



## Exploring the Potential of Youth in Dairy Farming: A Start-up Outlook

Bikram Barman<sup>1\*</sup>, Girish C E<sup>2</sup>, Upali Kisku<sup>2</sup>

### Introduction:

Dairy farming has been an integral part of India's agricultural landscape for centuries. It not only provides a consistent source of income but also plays a vital role in meeting the country's ever-growing demand for dairy products. Traditionally dominated by older generations, the dairy industry is now witnessing a wave of young, enthusiastic entrepreneurs who are revolutionizing the sector. India is known as the youngest nation in the world. The largest youth population in the world belongs to India. Youth are those in the age group of 15–29 years (National Youth Policy). This working-age population consists of highly motivated youths with diverse aspirations. Youths have the greatest capacity to uplift any society with their creative and innovative ideas, powerful strength of mind and risk-bearing and achievement-seeking behaviour. There is a huge history of dairy cooperatives and industry development in India. But in the meantime, the need for entrepreneurship and startup initiatives is a major concern today. Instead of the world's largest milk producer, with about 22 per cent

share of global milk production, around 68.7 per cent of India's milk and milk products sold in the country do not meet standards laid down by the Food Safety and Standards Authority of India (FSSAI). Adulteration in milk is also an ongoing problem for decades in India. So, the dairy sector of India needs a shift to business orientation. There is no confusion about the market demand for dairy products as India is the biggest milk consumer in the world. In recent times, several start-ups have come up across the breadth of the country that solves the quality issue with milk. Many of these start-ups stress not only adulteration free milk but also stress about the feed given to cattle.

### What is Start-up?

Unlike traditional businesses, start-ups are driven by a spirit of entrepreneurship, innovation, and disruption. They operate in dynamic and evolving industries, leveraging technology, market trends, and consumer insights to create innovative solutions that address unmet needs or problems. Start-ups often strive to introduce new products or services that can revolutionize existing markets or create entirely new ones. One of the

*Bikram Barman<sup>1\*</sup>, Girish C E<sup>2</sup>, Upali Kisku<sup>2</sup>*

*<sup>1</sup>ICAR- Indian Agricultural Research Institute*

*<sup>2</sup>ICAR- National Dairy Research Institute*

key attributes of start-ups is their focus on scalability. They have ambitious goals of achieving rapid growth and expanding their operations, customer base, and market reach. Start-ups seek to capitalize on their innovative ideas and disruptive potential to capture a significant share of the market and generate substantial revenue within a relatively short period. Shri Narendra Modi, Prime Minister of India defined as “Start-ups are the engines of exponential growth, manifesting the power of innovation. Several big companies today are start-ups of yesterday. They were born with a spirit of enterprise and adventure kept alive due to hard work and perseverance and today have become shining beacons of innovation.”.

India boasts the world's third-largest start-up ecosystem, characterized by a projected year-over-year growth rate of 12-15 percent. In 2018, the country witnessed the emergence of approximately 50,000 start-ups, among which around 8,900 to 9,300 were technology-led ventures. The subsequent year, 2019, witnessed the birth of 1,300 new tech start-ups, indicating a remarkable pace of 2-3 new tech start-ups emerging daily. However, the number of start-ups in the dairy sector remains relatively low even though milk contributes nearly one-third of the gross income of rural households. Dairy farming holds immense potential in terms of profitability if costs are effectively managed.

Given the significant role milk production plays in the livelihoods of rural communities, capitalizing on this sector becomes crucial for entrepreneurs.

### **Why is it startup-friendly?**

India's dairy market, valued at INR 13,174 billion in 2021, holds immense potential for start-ups. With an anticipated CAGR of 14.98% from 2022 to 2027, the market is expected to reach INR 30,840 billion. It is worth noting that the ongoing COVID-19 pandemic has necessitated a thorough evaluation of its direct and indirect impact, which is reflected in the report as a significant market contributor. This period can be aptly termed as "White Revolution 2.0" for the dairy sector, where start-ups are poised to flourish.

Several factors contribute to the start-up-friendly environment in the Indian dairy sector. Firstly, government initiatives play a crucial role in supporting and nurturing start-ups. These initiatives focus on fostering innovation, providing access to capital, offering training and skill development programs, and facilitating market linkages. The government's encouragement and support create an ecosystem conducive to the growth of dairy start-ups. Moreover, the rapid growth of India's digital consumer base has opened vast opportunities for start-ups in the dairy sector. With increasing internet penetration

and smartphone usage, start-ups can leverage technology to connect with consumers, establish direct marketing channels, and offer personalized products and services. The advent of newer technologies like blockchain and IoT devices has further fueled the growth of dairy tech players, enabling innovative solutions in areas such as supply chain management, quality assurance, and farm productivity.

### How can dairy startups help in employment generation?

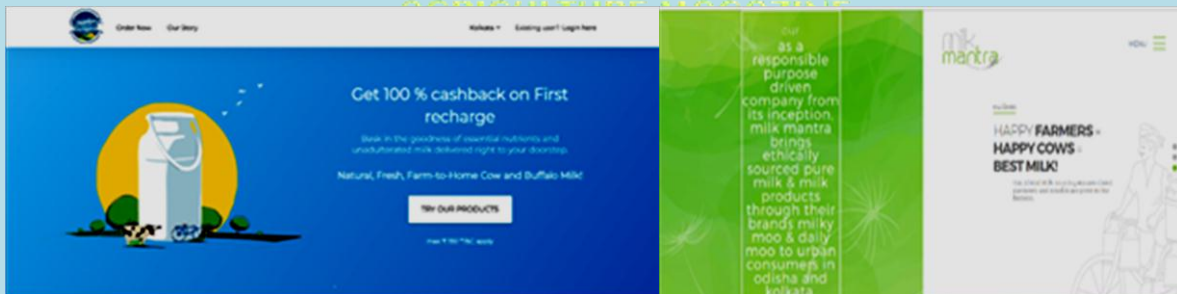
Dairy startups have the potential to generate employment opportunities in India through direct and indirect means. They create direct jobs in farm operations, processing, and manufacturing, requiring skilled workers in areas such as cattle management, milking, processing, packaging, and quality control.

delivering high-quality dairy products. They follow sustainable farming practices and work closely with smallholder farmers to ensure the sourcing of pure and healthy milk. Their product range includes milk, yogurt, buttermilk, and dairy-based beverages.

**Amul:** Amul, a well-established brand in the dairy industry, has been a pioneer in cooperative dairy farming in India. It is known for its wide range of dairy products, including milk, butter, cheese, ice cream, and more. Amul has successfully created a strong market presence and has become a symbol of quality and trust.

**Country Delight:** Country Delight is a dairy brand that focuses on delivering fresh and unadulterated milk directly from farms to consumers' doorsteps. They prioritize quality

### Some of the promising ventures in dairy:



India's dairy sector has witnessed the emergence of several promising ventures that are making significant contributions to the industry. Here are a few noteworthy dairy ventures in India:

**Milk Mantra:** Milk Mantra is a dairy startup that focuses on producing and

and hygiene in their operations and aim to provide pure and nutritious dairy products to customers.

**Akshayakalpa Farms & Foods:** Akshayakalpa is an organic dairy farm that produces and delivers organic milk and milk products. They follow natural farming

practices and ensure the well-being of their cows. Akshayakalpa is known for its commitment to providing chemical-free, pure, and healthy dairy products.

**Pride of Cows:** Pride of Cows is a premium milk brand known for its farm-to-home concept. They produce milk from their own dairy farm, where the cows are raised in a stress-free environment. The milk is delivered fresh, maintaining its nutritional integrity and taste.

### **Agency or schemes to facilitate startups:**

India's dairy startups benefit from several agency initiatives and schemes that support their growth and development. The Startup India initiative, launched in 2015, fosters innovation and entrepreneurship by providing funding, infrastructure, and programs. The Dairy Processing and Infrastructure Development Fund (DIDF) aims to enhance the dairy sector through financial assistance. The SAMRIDH Scheme accelerates startups by offering funding and international expansion opportunities. The Start-up India Seed Fund provides capital to aspiring entrepreneurs, while Stand-Up India promotes financing for SC/ST and women entrepreneurs. Additionally, the Agriclincs and Agribusiness Centres (ACABC) Scheme empowers agricultural graduates through training and establishment of agribusiness ventures. These initiatives collectively create a

supportive ecosystem, driving the growth and success of dairy startups in India.

### **Conclusion:**

The dairy sector in India offers significant potential for startups. Despite the overall growth of the startup ecosystem in the country, the number of dairy startups remains relatively low. However, with milk contributing a substantial portion of rural household income and the market expected to reach INR 30,840 billion by 2027, the dairy industry presents a lucrative opportunity. The government has introduced various initiatives and schemes such as Startup India, the Dairy Processing and Infrastructure Development Fund (DIDF), SAMRIDH Scheme, Start-up India Seed Fund, Stand-Up India, and the Agriclincs and Agribusiness Centres (ACABC) Scheme to support and encourage dairy startups. These initiatives aim to foster innovation, provide funding, and create employment opportunities. Dairy startups have the potential to generate both direct and indirect jobs, contribute to rural development, and drive economic growth. By capitalizing on market demand, adopting sustainable practices, and leveraging technology, dairy startups can make a significant impact on the industry and the overall economy.