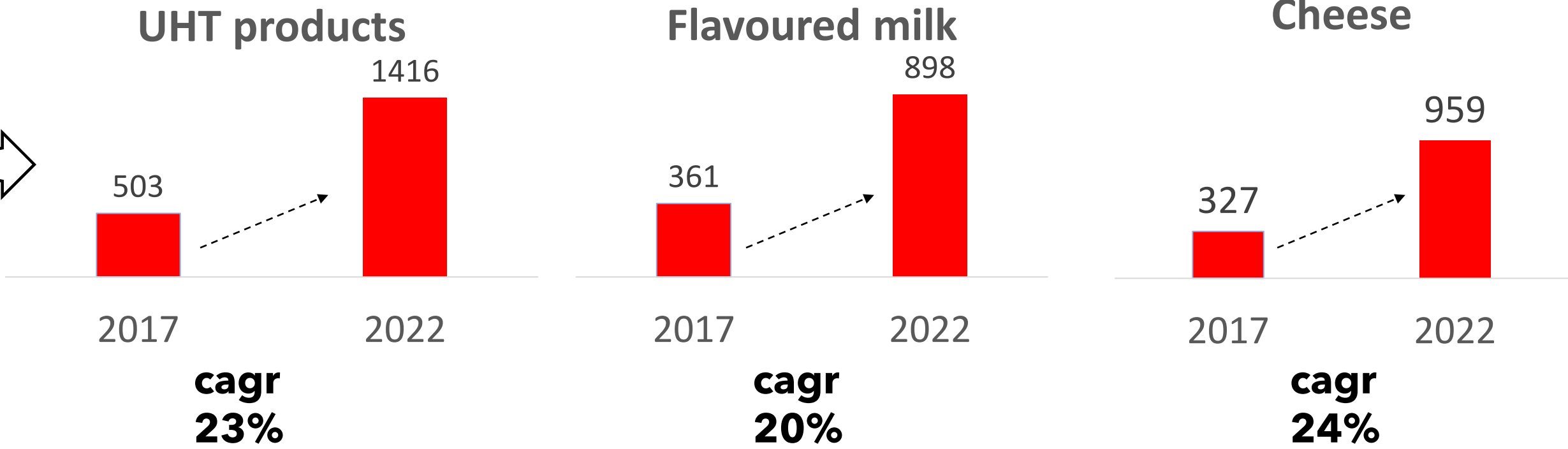
Indian dairy products continue to deliver strong CAGR growth...

in USD mn



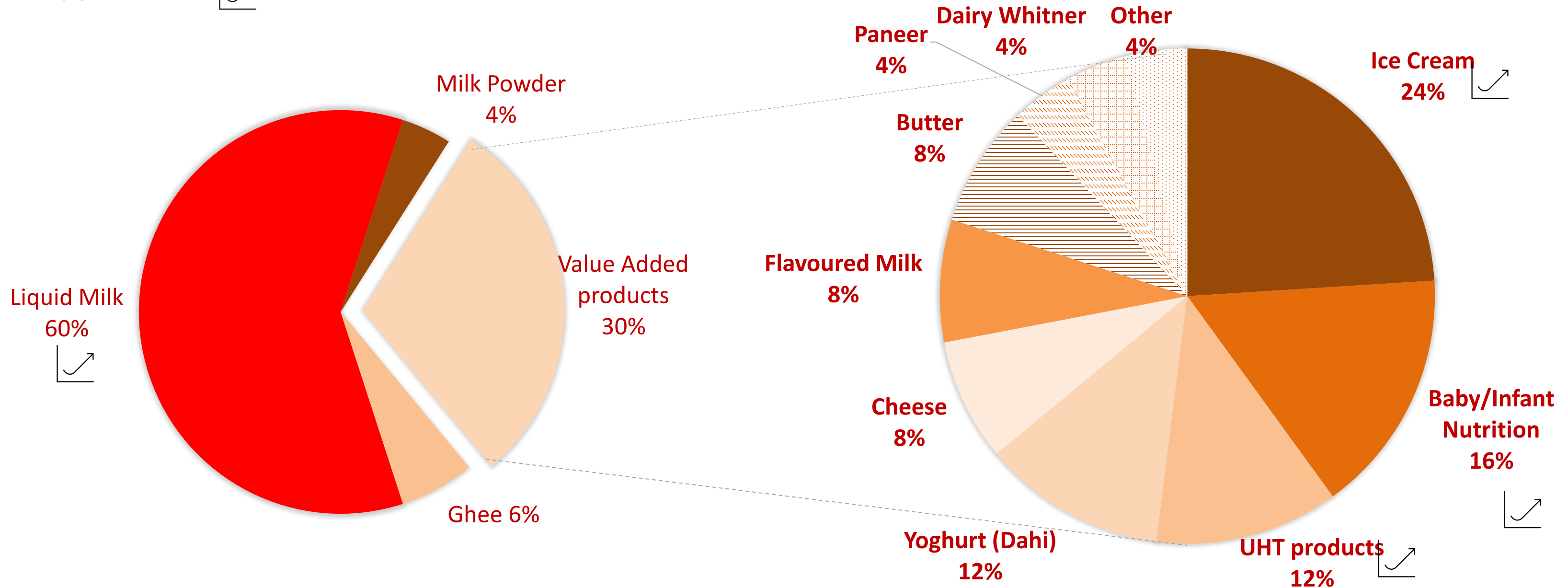
Traditional products growth
cagr ~15%

Modern products growth
cagr > 20%



Entrepreneurial dairy is driving added value” sales

Key growth drivers 

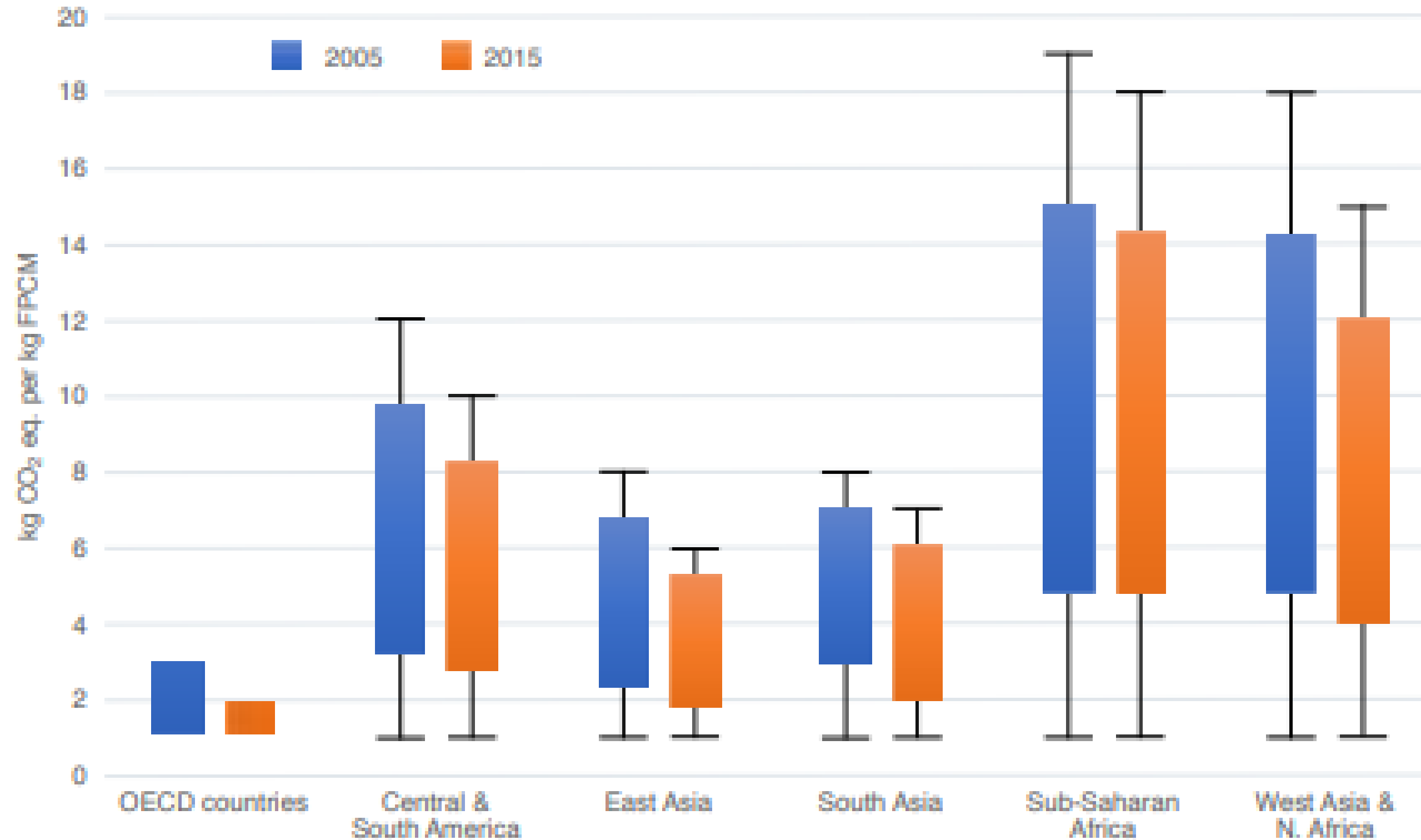


Organised Milk Market
 USD \$26Bn
13%-15% CAGR in next 5 years

Value Add Milk Market
 USD \$8Bn
15%-25% CAGR in next 5 years

Source: Rabobank

Climate change



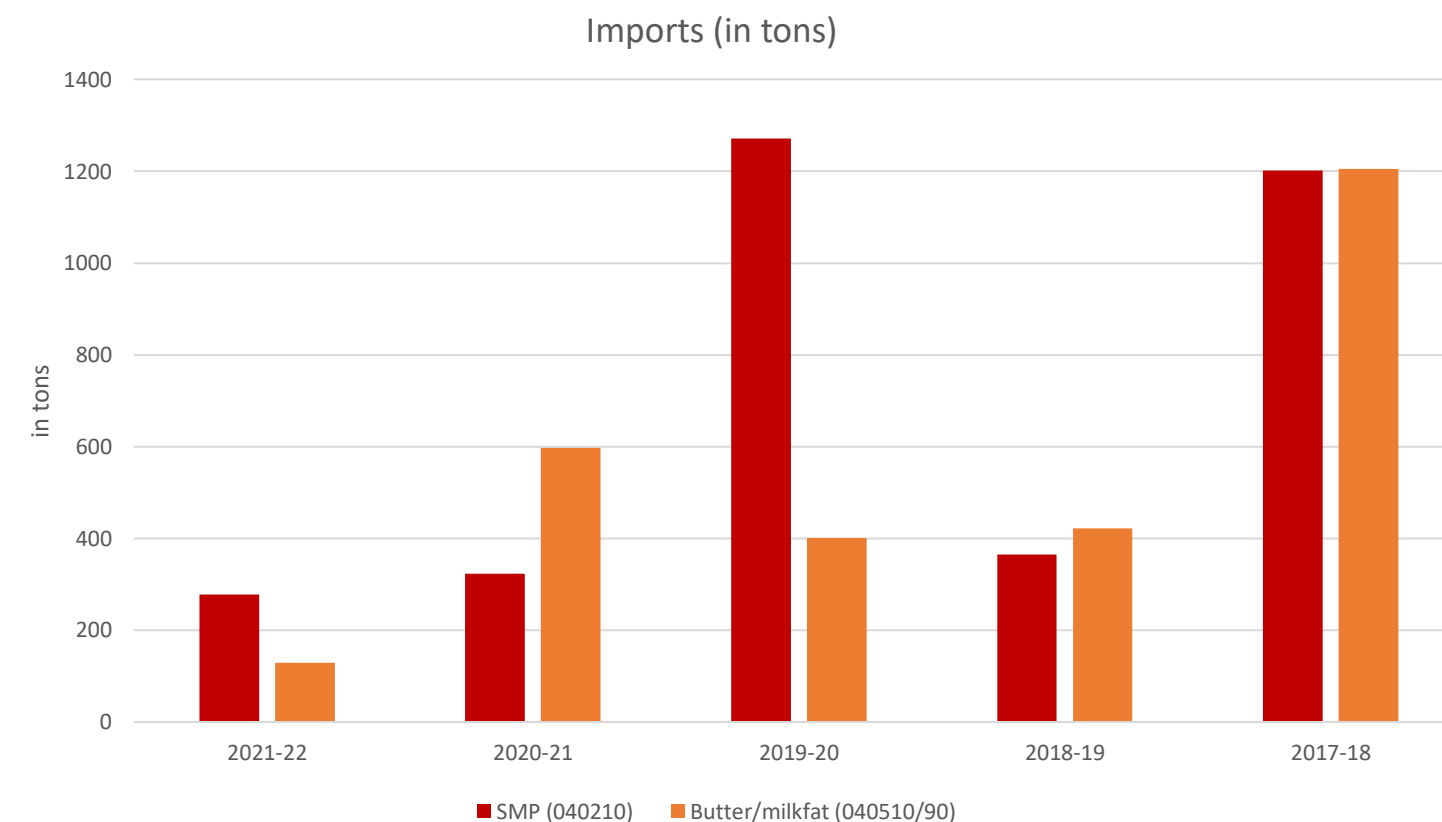
Source : 1 - FAO and GDP. 2018. Climate change and the global dairy cattle sector – The role of the dairy sector in a low-carbon future

* FPCM = Fat and Protein corrected milk

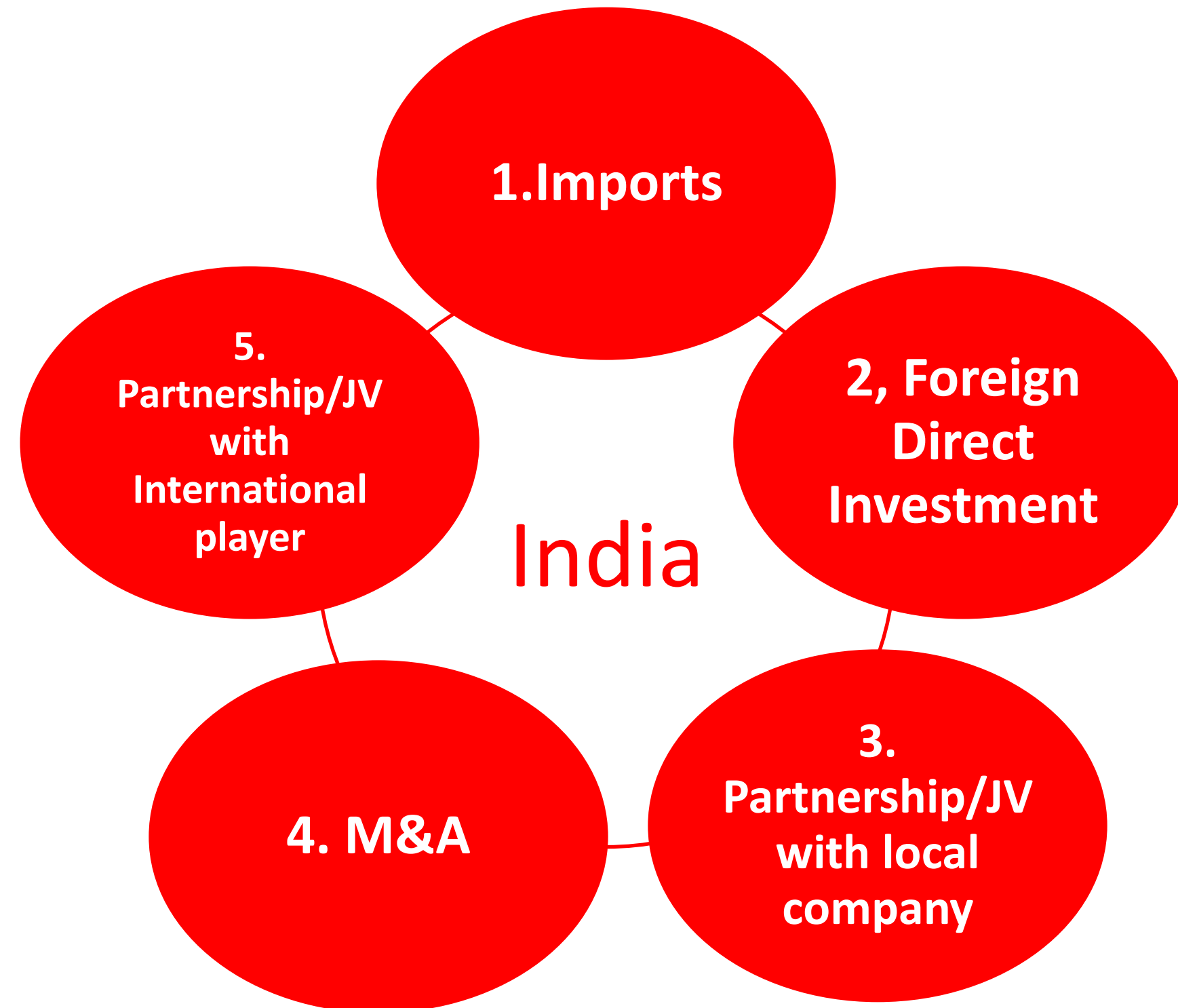
High tariffs and protectionism

- Published duties range between 30% to 60%
- However bound duties range between 40% and 150% and India is resistant to large dairy imports
- Europe, US and NZ are all striving for a FTA including dairy
- Imports volumes have remained quite small and inconsistent for commodities like milk powders and milkfat/ butter
- Less so with products like whey which are not available
- Imports are allowed to increase only when there is domestic shortage.

	Tariff code	Tariff rate
Fluid Milk	0401	30%
SMP	0402 10	60%
Infant Formula	0402 10 20	60%
Yoghurt	0403	30%
Whey	0404	40%
Butter	0405	40%
Cheese	0406	30-40%

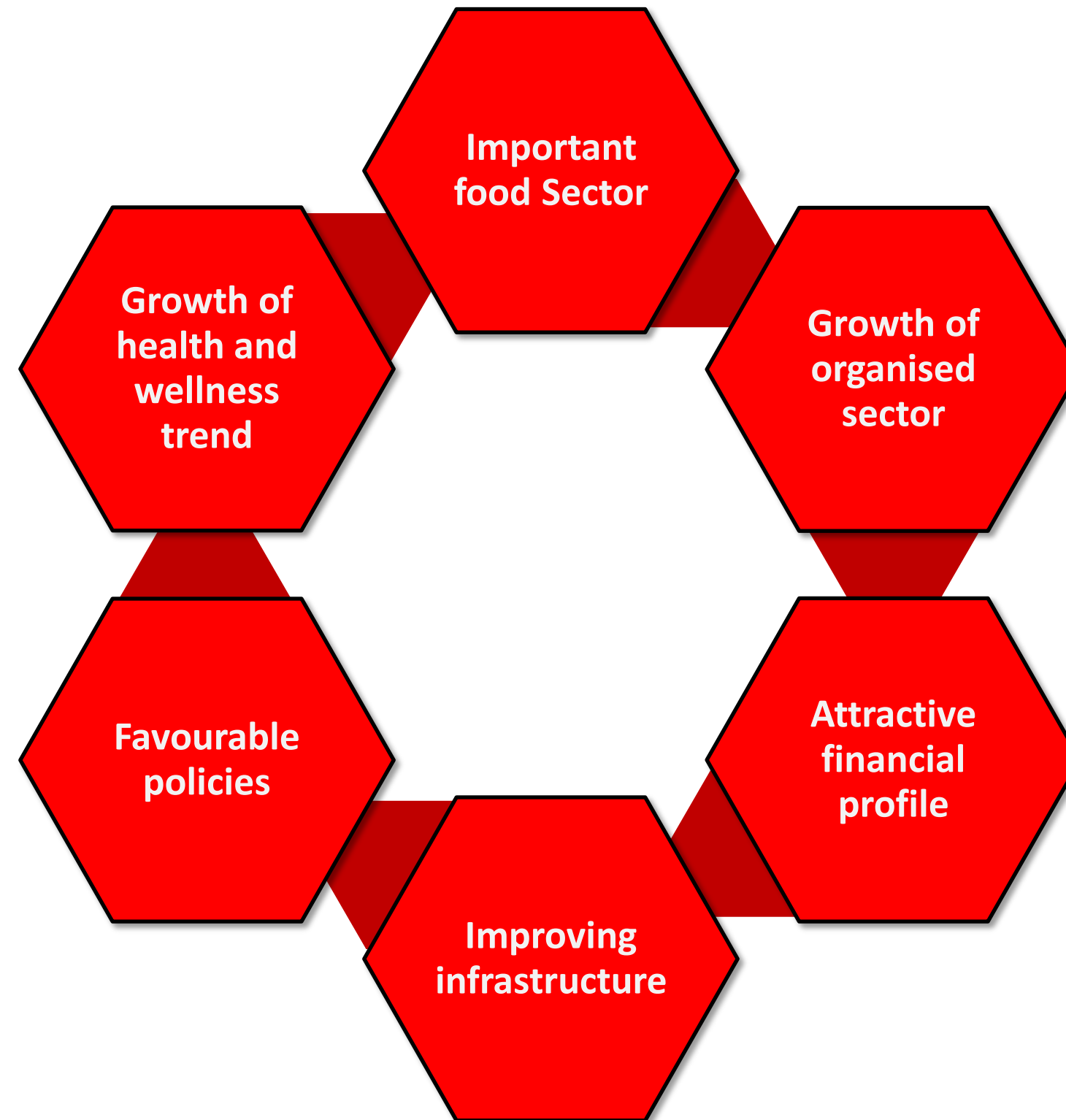


Potential entry routes into India



Dairy growth in India

Milk
production
growth of
CAGR of
5.2%



Thank You

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