

Chapter 18

An Economic Analysis of Cheese Production in India: Challenges and Progress for Growth

K. Sivasubramanian

 <https://orcid.org/0000-0001-6137-0847>

Kristu Jayanti College, Bengaluru, India

ABSTRACT

The cheese industry is an evolving sector in the field of dairy production. It generates a sizable employment opportunities and income to the rural households. The use of cheese in the Indian food practice encourages its production and supply into all the market. The consistent increase in the consumption of cheese through various food items enables the business value of cheese market in India. Now a days, the consumption of cheese is an integral part of cooking in the Indian kitchen and restaurants. This chapter aims to analyse the economic implications, contributions, nutritional significance of the cheese in India.

BACKGROUND OF THE CHAPTER

Globally, the dairy industry is facing numerous issues. Access to technology, improved infrastructure, and current marketing insights have significantly impacted dairy development. The worldwide dairy business is experiencing significant shifts. This sector provides significant socio-economic benefits for rural India. This benefit can be expanded by tapping into India's unorganised dairy sector. The focus is on developing sustainable dairy farming models for small, marginal, and landless farmers, as well as expanding the dairy industry's market opportunities (Gunarathne, et al 2015). The study would examine sector-specific restrictions, possibilities, advantages, and disadvantages related to trade policy, expanding demand, and prospects for countries with developed as well as developing economies (Sarkar, & Dutta, 2020). In 2011, global cheese output hit 20 million metric tonnes, and growth in that amount persisted throughout 2012 and 2013. Except for processed cheese, all natural cheeses are included in the global estimation. Over 80 per cent of the natural cheese produced worldwide is made from cow's milk that is supplied to dairies. The remainder consists of farm-produced goods as well as cheeses created from other types of milk, such as buffalo, goat, and sheep (Reardon, et al 2003). Over 75 per cent of the cheese produced worldwide is produced in Europe and North America. It is anticipated that

DOI: 10.4018/979-8-3693-3490-4.ch018

global cheese production will maintain the upward trend it has been experiencing for the past ten years, with a 24 per cent increase from 2012 to 2020, or 4.9 million MT of cheese produced. Up until 2020, the main unknowns will be how the world economy and the supply and demand for dairy goods and milk in general will change. Cheese consumption has grown over the past few decades in every part of the world, making it a success story. Cheese consumption in the world increased from 8.4 million MT in 1980 to 12 million MT in 1990 and 15.3 million MT in 2000, almost double the 1980 figure. This has been the situation everywhere in the world, and the new millennium has seen an even more rapid expansion (Chawla, et al 2009).

The growing popularity of Western cuisines, increased money to spend, and the creation of flavoured cheese products like as pepper, cloves of garlic, a red chilli flakes, and mint pickle cater to people's different tastes and preferences all around the world. Animal locations for cheese account for the majority of the division font by category. However, important factors driving market growth includes the implementation of government regulations in several countries to lower sodium levels of food products (Patil, 2012). Identifying a place through a product provides a bondage and trust to that particular product. In this context, Cheese has an important cultural, historical, and tourism importance in many countries. Cheese is used to communicate identity and, more recently, to motivate people to travel. Worldwide cheese production amounts to 22,651,606 tonnes annually. The United States is the largest cheese producer globally, with an annual production of 5,584,857 tonnes. Germany follows as the second-largest cheese producer, with a yearly production of 2,740,582 tonnes. France ranks third in cheese production, with an annual output of 1,886,044 tonnes. India ranks 96th place in cheese production, with an annual output of 2,250 tonnes in the year 2022 (MMR, 2022). This data provides an overview of the global cheese production landscape, highlighting the leading producers and their respective production volumes (Dong, 2006). The worth of global cheese production has increased through 2023, owing to continuing demand for dairy goods, increased per capita cheese consumption worldwide, and ongoing product innovation. Overall, IBISWorld projects that global cheese manufacturing revenue will grow at a 7.1 per cent CAGR to \$158.1 billion by the end of 2023, up 4.8 per cent in 2023 alone. While international cheese manufacturers faced instability until the end of 2023, they were resilient throughout COVID-19 disturbances in the latter half of the timeframe. Strong global expansion in recent years has significantly increased global cheese manufacturing and prices, benefiting global cheese producers. Economic recovery will boost cheese consumption at the end of the present era (Ali, 2007). The cheese marketplace in India is expected to be worth INR 71.3 billion (896.86 million US dollars) by 2022. It is estimated that cheese market will reach Rs.262.6 billion by 2028, with a CAGR of 24.27 per cent from 2022 to 2028. India is presently the world's highest producer of milk hence the cheese business has considerable growth potential. With the growing impact of Western foods and increased disposable incomes, customers are migrating away from paneer and towards cheese, raising demand for it in the entire nation. In addition, manufacturers are developing a new variety of flavoured cheese products, such as pepper, garlic, red chilli flakes, and mint pickles, to meet the diverse culinary tastes of Indian consumers. Although cheese is commonly used in fast-food foods such as pasta, pizza, sandwiches, burgers, concealment, tacos, cakes, bread with garlic, and so on, it is also utilised in traditional Indian dishes such as *dosa*, *uttapam*, and *parathas*. With a growing workforce and changing eating habits, the fast-food business is seeing robust expansion, and increasing demand for cheese. Aside from that, with a rise in the total amount of organised retail outlets, many foreign businesses are investing in the Indian cheddar sector (Dupont, et al 2006). Furthermore, some manufacturers are running marketing efforts using various advertising mediums such as newspapers, televisions, and social networking sites to raise consumer knowledge of

14 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:
www.igi-global.com/chapter/an-economic-analysis-of-cheese-production-in-india/363404

Related Content

The Effect of Room Service, Comfort, and Reservation Process on The Performance Dimension Evaluation: The Case of Grand Mercure Hotel Gajah Mada Jakarta

Adilla Anggraeni and Meyliza Thorina (2017). *International Journal of Tourism and Hospitality Management in the Digital Age* (pp. 42-52).

www.irma-international.org/article/the-effect-of-room-service-comfort-and-reservation-process-on-the-performance-dimension-evaluation/189744

Sustainable Tourism Based on Challenges, Tourist Experiences, and Host Communities: A Case Study of Ayutthaya, Thailand

Supaprawat Siripipatthanakul, Penpim Phuangsuwan, Sutitthep Siripipattanakul and Parichat Jaipong (2026). *Best Practices for Human Resources Management in Tourism and Hospitality* (pp. 361-394).

www.irma-international.org/chapter/sustainable-tourism-based-on-challenges-tourist-experiences-and-host-communities/389468

Organizational Structure at the Contemporary Interface

Le Minh Thanh (2019). *Contemporary Human Resources Management in the Tourism Industry* (pp. 1-24).

www.irma-international.org/chapter/organizational-structure-at-the-contemporary-interface/210376

A Theoretical Approach for Sustainable Communication in City Branding: Multilateral Symmetrical Communication Model

Aye Banu Bçakçand Zeynep Genel (2017). *Strategic Place Branding Methodologies and Theory for Tourist Attraction* (pp. 41-66).

www.irma-international.org/chapter/a-theoretical-approach-for-sustainable-communication-in-city-branding/163010

The Role of Self-Confidence in the Criteria of Aesthetic Labour Recruitment

Chien-Wen Tsai (2019). *International Journal of Tourism and Hospitality Management in the Digital Age* (pp. 1-22).

www.irma-international.org/article/the-role-of-self-confidence-in-the-criteria-of-aesthetic-labour-recruitment/218906