CHAPTER I

DAIRY INDUSTRY IN THE DEVELOPED COUNTRIES OF THE WORLD
Milk and milk products are usually enjoyed throughout the world irrespective of the climatic and cultural conditions. Milk and its products have been part and parcel of the food of human beings from times immemorial. The very first aim of development is any aspect is to attain self-sufficiency in food and an improved nutritional status of the local population. Even if a low consumption rate of milk is found in a few countries, the reason is not the denial but the scarcity of the dairy products and correspondingly the low per-capita income of the sections of people inhabiting them.

The universal acceptance of dairy products as food, and the viability of dairying even to the reach of landless rural population as a source of livelihood, makes the development of the industry a sheer necessity for the development of a nation.

Dairying is an integral part of nearly all agricultural systems. Many of the developed countries have evolved policies which laid emphasis on the development of dairy industry. Such agricultural policies guaranteeing high prices to their farmers resulted in surplus milk production which has to be processed.
The milk production in the world has increased from 353.4 mio.t to 474.9 mio.t between 1960/62 and 1980/82, registering an annual growth of 1.7%. The per head production of milk per animal in the developed countries in 1980/82 is 0.309 t. Nearly three fourths of the total milk production of the world is contributed by the developed countries.¹

The surplus production available in the developed countries enabled them to gain an upper hand in the international trade channels. Butter production recorded an annual growth rate of 1.5% in the Eastern Socialist countries, whereas in the Western industrialised countries there was only a negligible growth consequent to the governmental policies of their respective governments considering the production of butter a costly way of disposing the surplus milk.² The production of cheese being less expensive than butter made it a favourite item of export in the developed countries. The cheese production has doubled during the years 1960/62 and 1980/82 in the developed countries. Nearly three fourths of the total world produc-


tion of cheese is derived from the developed countries.

Manufacture of condensed and dry milk products involves huge investments in processing plants which is afforded by the developed countries. Hence, in the sixties only the developed countries can be said to have a monopoly in the production and marketing of these products.

Exports in cheese have tripled between 60/62 and 80/82. It can be said almost all the third world countries are the importers of cheese. Export of the dry and condensed milk is also on par with the cheese exports. Nearly 60% of the dried milk and 75% of the condensed milk produced in the developed countries is imported by the developing countries. The achievement of sophisticated technical progress, Governmental encouragement, the growing need for the goods manufactured in the developing countries can be said to be the key factors in boosting up the exports of the developed countries. The growth of population in the developing countries; the tendency in the population to replace the traditional food with more expensive and nutritious food, and the availability of cheaper and qualitative products

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imported, have largely increased the demand for the dairy products of the developed nations.

During the last 30 years, dairy industry in the developed countries has not become expensive but more centralised. In other words, while the dairy factories in those countries have remarkably grown in size, they have remained almost the same in the number. The inevitable result of this development has been that milk has to be transported over large distances to the dairy factories, with the possibility of its quality being impaired in the process. To prevent the milk from spoiling, milk is collected and chilled in the chilling centres. The milk is not collected every day from the collection centres, but once in three or four days. Till then the milk has to be preserved in the chilling centres awaiting transportation. The transportation itself became difficult due to the distance to be covered, and the limited capacity of the tankers. The quantity of milk delivered by each producer is recorded by an automatic flow meter and recorded. A few parts in the countries of Australia, France, Italy and Switzerland, however possess artisanal cheese factories in the local centres of production thus making it easy for the production of processed milk products at the place the milk is collected. Though the outcome of such ventures is only limited, yet the capability of the small
factories in producing the product as to the requirement of the consumer cannot be ignored.

In the Western countries like U.S.A and Newzeland, the dairy factories are fully automated. Computers and electronic equipment is used from transportation of milk through protected tubes to the finishing stages of the product. Many dairy products like fresh cheese, liquid milk etc., are disposed in plastic foils for the ready consumption of the public.

In Europe the current trend seems to reverse the centralisation of milk processing by encouraging the 'Farm-Cheese Factories' maintained by experts producing highly qualitative and consumer-oriented products. In Switzerland also such small establishments received encouragement and survived the competition with bigger plants.