

Market Expectation





Executive Summary

This executive summary presents the key findings from the Dairy Market Sentiment Survey conducted in the first half 2023. The survey aimed to assess the dairy market's current state and understand industry stakeholders' sentiments and perceptions during this period.

Methodology:

The survey collected responses from diverse participants, including dairy farmers, processors, distributors, retailers, and consumers. It utilized a combination of online questionnaires, interviews, and focus group discussions to gather valuable insights.

Conclusion:

The first half of 2023 witnessed a dairy market characterized by moderate growth and increasing demand for dairy products. However, challenges in the supply chain and price volatility required careful management and risk mitigation strategies. Respondents also emphasized the significance of sustainability, technology adoption, and catering to health-conscious consumers as critical areas for industry players to focus on to ensure long-term success.

This survey provides valuable insights for dairy industry stakeholders, enabling them to make informed decisions, innovate, and address the evolving needs of consumers and the broader market. Moving forward, it will be essential for the industry to navigate challenges and capitalize on opportunities to sustain growth and competitiveness in the dynamic dairy market landscape.

Prepared by
Jordbrukare India

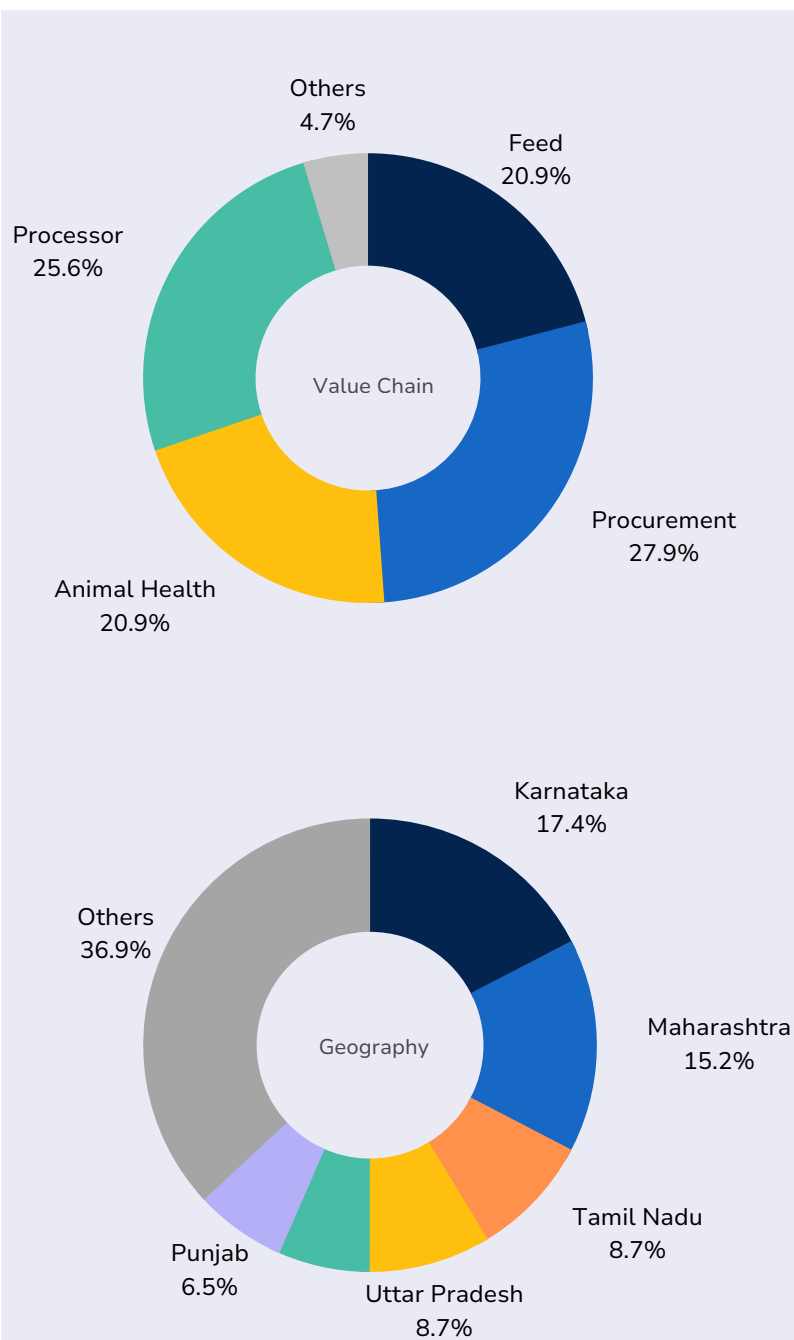
Prepared for
Jordbrukare Network Members

Value chain Metrics

The survey received responses from participants representing various aspects of the dairy value chain. The feedback sheds light on their involvement and perceptions within the industry. Here are the key insights obtained from the survey feedback:

The survey feedback on the Indian dairy industry reveals a diverse geographical representation, with participants from various states and union territories. Karnataka and Maharashtra are prominent contributors, reflecting their significant roles in the dairy sector. The survey captures insights from states like Tamil Nadu, Uttar Pradesh, Delhi, Rajasthan, and Punjab, showcasing the industry's reach across multiple regions.

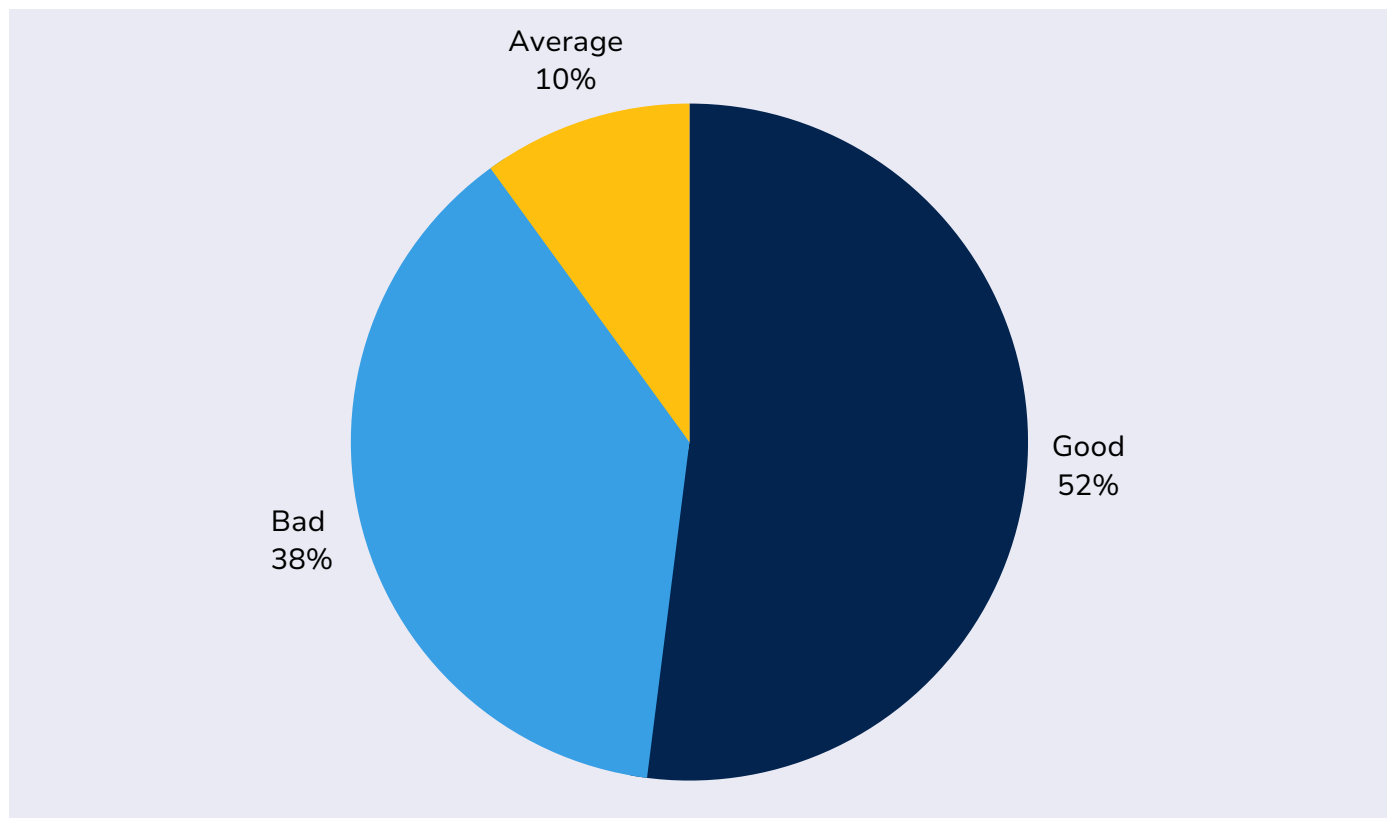
The varied value chain and geographical distribution allow for a comprehensive understanding of the dairy market dynamics, consumption patterns, and challenges faced in different parts of the country. By recognizing each region's unique contributions and challenges, stakeholders can foster cross-learning, tailor strategies, and seize untapped opportunities to promote growth and sustainability in the Indian dairy industry. Conducting localized studies can offer deeper insights, ensuring targeted and effective measures to meet regional needs and aspirations.



Sentiment Metrics

Analysis of business performance in 2022

The survey question elicited responses ranging from "Bad" to "Good." The feedback provides valuable insights into the business performance of the respondents during the year 2022. Here's an analysis of the responses:

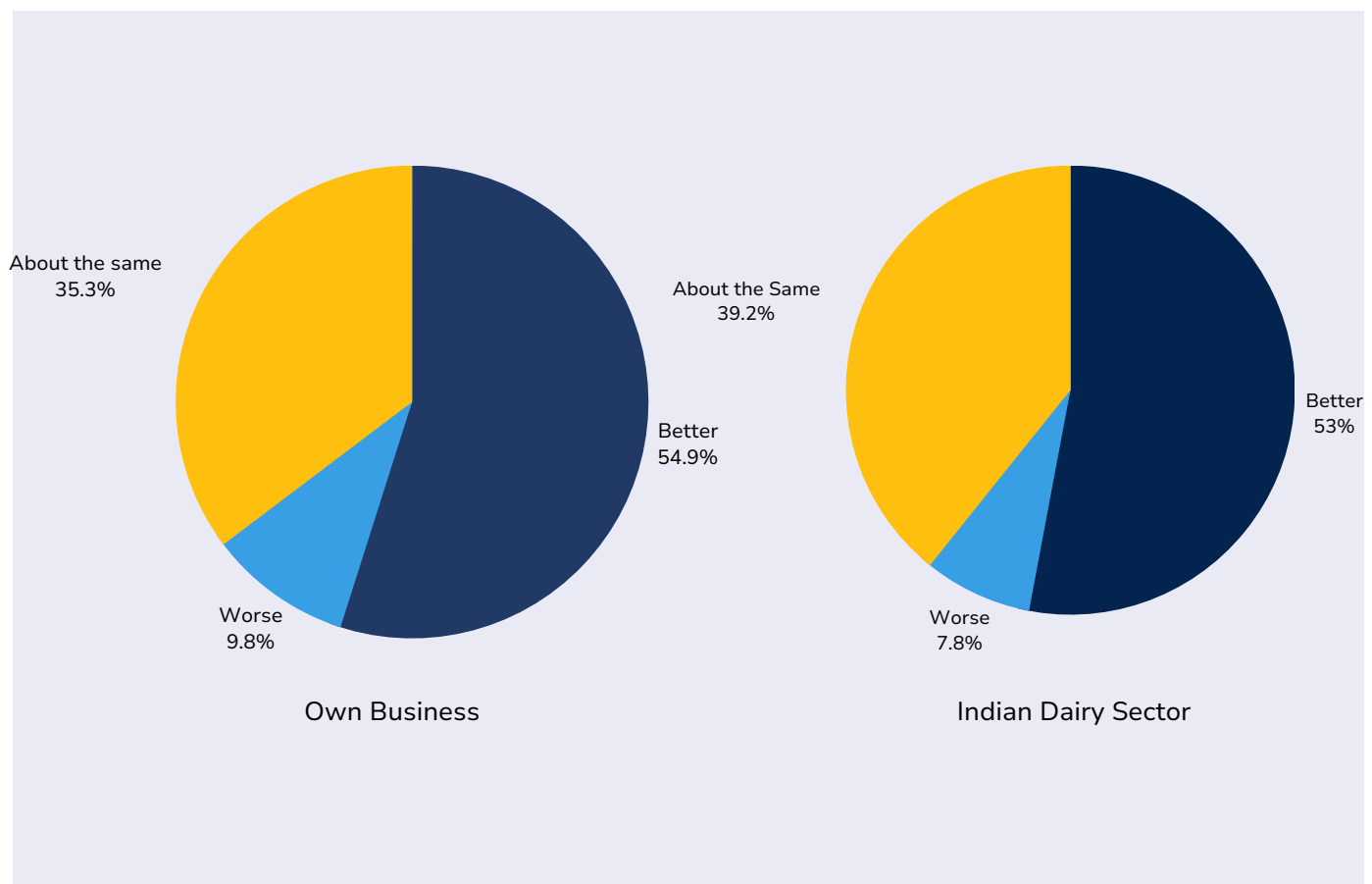


The survey responses on business performance in 2022 reflect a mix of positive, stable, and challenging outcomes for the participants. The prevalence of "Good" and "Average" responses indicates a generally favourable business climate. In contrast, "Bad" responses highlight the importance of addressing any issues hindering business growth and success. Analyzing the feedback can guide businesses in leveraging their strengths, improving weaker areas, and formulating strategies for a more prosperous future.

Sentiment Metrics

Analysis of Business and Dairy Sector Outlook for 2023

The survey feedback presents the outlook for businesses and the Indian Dairy Sector in 2023 compared to 2022. The responses are categorized into three outlook categories: "Worse," "About the same," and "Better." Let's analyze the trends and implications for both areas:

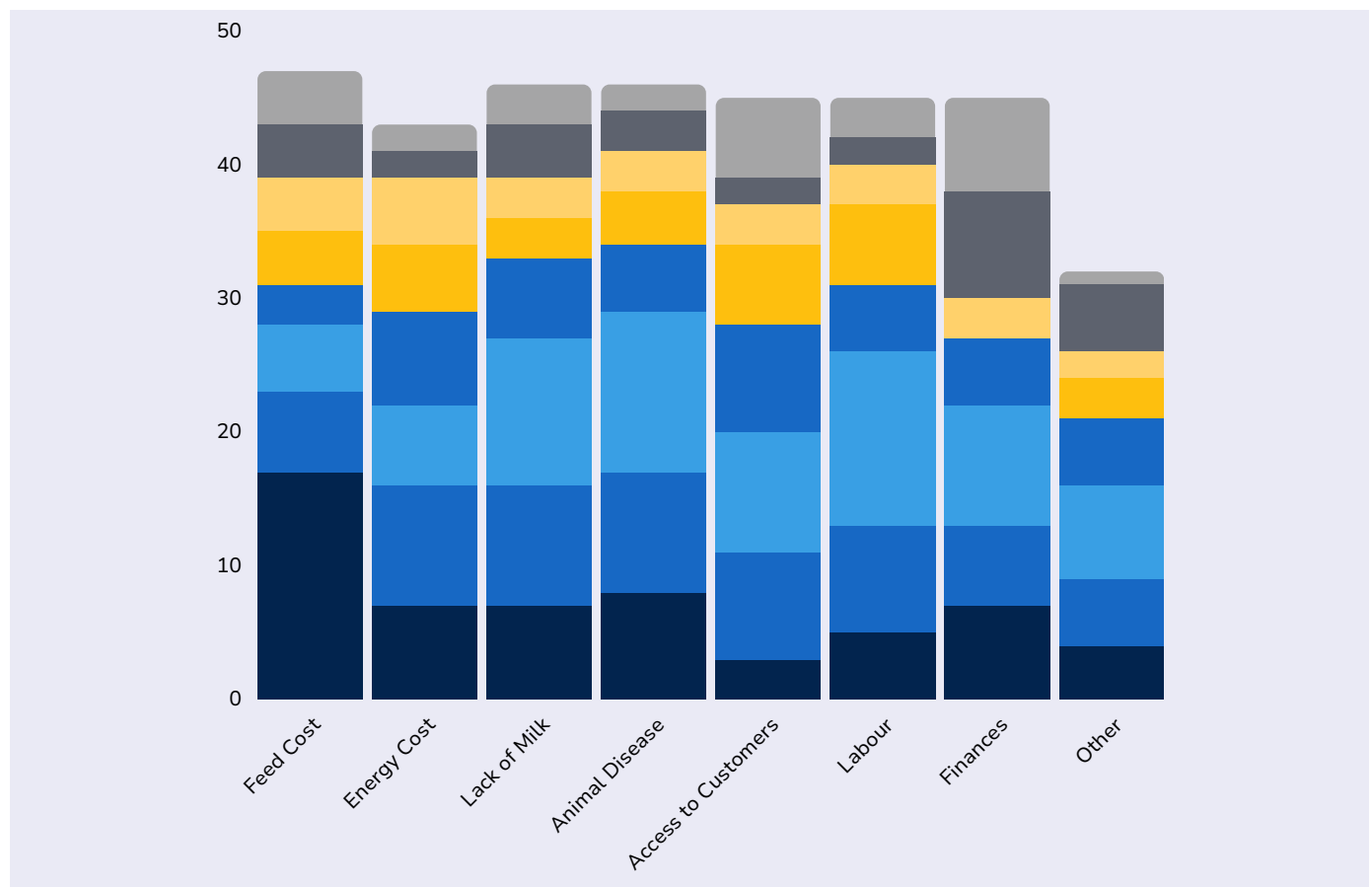


The survey feedback on the outlook for businesses and the Indian Dairy Sector in 2023 reveals a mix of optimism, stability, and concerns among the participants. Most respondents hold positive expectations for their businesses and foresee growth in the Indian Dairy Sector. Businesses should leverage the optimistic outlook to explore growth opportunities while also being mindful of potential challenges. For the Indian Dairy Sector, maintaining stability and addressing any issues will be crucial to achieving sustained growth and success in the upcoming year.

Sentiment Metrics

How you judge the following challenges for your business in 2023

In this analysis, the key factors impacting the dairy operation will be ranked based on their criticality, with 1 being the most critical and 8 being the least critical. The factors include Feed Cost, Energy Cost, Lack of Milk, Animal Disease, Access to Customers, Labour, Finances, and Other aspects. Let's assign a criticality ranking to each factor based on their impact:



The criticality ranking of key factors provides valuable insights into the challenges faced by the dairy operation. Animal Disease and Feed Costs are identified as the most critical factors, demanding immediate attention to maintain livestock health and optimize operational expenses. Finances and Lack of Milk follow closely in importance, affecting the overall stability and performance of the operation.

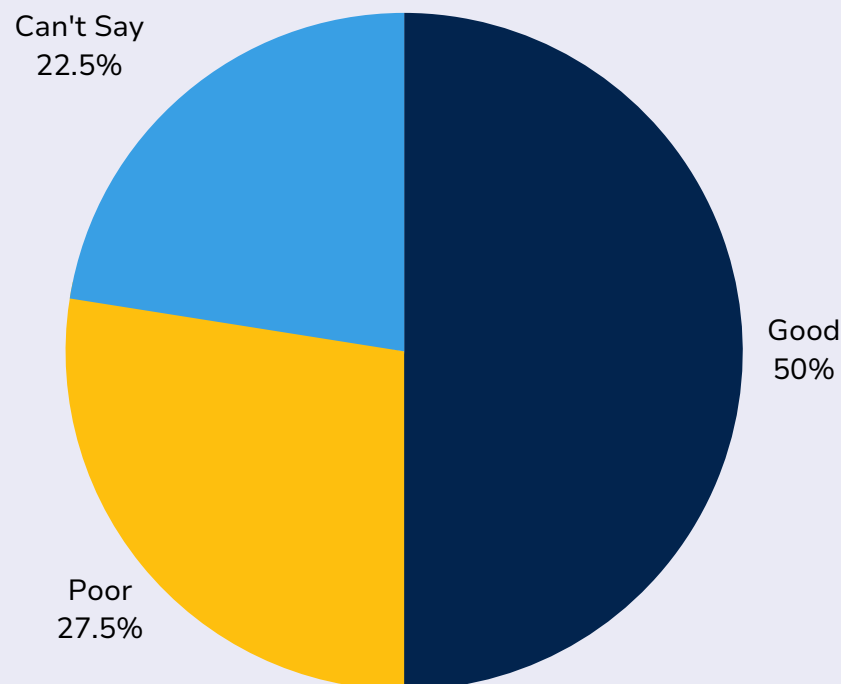
Access to Customers and Labour presents moderate criticality, highlighting the significance of customer engagement and workforce management. Energy Cost is ranked as less critical but still relevant for optimizing expenses. The "Other" category's impact remains uncertain without additional context.

By understanding the criticality of these factors, dairy operators can prioritize their efforts and allocate resources effectively to address the most pressing challenges and enhance the operation's overall performance and sustainability.

Milk Availability

Analysis of Milk Availability Outlook for 2023

The survey feedback presents respondents' perceptions of milk availability in 2023. The responses indicate varied outlooks, with participants expressing opinions of "Good," "Poor," or "Can't say." Let's analyze the trends and implications of these responses:

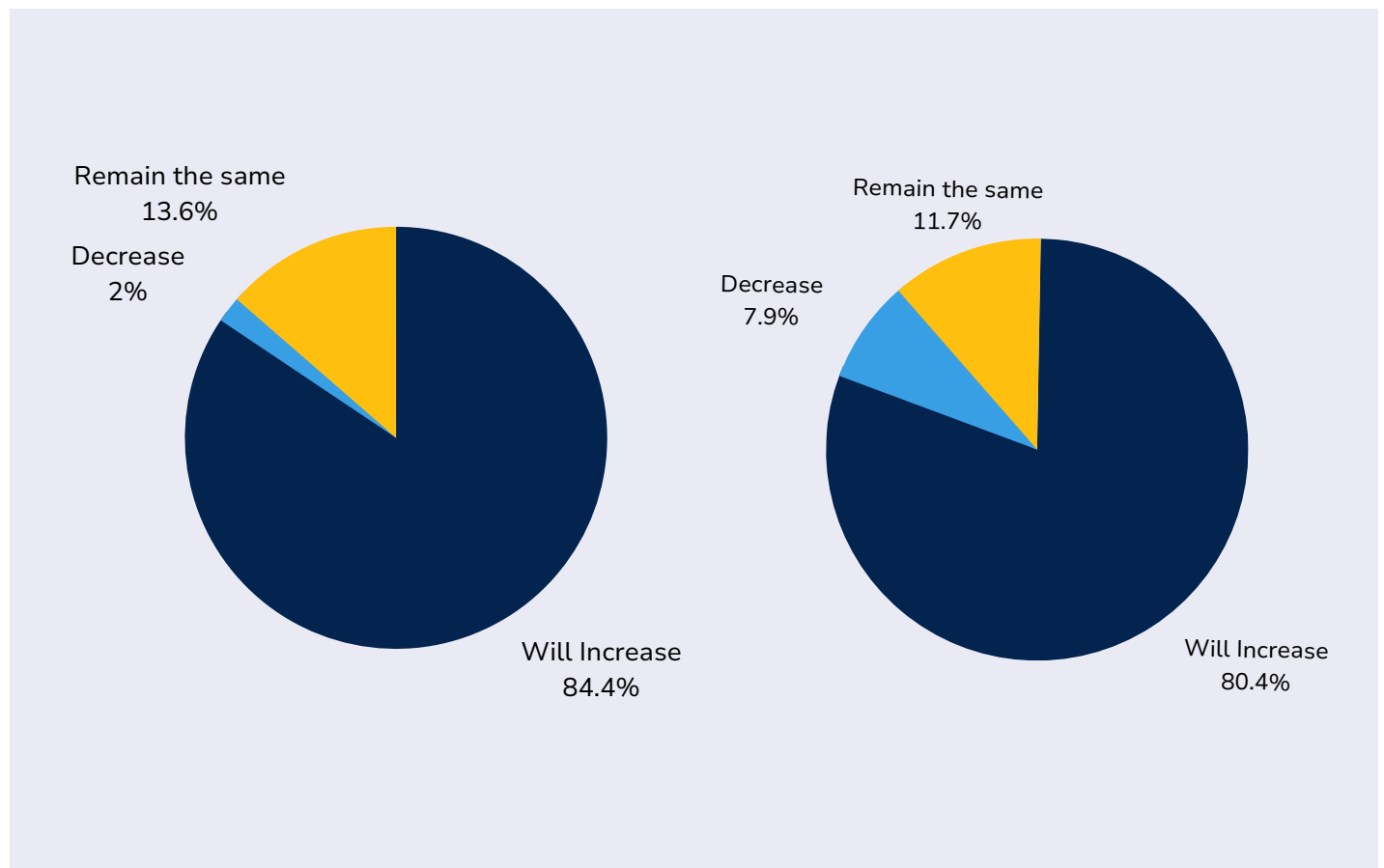


The survey feedback on the milk availability outlook in 2023 reveals diverse perceptions among the participants. While many respondents are optimistic about "Good" milk availability, others express concerns about "Poor" availability. The "Can't say" responses indicate the need for more information and analysis to make a conclusive judgment. To ensure sufficient milk availability in 2023, stakeholders in the dairy industry should focus on continuous monitoring, efficiency improvement, and strategic planning to address potential challenges and uncertainties.

Milk Prices

Analysis of Milk Price Expectations for 2023 (Consumer)

The survey feedback presents respondents' perceptions of milk availability in 2023. The responses indicate varied outlooks, with participants expressing opinions of "Good," "Poor," or "Can't say." Let's analyze the trends and implications of these responses:



The survey feedback on milk price expectations for 2023 indicates that most respondents foresee an "Increase" in prices at the consumer level. Some respondents mention specific periods of potential price changes, suggesting awareness of seasonality and market patterns. Stakeholders must monitor market conditions and factors affecting milk prices to adapt their strategies and ensure optimal pricing in response to potential fluctuations.

Milk Prices

Farm Gate Milk Price Expectations

The survey feedback indicates respondents' expectations regarding the farm gate milk price in INR (Indian Rupees) for the first half of 2023. The responses vary significantly in the format of price, units, and some additional information provided.

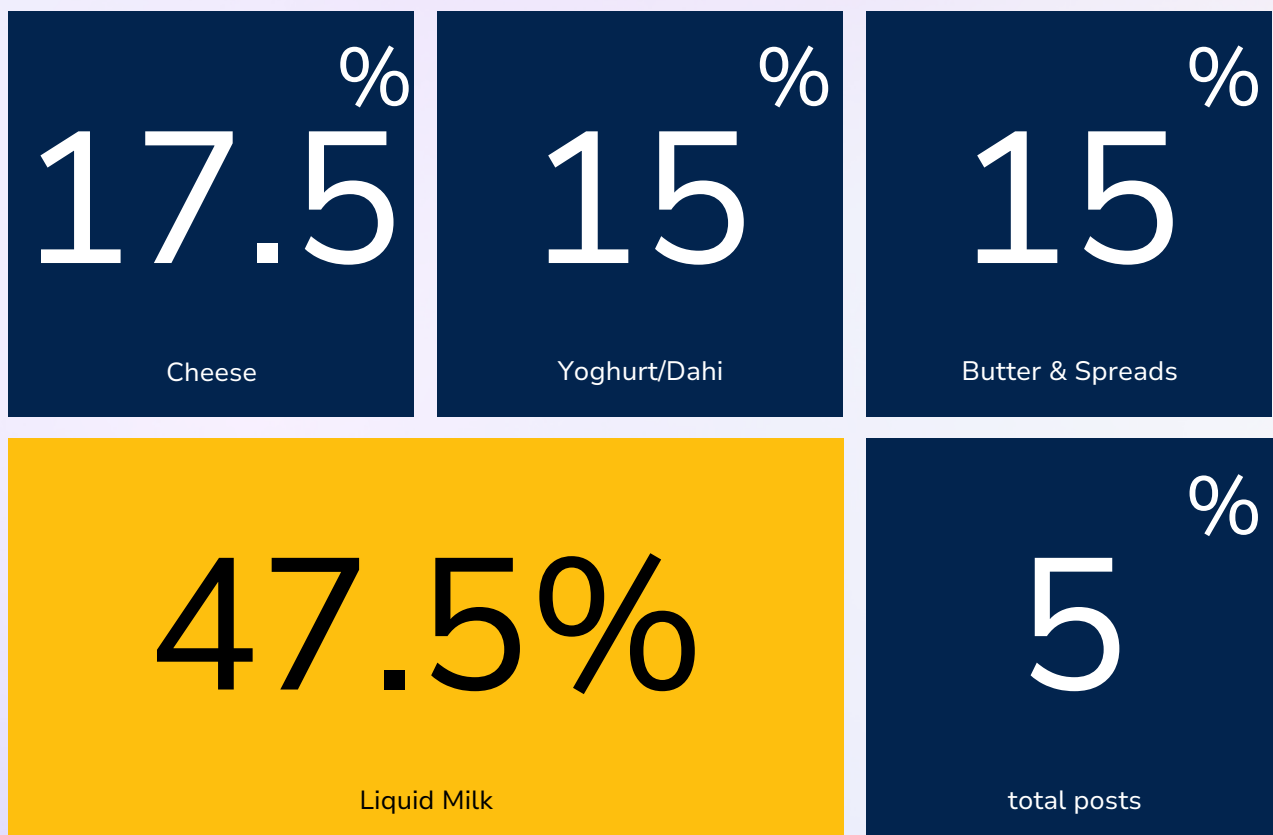
INR
32-38

The analysis of the responses suggests that the proposed price range for the farm gate milk price in INR (Indian Rupees) for H1 of 2023 is Rs. 32 to Rs. 38 per litre. This information can be valuable for stakeholders in the dairy industry to make informed decisions and plan accordingly.

Product Segment

Product Category Performance Expectations in 2023

The survey feedback indicates that Drinking Milk Products and Cheeses are expected to be the best-performing product categories within the dairy industry. Yoghurt/Dahi and Butter and Spreads also show promising potential. Businesses in the dairy sector should focus on these product categories to leverage market demand and capitalize on growth opportunities. Further market research and product innovation can help align offerings with consumer preferences and ensure success in the competitive dairy market.



Growth expectation in comparison to 2022.



Short term Outlook

The survey feedback provides diverse opinions on how the Indian Dairy Sector will fare in 2023. The responses can be categorized into several themes. Let's analyze the trends and implications of these responses:

Positive Outlook

- Some respondents expressed optimism about the dairy sector's growth and potential opportunities in 2023.
- Factors such as high demand for milk and milk byproducts, increased spending capacity of the middle class, and market scope for nutritious protein-based products are seen as drivers for growth.

Steady Outlook:

A few respondents expect a steady or normal year in 2023 without significant fluctuations or drastic changes.

Challenging Outlook:

- Several participants anticipate challenges and hurdles in 2023 for the dairy sector.
- Issues like squeezed margins, increased feed and input costs, high competition, and scarcity of fodder are some of the concerns raised.
- The impact of rising milk prices on consumer consumption is also highlighted as a potential challenge.

Short term Outlook

Policy Concerns:

- Some participants suggest that government interventions, regulations, and incentives could play a crucial role in shaping the dairy sector's performance.
- Calls for the government to address issues such as adulteration in milk, provide incentives, and promote investments in value-added products are made.

Growth Potential:

- Certain responses highlight the opportunity for organized players to thrive and expand in the dairy sector.
- Sustainable development, improved animal health, and usage of technology for data management are viewed as growth prospects.

The responses indicate a diverse range of opinions on the outlook for the Indian Dairy Sector in 2023. While some respondents are optimistic about growth opportunities and expansion, others anticipate challenges related to rising costs, feed scarcity, and government policies. There is also recognition of the need for sustainable practices and improved animal health. The dairy sector's performance in 2023 will likely depend on how stakeholders address these challenges and leverage opportunities to meet the demand for dairy products in the market.

Summary

The survey collected responses on various aspects of the dairy industry, covering topics such as challenges, product categories, milk availability, business outlook, and expectations for the Indian Dairy Sector in 2023. Here is a concise summary of the key findings:

1. **Challenges Faced by the Dairy Industry:** The survey identified multiple challenges faced by the dairy sector, including rising feed costs, animal health issues, access to customers, financial constraints, and labor concerns. These challenges may impact the sector's performance and profitability.
2. **Product Category Performance:** Respondents expect Drinking Milk Products, Cheeses, and Yoghurt/Dahi to be the best-performing product categories in the dairy industry. Butter and Spreads are also considered promising.
3. **Milk Availability Outlook:** The majority of respondents anticipate an increase in milk availability in 2023. However, there are concerns about potential challenges, and some respondents are uncertain about the future milk availability.
4. **Business Outlook for 2023:** Respondents generally hold a positive outlook for their businesses in 2023. The anticipation of growth and improved business conditions indicates optimism among the survey participants.
5. **Indian Dairy Sector Outlook:** Opinions on the Indian Dairy Sector's outlook in 2023 are diverse. Some respondents foresee growth opportunities due to high demand and increased spending capacity. However, others express concerns about challenges such as squeezed margins, competition, and government policies.
6. **Farm Gate Milk Price Expectations:** The proposed farm gate milk price ranges from Rs. 32 to Rs. 38 per liter, with some respondents mentioning specific prices or price ranges.
7. **Opportunities and Growth Potential:** The survey highlights opportunities for growth, particularly in value-added products and technology adoption. Sustainable development and improved animal health are also viewed as potential growth areas.

8. **Challenges and Concerns:** The dairy industry faces challenges such as rising input costs, feed scarcity, and potential consumer price impact due to increased milk prices. Government policies and interventions are seen as crucial factors that could influence the sector's performance.

9. **Policy Recommendations:** Some respondents call for more lenient government control and incentives to encourage investments in value-added products and control milk prices. Adulteration in milk is also a concern that needs strict government action.

Conclusion

The survey provides valuable insights into the dairy industry's current status and future expectations. It reveals a mix of optimism and challenges within the sector. Stakeholders should focus on leveraging growth opportunities, addressing challenges, and implementing sustainable practices to ensure the continued success of the Indian Dairy Sector in 2023 and beyond.



Next Steps



Scan or click
to take the survey

The Dairy Expectation Survey for the second half of 2023 will be available from 24th July 2023 to 15th Aug 2023. Don't miss this opportunity to be a part of this influential survey!

Take The Survey Now

Attention stakeholders in the dairy industry! Are you curious about the pulse of the dairy sector for the second half of 2023? We present the Dairy Sentiment Survey - an opportunity to gain valuable insights and make informed decisions for the upcoming months.

Why Participate

Stay Ahead of the Curve

Get ahead of the competition by understanding the prevailing sentiment and challenges within the dairy industry. Gain a competitive edge and make strategic moves based on real-time data.

Business Opportunities

Identify growth prospects, potential product categories, and consumer preferences to capitalize on lucrative opportunities in the market.

Risk Mitigation

Learn about potential challenges and threats in the dairy sector, allowing you to plan and implement risk mitigation strategies proactively.

Market Outlook

Get a comprehensive outlook for the Indian Dairy Sector, including expectations for milk availability, price trends, and market conditions.

Click to Participate

Participating in the Dairy Sentiment Survey is simple! Access the online survey platform through our website and answer a series of questions related to your industry experiences and expectations for the second half of 2023. The survey will take only a few minutes to complete.

Note: The Dairy Sentiment Survey for the second half of 2023 will be available from 24th July 2023 to 15th Aug 2023. Don't miss this opportunity to be a part of this influential survey!

Sponsor the Survey

Take the Lead in the Dairy Industry

The Dairy Sentiment Survey is your chance to gain critical insights and be at the forefront of the dairy industry. Make data-driven decisions and stay informed about the ever-changing landscape of the dairy sector.

Join us now in shaping the future of the Indian Dairy Sector! Together, let's drive growth, address challenges, and foster sustainable development in the dairy industry.

Thank you for taking the time to read this report. If you have any questions or would like to sponsor the upcoming survey, please don't hesitate to reach out to us.



Gutenbergstr 28 Kiel 24118, Germany



+49015213440815



info@jordbrukare.com



www.jordbrukare.com