

EEC may discontinue dairy aid

15-3-87

Hindustan Times Correspondent

NEW DELHI, March 14—There is a strong possibility of the European Economic Community (EEC) discontinuing its dairy aid to India in the light of considerable criticism of the working of Operation Flood-II in a joint review undertaken by the EEC and the World Bank.

The joint mission, which evaluated the Operation Flood-II programme last year, has concluded that "a moratorium on imports of dairy products is more than appropriate and deliveries of milk powder and butter-oil should take place only if and when a substantial and documented deficit shows up".

The mission feels that imports of dairy products into India (either donated, subsidised or commercial) can, in the present situation of growing indigenous stocks, "damage the strengthening of the co-operative industry".

From the excerpts of the mission's main report, recently-released, Operation Flood-II does not emerge in much favourable light. The report states: "The quality of achievement is quite uneven across India and the

Status, ranging from very satisfactory to disappointing. The situation has become very complex and very demanding in terms of rationalising present operations and building on them".

A major point of criticism of Operation Flood, levelled by certain voluntary organisations and social scientists from within India itself, is that the programme is largely geared to benefit the interests of middle and rich farmers and the urban middle class and elite.

According to these quarters, EEC dairy aid to India has been competing with local milk producers by depressing producer prices and interfered with the objective to make India self-sufficient in milk production.

In fact, this pressure group has been pursuing a campaign to secure "EEC milk out of India" by phasing out dairy aid to India within two years, not providing aid for bottle feeding or exotic cross-breeding, and stopping EEC animal feed imports from India.

A major objective of Operation Flood was to enable 10 million milk producers' families to build a viable,

self-sustaining dairy industry by mid-1985. Originally, this was to benefit mainly small farmers and landless labourers, who were to supply milk to urban consumers including vulnerable groups like pre-school children, nursing and expecting mothers at stable and reasonable prices.

According to the India Committee of the Netherlands, a voluntary organisation "in solidarity with the oppressed in India," there has been growing pressure on EEC's policy-making institutions to phase out dairy aid to India and review the conditions under which any additional aid might be given.

Within the next few months, the EEC, on the basis of the findings by the EEC-World Bank review, is expected to take the decision: Whether to continue dairy aid to India or not?

Between 1970 and 1985, large amounts (3,68,000 tonnes of skimmed milk powder and 128,700 tonnes of butter oil) of dairy products have been donated by the EEC to India for its national dairy development programme, popularly known as Operation Flood.