

MILK IMPERIALISM.

A Critique of Operation Flood Project

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517

Social Change Paper 6

COMMUNITY HEALTH

# Milk Imperialism

A Critique of Operation Flood Project

by

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Operation Flood Project of Dairy Development is based on donated milk products from EEC countries. In stage I of OF World Food Programme authorities committed 1,26,000 metric tons of skim milk powder and 42,000 metric tons of butter oil which were to be used for making recombined milk in the dairies of four metropolitan cities. Rs. 1,164 million obtained from this sale was to be used for dairy development in the country, more specifically for increasing milk production, organising milk cooperatives and strengthening the procurement system of milk in some selected milk-shed areas.

This is the largest dairy development project in the world to which WFP made its biggest allocation of aid. The project was to be completed in five years (1970-75) but was extended to nearly 11 years. This has been followed by OF II which operates on an even larger scale. Whereas under OF I milk grids were to be arranged to link Delhi, Bombay, Calcutta and Madras to their major hinterland milkshed areas, the aim under OF II is the creation of a national milk grid connecting 27 cooperative federations with 147 major cities in India.

#### **Operation Flood—A Case Study of Food Aid**

Does food-aid have a harmful impact on producers of food in the recipient country? We examine this question here in a specific context—did Operation Flood Project of dairy development, based on donated EEC milk products, have a harmful impact on milk producers in the traditional milk supply areas of the metropolitan cities to whose organised dairy sector these

milk products were mainly supplied? We will try to answer this question by examining four issues :

1. The first of these sub-questions is—did the share of milk producers of the milk supply areas decline in the total milk supply of the city in the course of the implementation of OF I? We answer this sub-question in the specific context of Delhi.

(The milk supply area of Delhi may be defined as Delhi, most villages of Haryana and Western U.P., several villages of Punjab and Rajasthan nearer to Delhi and a few villages of Madhya Pradesh.)

According to the summary terminal evaluation report of United Nations experts (STER-UN), 1981, on OF I project, the milk processing industry in Delhi (or the organised dairy sector) supplied 37 per cent of the milk needs of Delhi before OF started. The total quantity of milk supplied by the industry was 263 thousand litres per day. From this it follows that the total milk consumption of the city was 711 thousand litres (263 thousand litres from the organised sector and 448 thousand litres from the unorganised sector).

As far as the unorganised sector is concerned, all the milk was provided by milk-producers in Delhi's milk-supply area in and around Delhi. In the organised sector, 203 thousand litres out of 263 thousand litres were obtained from procurement, mostly if not all from milk supply areas. Chilling centres had been set up to collect this milk. Thus on a rough estimate 651



thousand litres out of 711 thousand litres were obtained from milk supply areas. The remaining milk was obtained from milk products. Even if we assume that none of these were locally manufactured, we still get a high percentage of the share of local milk producers in the total milk supply of the city (91 per cent).

Now let us examine the situation at the end of OF I, in 1981. Unfortunately, the various set of data that is needed to calculate the share of local milk producers in the total milk supply is not available in published form for this year, to the best of this author's knowledge. On the basis of the available published data, however, we can obtain a fairly reliable estimate for the year 1978-79.

We know from STER-UN (Note 1) that the share of the organised dairy sector had increased to nearly 60 per cent by this year. From a different source (Economic Times—May 13, 1981) we also have the following information :

Total annual milk supply to Delhi	—350 million litres
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Total annual milk supply by organised dairy sector	—210 million litres
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Total annual milk supply by unorganised sector	—140 million litres
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All the supply by the unorganised dairy sector is from the milk produced in and around Delhi. The supply by the organised sector can be further divided :

Supply from procurement of liquid milk	—107 million litres
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Supply from milk products made in India	—35 million litres
Supply from foreign milk- products	—68 million litres

We also know that a big share of the procured milk was coming from distant areas which cannot be considered the milk-supply areas of Delhi. During this year (1978-79) Mother Dairy obtained 202 lakh litres of its milk from Gujarat, compared to 77 lakh litres from U.P., Haryana and Punjab. Also we know (The Hindu, October 26, 1981) that the milk-powder plants in public/co-operative sector in the milk-supply areas of Delhi were being heavily under-utilized. Capacity utilization in 1980 was 30 per cent in Rohtak and only 10 per cent in Meerut. In contrast the capacity utilisation in Gujarat based plants ranged from 79 per cent to 115 per cent. Thus it appears that nearly one-half of the milk procured indigenously in the form of liquid milk or milk products was procured from the milk-supply areas of Delhi, defined properly (nearly 71 million litres out of 142 million litres). In other words total milk obtained from the milk supply areas was 211 million litres (140 unorganised sector, 71 organised sector) out of a total milk supply of 350 million litres.

In the course of the implementation of OF I, the percentage share of the milk-supply provided by the milk producers in the villages of Delhi, Haryana, Western U.P. (and also the villages of Rajasthan M.P. and Punjab nearer to Delhi) declined from nearly 90 per cent to nearly 60 per cent (Note 2).

Depending on the way the 'milk-supply area' is defined the percentage points may move slightly in the calculations that other authors make, but broadly the conclusion (of a significant decline in the market opportunities of farmers for whom Delhi was always the main market) will not be altered. Several chilling centres opened for collecting milk around Delhi were closed down during the years of this project.

What is the significance of this finding? This finding supports the argument of the critics of food aid that food aid is aimed at increasing the long term market of the donor country's gift products by gradually destroying the traditional supply base. Operation Flood authorities have always publicised that the aim of the project is to get milk for the cities from the surrounding milk-shed areas and thereby providing more benefits to the milk producers. Instead we find that the market opportunities of these milk producers are being eroded.

2. At the same time the share of imported milk products in the total milk supply to Delhi has more than doubled—from around 8 percent before OF I to over 19 percent (68 million litres out of 350 million litres) in 1978-79 (Note 3).

3. Beyond Delhi we may look at the total national level imports of milk-products. During the last twenty years we have imported four milk-products, in gift form or on commercial terms,—skim milk powder (SMP), butter oil (BO), whole milk powder (WMP) and butter. The last two, WMP and butter, are relatively unimportant.

Moreover, the imports of WMP in the pre-OF years are balanced, more or less, by the imports of butter in the OF years. Further, transfer values are given for SMP and B.O. in STER-UN but not for WMP and butter. Due to these various reasons we are justified in excluding the relatively insignificant quantities of WMP and butter.

Imports of milk products in the five years preceding OF and in the last five years of OF are considered. The source of the former is STER-UN and the latter statistics were given recently in Parliament. These imports are evaluated at constant prices. The constant prices that we use are the latest EEC transfer prices given in STER-UN. Actual international prices may be higher. Our purpose is only to compare the situation before OF and now, so that these transfer prices (Rs. 9000 per ton for SMP and Rs. 12,500 per ton for butter oil), can be used.

In the five years preceding OF 166 thousand ton imports of SMP are evaluated at Rs. 150 crores. (No B.O. during these years). In the last five years of OF 193 thousand ton imports of SMP and 50 t.t. imports of B.O. are evaluated at Rs. 236 crores. Thus there has been a 57 percent rise in milk product imports in the course of implementing OF. This is the situation just two years before the scheduled date of the completion of OF II. According to recent reports this high level of imports is likely to continue upto 1985 and beyond.

It may be asked why we took 1978-79 statistics earlier and why we are taking statistics



upto 1983 now. The reason is that earlier we were examining milk supply to Delhi only and so considering only OF I which ended in 1981.

4. Lastly we may look at the transfer values of EEC products vis-a-vis the procurement price paid to local producers. An important argument against food aid has been that it makes available food at a cheaper rate than the local prevailing rate, and thereby in various ways acts as a disincentive for local producers.

In 1980-81 the transfer value of a litre of milk obtained from abroad was Rs. 1.30 at WFP rates and Rs. 1.75 at E.E.C. rates. The procurement price for indigenous liquid milk was Rs. 2.60 per litre.

At the same time the market price of milk sold by Mother Dairy in Delhi was Rs. 2.20 per litre and that sold by Delhi Milk Scheme was Rs. 1.80 per litre while the price of the (somewhat higher fat content) milk sold by the unorganised sector in Delhi was around Rs. 4 per litre or more.

#### **How many glasses of milk, and for whom ?**

Increasing milk production is a desirable objective in India. However there are various ways of increasing milk production not all of which are desirable.

One way of increasing milk production is by diverting important sources of human nutrition into cattle feed. These include the outer and most nutritious layers of rice and wheat, coarse-cereals and the edible parts of oilcakes.

In this context one has to consider not only the diversion from human food to animal food at the processing stage but also the diversion of land from producing food crops to cattle-feed crops. Keeping in view the substantial under-nutrition and malnutrition that exists in this country, this writer is firmly against this method of increasing milk production.

Another (not necessarily separate but related) method of increasing milk production is to introduce intensive dairy-farming in a few selected areas which will have cross-breed cows and upgraded buffaloes requiring high concentrate feeds and to supply this cattle-feed plants will be established in these areas. In other words this strategy wants to distribute the available scarce supplies of concentrate feeds in an unequal way, giving a lot to some selected milk-shed areas and depriving other areas. The purchasing power for this in the selected areas will be made available through heavy dairy development investment in these areas. This briefly is also the OF strategy.

Two prominent dairy experts K. Narayanan Nair and M. G. Jackson show clearly (Economic and Political Weekly—December 26, 1981) that as a means of increasing national level milk production this strategy is counter-productive. It may increase milk production in some areas but will not do so at the national level. This is because an egalitarian distribution of limited concentrate feeds can contribute more in term of milk production than an inequalitarian one.

According to Nair and Jackson, "The OF II

strategy (which in this context is the same as the OF I strategy) aims precisely at helping some farmers, by setting up feed plants and by arranging a supply of concentrates on credit, produce more milk and earn more profit at the expense of other farmers not in OF districts. This pattern of exploitation of the many by the few has already been going on for generations in order to supply our city markets. City cattle and buffalo owners have long monopolised limited concentrate supplies—OF II strategy actually calls for an extension of this system of waste and exploitation by fostering city type milk production in selected milk sheds."

M. G. Jackson comments in another paper, "There is no real development in these project areas—if development be defined as the more efficient use of local resources—but only a transfer of limited available scarce feeds from one area to another via a market system that is in essence exploitative of the former."

Under Indian conditions it is unlikely that cross-breed cows will prove very successful even in limited areas of intensive development because of their high susceptibility to disease, higher mortality rate, need for close supervision, high feed requirements which most villagers may not be able to provide and lower capacity of these bullocks to work on farms, specially during the summer months. In any case progress even in these areas has been slow.

According to the mid-term appraisal of the Sixth Plan by the Planning Commission, "In regard to the OF Project, it has been observed

that progress relating to artificial insemination, frozen semen technology and the rearing of cross-breed calves is not satisfactory. Further, progress of the work done by Punjab, Gujarat and Tamil Nadu states under this project is satisfactory while in 18 other states and in 4 union territories, achievements are much below the targets. This will in turn lead to short-falls in the target laid down for indigenous milk production under this project."

Impressive claims of an increase in milk production in the country in the OF years have been made by the dairy authorities. However a recent note released by the Animal Husbandry Division, Ministry of Agriculture, states that right upto the mid-seventies no significant achievement was made in estimating milk production for the country as a whole.

Draft Fifth Plan said, "Broadly speaking the project OF is behind schedule by nearly two years. A more unsatisfactory aspect is the lack of emphasis on the indigenous milk production programme, which is vitally necessary to maintain the metropolitan supplies when the gifts of butter oil and milk powder are stopped at the end of the programme period."

In the course of implementing OF I, money was diverted from production aspects to processing aspects. Rs. 285 million were originally sanctioned for increasing provision of technical inputs, but disbursement upto 31-1-81 was only Rs. 230 million. Rs. 40 million were sanctioned for development of milch animals but till 31-1-81 only Rs. 29 million had been

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517

11

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spent. Rs. 154 million was sanctioned for resettlement work but only Rs. 2 million was spent.

On the other hand Rs. 19 million were sanctioned for expansion of city plants but Rs. 32 million were spent. Rs. 140 million was sanctioned for setting up of new dairies while Rs. 262 million were spent. Rs. 209 million were sanctioned for chilling centres while Rs. 479 million were spent.

According to K. S. Mathew, Secretary of the National Cooperative Dairy Federation of India, "The capacity utilization (of dairy plants) was extremely poor in most of the feeder balancing dairies set up under OF I and World Bank aided scheme during 1979 and 1980." (The Hindu, October 26, 1981.)

In a recent article in the Economic Times (February 12, 1982) economist V. S. Vyas summed up the state of milk production statistics in these words, "Uptodate information on the vital aspects of dairying is conspicuous by its absence. Even the estimate of the total quantity of milk produced in the country is based on a series of assumption. What we ultimately get is nothing more than 'guess estimates'. No body can say with certainty as to what is the total quantum of milk produced in a year, much less about the rate of growth in milk production over a period of time, or the precise contribution of various factors in the growth of production. On the basis of the estimates prepared for computing national income data, we find that the total production of milk has been increasing at a snail's pace."

Vyas goes on to say, "In spite of the indigenous systems of procurement, delivery and extension one gets the feeling that of late production at the farm level is being neglected. Our emphasis seems to be more on modernising the marketing and that too, by concentrating upon the so called epicentres of purchasing power i.e. metropolitan cities and large towns."

OF I project had planned that the capacity of the milk processing industry in the four metropolitan cities will be raised to 2750 thousand litres per day. The actual achievement was 2900 thousand litres. It had been targeted that this industry will procure 2275 thousand litres per day, the procurement in 1979-80 was only 1341 thousand litres.

It had been targeted that within five years of the project, it will become possible to raise procurement of milk from rural areas from 687 thousand litres to 2275 thousand litres. Actually after extension of the project from five years to ten years (1979-80 statistics) only an increase of 654 thousand litres could be obtained instead of the targeted 1588 thousand litres. OF I was mainly a project to increase the procurement to city dairies by increasing production as well as marketing facilities in the surrounding rural areas. In this sphere it took double the time to achieve only 43 per cent of the target. This is what the official data says. If this is success, I wonder what is failure.

When faced with this kind of criticism, operation flood authorities offer a strange defence. According to Dr. V. Kurien, "I felt

justified in setting myself targets that were almost impossible to achieve. I think there is no harm in aiming at the stars. That is one way of hitting the tree-tops."

What he ignores is that the project was got approved from the Government on the basis of the 'star-targets'. If only the 'roof-top' targets had been submitted in the original report, it is possible that the Government may have never cleared this project. If other bureaucrats also start applying this reasoning to explain the failure of the projects headed by them, then the country is doomed.

Even the limited increase in procurement for city markets that has taken place can be justified only if this is the result of an increase in milk-production. It is well-known that per capita milk consumption is already low in rural areas compared to city areas.

When milk production is increasing at a very slow pace while procurement is increasing at a relatively higher rate (even if lower than targeted rate), the per capita consumption of milk in rural areas is declining. This trend is likely to be accentuated by the rapid increase in the manufacture of dairy products for elites (baby foods, table butter and cheese, milk-chocolates, shrikhand, flavoured milk drinks et. al.). Because of the higher purchasing power in the cities, milk is drawn from village families to the city rich in the form of these products, a trend fully supported by OF authorities as is evident from the fact that first Amul and then other co-operative organisations have been in

the forefront of the manufacture of these products. They have even started behaving like multinational companies in not being bothered about the ethics of promoting baby foods. Amul is now emerging as a more vociferous champion of baby foods than some of the multinational companies.

India Today reported recently about baby foods.

"Manufacturers continue with aggressive promotion and formula sales are booming. Sales skyrocketed to 40000 tonnes last year, a compounded annual growth of 20 per cent in tonnes and almost 40 per cent per year in value terms. DGTD statistics show that the growth rate was higher than that of any other food product and one of the highest in all of India's industries."

### **Operation Flood and the Rural Poor**

Operation Flood authorities have made claims of substantial benefits to the poor as a result of the implementation of OF. However Operation Flood can benefit the poor only if they have milch animals and some land to feed them. If the poorest do not have either milch animals or land, it is unlikely that they will benefit much from Operation Flood. Programmes such as IRDP (outside Operation Flood) which have tried to give milch animals to the poor have not succeeded much because of some conceptual weaknesses but even more because of widespread irregularities in their implementation.

To the extent that the poor are members of



milk cooperatives, some strategies of development can be more easily followed by them than others. The strategy of cross-breed cows that Operation Flood emphasises is likely to be less accessible to them. Unfortunately it appears that even middle level peasants may not get the expected benefits because of the domination of cooperatives by technocrat managers, as at Amul. Operation Flood is also responsible for uprooting several small-scale, village based, milk trader families.

Statistics of the All India Rural Debt and Investment Survey (1971-72) tell us that the bottom 10 per cent of rural households (Classified according to the value of assets) own only 1 per cent of milch animals, the bottom 20 per cent own only 5 per cent and the bottom 30 per cent only 12 per cent. In the lowest decile only 5 per cent of the households own any milch animals. In the next decile also only 16 per cent of the households own animals.

The reason why the poor own much lesser milch animals is that they have a low resource base and they have very little land or no land at all from which to feed their milch animals. For the same reasons, the proportion of dry animals in their stock is much higher. Also the milk yield is lower than the better fed animals of the rich. Hence the real inequality of milch animal ownership is even higher than what is indicated by the above data.

Economists like V.S. Vyas and N.S. Jodha drew attention to this reality of dairy activities in the Indian rural setting by writing that "It would be

misleading to infer too much from the mere presence of a few milch cattle on the small farms.....There is a close association between dairying and owned land resources. Ensuring a sizeable amount of fodder resources is essential for at least limited stall feeding. This factor tends to belie the generally held impression that owned land is not an important consideration in maintaining a dairy animal."

In all of India it is the milk cooperative benefits to the poor of Kaira district of Gujarat which have been publicised the most and efforts have been made, with a lot of international aid, to create a model of dairy development here. However in this heart of the white revolution, things are not at all as good for the poor as they are often made out to be.

According to a study (1980) on the 'Role of Milk Cooperatives in Articulating Rural Urban Interaction' under the supervision of Prof. Vimal P Shah of Gujarat University (this study was based on a sample survey of 599 respondents in six villages of Kaira district), as many as 50 per cent of the villagers are landless and only 20 per cent of them sell milk. "The cooperative movement has not been able to significantly modify the traditional relationships between milk production and land holdings. The landless (person) who takes up dairying seems to face a formidable problem of cattle feed. Green fodder is not available to him because he does not have land, and the relatively high price of the compounded cattle feed adds disproportionately to his costs of milk production. Again, when the purchase of milch animals is funded through a

financing agency, the regular payment of instalments leaves only a small amount in his hands, and therefore, he does not seem to consider dairying adequately remunerative.

Another study of milk cooperatives in Surat made for the Centre of Social Studies by B. D. Desai, points out that of the 358 landless households in the three villages studied only 8 were found to be milk producers. The condition of even these few landless milk producers was found to be very precarious.

Two other aspects of milk cooperatives deserve mention. Firstly, due to the heavy emphasis on processing aspects of the dairy industry in Operation Flood, several cooperatives have been saddled by a heavy infrastructure which adversely affects their economic viability. Secondly, as in other areas of the cooperative movement, there are indications that in milk cooperatives, leadership and decision making is being monopolised by the rich.

Operation Flood has placed heavy emphasis on the technology of crossbreed cows for increasing milk production. However the desirability of this technology has been questioned on several grounds. According to Akhil Bhartiya Krishi Goseva Sangh, the consequences of exotic cross-breeding of indigenous breeds of cows have been rather disastrous as the male calves of crossbreed progeny are unsuited to the rigours of Indian agriculture and invariably found their way to the beef market. Sangh sources have quoted a study of cross breeding

in and around Bangalore where as many as 75 per cent of the male calves were reported to have been sold to butchers.

The disease susceptibility and mortality rate among the crossbreed cows has also been found to be much higher. Further, it has been pointed out that dairy development based on crossbreed cows, because of the high level of feeds and the overall care required, is likely to reach only the relatively big farmers, who by cornering the scarce supply of feed concentrates will further diminish their availability to the small farmers.

Finally, we may refer to the passage in the widely discussed research paper—Technological Change in Milk Production—written by a dairy expert K. Narayanan Nair "Given the unequal distribution of milch animal holdings, the benefits of dairy development are unlikely, in the normal course, to benefit, the poorest classes. The efforts made under the various programme to provide state assistance to enable these segments to acquire more animals do not seem to have been large enough to make a substantial difference to the above picture. The fact that the relatively weaker sections do not have the resources needed to maintain high quality milch animals makes it all the more likely that dairy development programmes based on cross breeding, milk marketing, processing and distribution would hardly benefit them; instead the benefits would mostly accrue to the better-off segments. And in the long - run such efforts may even contribute to the acceleration of the process of concentration of asset ownership in agriculture



rather than to a broad based growth of dairying, the benefits of which are more equitably shared by different segments of rural society."

According to prominent sociologist B. S. Baviskar (EPW—14 - 1 - 84), "that Amul is controlled by the managers and technocrats, with the elected directors playing a secondary role. is fairly clear- to any careful observer. Let me give some instances. In 1980, the members of the milk producer co-operative societies affiliated to the KDCMPU formed an association to agitate for higher prices for the milk supplied by them to Amul. (Unlike Maharashtra where milk prices are fixed by the State Government, in Gujarat each district level co-operative milk producers' union such as the KDCMPU, decides the prices). As in theory these producers are the owners of Amul, a paradoxical situation emerged whereby the owners of Amul had to form an association to get higher prices for their milk from their own organisation. The agitating members openly complained about the ineffectiveness of the elected directors and the strong grip of the managers ..

"At least some of the directors of Amul seem to be aware of and resent the fact that they are treated as rubber stamps while the managers enjoy the real power, indeed, rumblings of tension between the managers and directors can be heard."

It has been claimed that milk co-operatives have reduced caste-tension in Kaira district and neighbouring areas. I quote from my report on

these villages, published in the Deccan Herald, at the time of the attacks on Harijans in 1981.

"The Harijans of Uttar Sanda village in the Nadiad Taluk of Kheda District were attacked on the night of February 20. Twenty four houses were burnt, seven of them completely. In the Dhetroj village of Viramgaon Taluk in Ahmedabad District, the Harijan basti was similarly attacked on February 27. Thirty-seven houses were badly damaged seven of them destroyed completely".

### **Benefits to Multi-nationals**

Manufacturers of dairy equipment in developed countries as well as multinational companies based in India have benefited enormously from the capital intensive nature of dairy development promoted in India under Operation Flood.

Several newspapers, specially the prestigious financial daily from Calcutta 'Business Standard', have reported from time to time several glaring cases of indiscriminate imports of various dairy equipment.

While direct imports of dairy equipment are not insignificant perhaps even more significant is the enormous purchase from MNCs like Vulcan Laval. For example in the Mother Dairy at Kurla, Bombay, nearly 19 items of machinery out of the 55 installed (list given below) were obtained from a single MNC Vulcan Laval.

Milk Stainers, Raw Milk, Processed Milk Slices, Milk Pumps, CIP Tanks, Double toned Milk Tanks, Milk Balance Tanks, SS Tanks,

517

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21  
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Rubber Belt Conveyors, Butter Churn, Ghee Kettles, Ice Building Coils in Water, Glycol Cooking Coils, Condensing Coils, Liquid Ammonia Receiver, Diffusers, Transfer milk pumps, Powder hoppers, R C M Pumps.

### **Towards Genuine Dairy Development**

Milk production should be increased by means of

- 1) Land-reforms.
- 2) Village-level processing of oilseeds so that village animals get oilcakes
- 3) Regeneration of pastures.
- 4) Mass afforestation of fodder trees.
- 5) Rediscovering and propagating some of the traditional breeding strategies which have given good results in our country. While planning for animal breeding and nutrition the availability of draught animals should be kept in mind as a priority objective. Animal nutrition has to be based on grass, leaves, crop residues and some locally available oilseed and pulse offals. Breeding policies should keep this in mind. Export of oilcakes should be banned.

Production of infant milk formulas and various luxury dairy products should be discouraged.

Imports of milk-products should be stopped completely, on commercial terms or in the form of gifts.

Milk for cities should be collected from the surrounding rural areas. Milk-cooperatives

should be formed for this purpose. Small scale, traditional, village based milk traders based should be absorbed into the new system instead of being uprooted. Distribution and processing costs should be kept to the minimum. Labour-intensive methods should be pursued.

### **Milk Imperialism**

There are several internal reasons why the EEC countries give large scale aid in the form of dairy products. We are here more interested in the external reasons of this aid :

1. They want to find a market for their surplus dairy products in the cities of India (and other countries) and towards this end they want to erode the traditional supply base, make the consumers get used to the taste of recombined milk and create processing facilities for manufacture of recombined milk.

2. They want to find a market for their dairy equipment industry.

3. They want to hang on to a source of aid which really costs them very little but can be publicized as high value aid going to the poor.

All these objectives are being achieved in the course of the implementation of Operation Flood.

### **NOTES**

1. STER-UN gives statistics for 1979-80, but the share of the organised sector could not have been much different just one year earlier. We have taken 1978-79 because various other data available to us is for this year.



2. Since some of the calculations are approximate and not exact estimates, I am prepared to concede an error of about 5 percent or so. What is important is that instead of the share of local producers in the market rising from 90 per cent to about 100 per cent as planned it came down quite significantly.

3. If we calculate on the basis of figure of 55 percent being the share of the organised sector, we still get the share of imports in the total milk supply at 18 per cent in 1978-79 (68 m.l. out of the total milk supply of 380). Similarly our calculations of the share of the milk supply area will not be substantially affected.

Import content in the milk-supply of metropolitan cities may be reduced now (1983-84) but only when there is high import content in the milk supply of nearly 140 other Cities (OF II)—witness the overall increase in milk-product imports.

I am grateful to Gurucharan for his help.

Copies of Social Change Paper 5 (Hunger—A Report on India—Price Rs. 12/-, \$3 outside India) are available.

The present paper is available abroad for \$ 1.