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Global Agricultural Information Network

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Bangladesh

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The Bangladesh Dairy Market

Report Categories:

Dairy and Products

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Report Highlights:

Bangladesh dairy consumption is growing, albeit from relatively low per-capita levels. While local milk production has increased, from 1.78 million metric tons in 2001/02 to 3.46 million metric tons in 2011/12, domestic supplies are still lagging, and as a result Bangladesh is importing more dairy products. Dairy imports are regulated by the Bangladesh Import Policy Order 2009-2012.

General Information:

Market Overview

Bangladesh dairy consumption is growing, albeit from relatively low per capita levels (an estimated 44 milliliters of milk per day). When measured against the World Health Organization recommended minimum level of 250 milliliters a day, Bangladesh dairy consumption should increase five-fold. While local milk production has increased, from 1.78 million metric tons in 2001/02 to 3.46 million metric tons in 2011/12, domestic supplies are still lagging, and as a result Bangladesh is importing more dairy products.

| Table 1. Bangladesh: Milk Production in Thousand Metric Tons | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| July-June Fiscal Years | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 |
| Quantity | 2,140 | 2,270 | 2,280 | 2,650 | 2,286 | 2,365 | 2,947 | 3,463 |

Source: Bangladesh Economic Review, 2012

In rural Bangladesh, almost two out of every three households rear cattle to produce milk for personal consumption. Surplus milk can be sold directly to neighbors or in the local market. The average dairy farm has 3.5 head of cattle, with very low average yields of 200-250 liters per 305-day lactation. Low herd yields generally reflect poor management practices and inadequate investment in genetics and veterinary services. In Bangladesh, dairy farming is generally considered to be a “subsidiary” profession, as male farmers are often more inclined toward field crop agriculture. Traditionally, the Bangladesh dairy sector has been dominated by the Doodhwala and Ghosh communities consisting of small-scale intermediaries who collect fresh milk for processing into ghee, curds, sweets and other products. In the absence of refrigeration, fresh fluid milk typically represents a very small portion of the market.

Fresh milk processing and marketing in Bangladesh began in 1952, with the establishment of Eastern Milk Products Limited, a private company, which sold products under the trade name of Milk Vita. In 1965, the company’s ownership was transferred to the Eastern Milk Producers’ Cooperative Union Ltd., the first milk cooperative in what was then East Pakistan. After independence, the cooperative was renamed the Bangladesh Milk Producers Cooperative Union Limited (BMPCUL), and is best known today by its popular brand name, Milk Vita. Milk Vita is Bangladesh’s largest dairy, and currently represents almost half of country’s total processed milk production. Members of the Milk Vita marketing cooperative deliver milk to collection points, where it is then transported to a chilling plant before processing. Milk Vita members receive technical training, livestock genetics, veterinary and extension services, and various other production inputs.

Table 2. Plant Capacity of the Bangladesh Milk Producers Cooperative Union, Limited

| Place | Nature of Plants | Processing Capacity (liters per day) |
|---|--------------------------------|--------------------------------------|
| Tangial | Milk Chilling | 10,000 |
| Baghabari, Sirajgong | Milk & Milk product Processing | 162,000 |
| Manikgong | Milk Chilling | 10,000 |
| Mirpur, Dhaka | Milk & Milk product Processing | 162,000 |
| Takerhat, Madaripur | Pasteurization | 25,000 |
| Srinagar (Monshigonj) | Milk Chilling | 15,000 |
| Rangpur | Milk Chilling | 15,000 |
| Powder milk production factory, Baghabari | Powder milk Processing | 8000/h |
| Vanggura (Pabna) | Milk Chilling | 10,000 |
| Laherimohonpur (Shirajgonj) | Milk Chilling | 10,000 |
| Vhirab (kishorgonj) | Milk Chilling | 5,000 |
| Raipur (Iaxmipur) | Milk Chilling | 10,000 |
| Nator | Milk Chilling | 5,000 |
| Islampur (Jamalpur) | Milk Chilling | 5,000 |
| Gabtoli (Bogra) | Milk Chilling | 5,000 |
| Shibpur, Norshindi | Mineral water Plant | 60,000 lit/h |
| Domar (Nilphamary) | Milk Chilling | 5,000 |
| Shaithkhira | Milk Chilling | 5,000 |
| Noagon | Milk Chilling | 5,000 |
| Ramgonj (Laxmipur) | Milk Chilling | 5,000 |
| Shibpur (Narsingdi) | Pasteurization | 30,000 |
| Candy and Chocolate Plant Tajgoan, Dhaka | Chocolate, Couverture | 500 kg/day |
| Moulvibazar | Milk Chilling | 5,000 |
| Khulna | Milk Chilling | 5,000 |
| UHT Milk Plant, Mirpur | Flavored Milk | 40,000 |
| Condensed Milk Plant, Mirpur | Condensed Milk | 96,000 can/h |
| Chiribondor, Dinajpur | Milk Chilling | 5,000 |
| Ishardi, Pabna | Milk Chilling | 5,000 |
| Sonagazi, Fani | Milk Chilling | 5,000 |
| Subornochar, Noyakhali | Milk Chilling | 5,000 |
| Shahjadpur Purbanchal, Sirajgonj | Milk Chilling | 5,000 |
| Sorupkathi, Pirojpur | Milk Chilling | 5,000 |
| Tungi Bari, Munshigonj | Milk Chilling | 5,000 |
| Jamalpur | Milk Chilling | 5,000 |
| Can making plant, Baghabari | Condensed Milk | 12,000 can/h |
| UHT Liquefied milk, Baghabari | UHT Liquid Milk | 100,000 |

Source: <http://www.milkvita.org/factory.html>

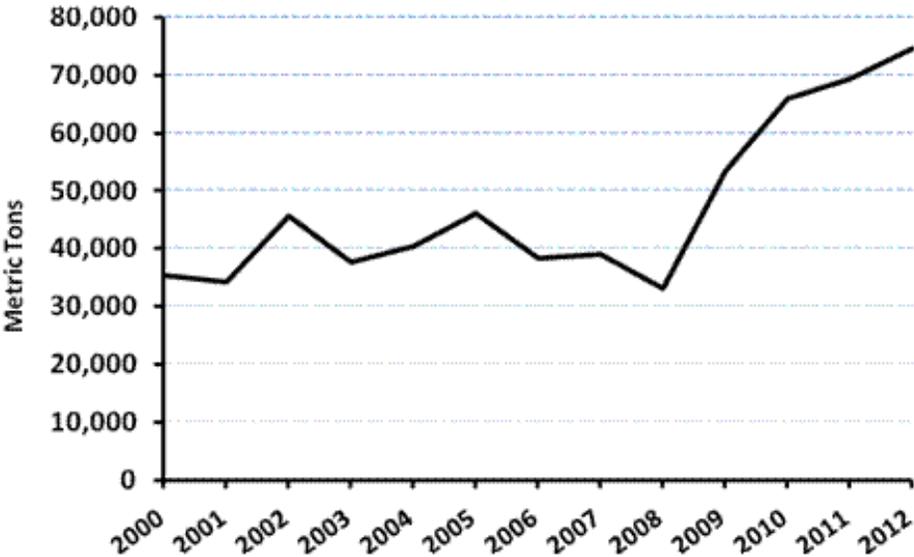
In 1998, BRAC, the Bangladesh based development organization, launched BRAC Dairy to assist its village organizations in dairy production and market development. BRAC offers microfinance loans for livestock and provides a range of market services, including transportation, pasteurization, processing, branding and distribution. Independent dealers typically purchase milk directly from approximately

40,000 farmers and transport it to one of BRAC Dairy’s 100 chilling stations, which are mostly located in the western divisions Khulna, Dhaka, Rajshahi, and Rangpur. As BRAC generally offers competitively higher prices, farmers consistently receive a fair market price. BRAC processes milk at a central facility in Gazipur, which produces a range of products under the Aarong brand name. BRAC (Aarong) products include fresh and powdered milk, flavored milk, flavored yoghurt and sour curd. BRAC is the second largest dairy operation in Bangladesh, representing about 20 percent of the country’s processed milk output.

In 2002, the Program for Rural Advancement Nationally (PRAN), one of the largest agro-processing firms in Bangladesh, partnered with Land O’Lakes, Tetra Pak, and the U.S. Department of Agriculture (USDA), to introduce ultra high temperature (UHT) treated milk into the Bangladesh School Nutrition Program. The technical expertise developed during this project was also shared with other companies to expand local commercial production of UHT milk. Today, PRAN is the third largest dairy operation in Bangladesh, representing about 10 percent of the market.

With growing domestic demand for dairy products, a number of companies are importing nonfat dry milk (NFDM) powder. In 2011/12, Bangladesh imports of dairy and cream (HS code 0402) reached a record \$221 million. While NFDM imports will likely continue to increase, local pressures to protect domestic production could have an effect on trade policy. In April 2009, hundreds of Bangladeshi dairy farmers poured milk on highways to protest imports of cheaper NFDM from India.

Figure 1. Bangladesh: Imports of Milk and Cream (HS 0402) by Volume

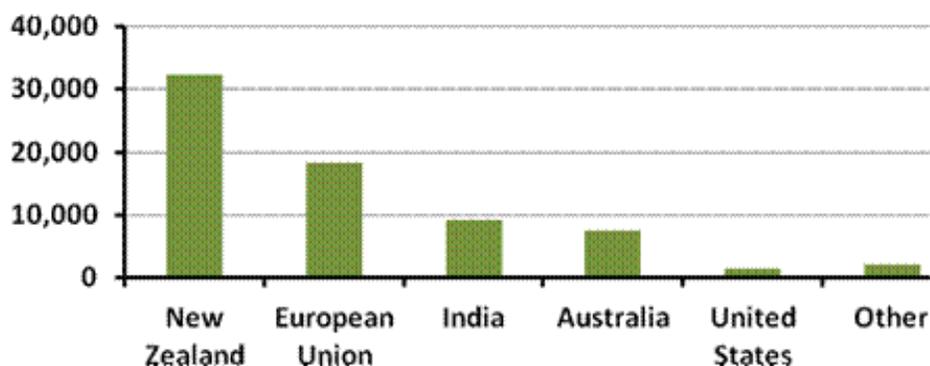


Source: Global Trade Atlas

Table 3. Bangladesh: Milk and Cream Imports by Value, Million U.S. Dollars

| July/June Fiscal Years | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Value | 86 | 73 | 83 | 137 | 96 | 106 | 161 | 221 |

Figure 2. Bangladesh: 2012 Imports of Milk and Cream (HS 0402) by Country of Origin



Source: *Global Trade Atlas*

Imports of milk and dairy products in Bangladesh are regulated by the Bangladesh Import Policy Order 2009-2012, which sets several requirements, including: (1) A certificate attesting that the product is below the acceptable level of radioactivity (for milk, milk powder and milk products it is 95 bq of CS-137 per kilogram), (2) A certificate indicating that the product is fit for human consumption, and (3) A certificate indicating that the product is free of melamine (the acceptable limit is 1 mg per kilogram).

While there are no quantitative restrictions on imports of dairy products, several border charges like supplementary duties, regulatory duties, and value added tax (VAT) are added to the 25-percent (highest level) customs duty for import of these products.

Regulations of Milk and Milk product Imports

The relevant sections and sub-sections of Bangladesh Import Policy Order 2009-2012 are reproduced below for ready reference:

15. Additional conditions for import of food for human consumption.

- In case of the importation of milk, milk food, milk products, edible oil and other food items produced in any country, test of radioactivity levels present in those items is mandatory. In this case, a certificate from a competent authority recognized by the government of the exporting country is to be submitted to the custom authority with other import documents. In case of the importation of milk & milk product, a melamine-free certificate from the competent authority recognized by the exporting country must be submitted to the custom authority. It is to be noted that testing of radioactivity levels of vegetables and seeds, which may be used as food directly, is also mandatory.*
- In case of the importation of food items from any country, the shipping documents must be*

accompanied by radioactivity test reports from the concerned authority of the exporting country indicating the level of CS 137 found in such radioactivity tests in each kilogram of food items shipped. In addition, a certificate to the effect that the items are fit for human consumption shall also be required: Provided that, in such cases, collection of representative samples of such food items from on board ships at the port of loading and dispatch thereof shall not be necessary.

3. *The following procedure shall be applicable in the matters of radioactivity testing of food items to be imported from any country, as:*
 - a. *Prior to shipment of the aforesaid item(s), the inspection agents of the supplier or buyer/consignee shall make necessary arrangement for the test of radioactivity levels for such items;*
 - b. *Prior to the arrival of a ship carrying such items at a Bangladeshi port, the buyer or consignee or his inspection agent shall make necessary arrangements for sending by courier the certificate regarding radioactivity-test to the concerned Customs Authority;*
 - c. *No goods in which the radioactivity level of which is above the acceptable limit shall be shipped;*
 - d. *In case of importation of food items that were produced neither in any European country nor packed/ tinned in or shipped from the third country submission of the aforesaid certificate about radioactivity-test to the Customs Authority shall not be required: Provided that, a report on radioactivity testing of importable food items (The report is to include the level of CS 137 found per kilogram of the item concerned); and*
 - e. *A general certificate to the effect that the items are fit for human consumption must be enclosed with the Bill of Lading (B.L.).*
4. *Only after satisfactory fulfillment of the conditions laid down in sub-Paragraph (2) and clauses of sub-Paragraph (3) above the Customs and the Port Authority shall allow the unloading of the concerned goods from the ship to the jetty.*
5. *On arrival of a ship carrying the aforesaid items at a Bangladesh Port*
 - a. *The Customs Authority shall collect the required number of samples of the items carried by the ship in presence of the importer's representative and the port authority (samples are to be collected from the port area) or the master of the ship (in case special appraisement is to be made while the ship is still at the outer anchorage or mooring) and shall properly pack the samples and attach to it a tag made of hardboard as per proforma given by the Bangladesh Atomic Energy Commission;*
 - b. *The tag so attached shall bear the signatures of all those who were involved in the collection of the sample i.e. the representative of the customs authority, the importer's representative and the representative of port authority and the master of the ship;*
 - c. *After packing and tagging the samples as mentioned above, the Customs Officer concerned shall send it to the customs samples room;*
 - d. *The Custom officer in charge of the sample room shall keep proper record of the samples and hand over the same to the Officer/ Staff of Bangladesh Atomic Energy Commission against appropriate record and signature;*
 - e. *After receipt of the samples in the Laboratory, Bangladesh Atomic Energy Commission shall within twenty-four hours, send to the Customs Sample Room their report on the result of examination of the samples: Provided that, in case of collection of samples after*

- office hours the customs officer concerned shall keep the same in his own custody and hand it over to the samples room the next day immediately after the opening of office;*
- f. The representative of Bangladesh Atomic Energy Commission shall on receipt of information, collect such sample from the Sample Room on the same morning and shall make arrangement for sending reports to the Sample Room after proper examination of the samples;*
 - g. The representative of Bangladesh Atomic Energy Commission shall collect samples from the sample room twice a day i.e. once in the morning and again in the afternoon.*
- 6. If on test of sample(s) of the consignment by the Bangladesh Atomic Energy Commission, it is found that the consignment contains radioactivity level above the acceptable limit, the consignment shall not be released and the concerned exporter/supplier shall be bound to take it back at his own expense.*
 - 7. The testing procedures described at sub-paragraphs (3), (4) and (5) above shall also be applicable in case of import of milk, milk food, milk products, fish feed, edible oil and other food items, even when these have been produced in any country and packed/ tinned in or shipped from another country.*
 - 8. The condition laid down in sub-paragraphs (3), (4), (5) and (6) shall be mentioned in the concerned Letters of Credit / Purchase Orders.*
 - 9. The Customs Authority shall, in the usual course, release the goods, only after getting the Clearance Certificate(s) from the Bangladesh Atomic Energy Commission certifying that the radioactivity level found in the imported food-stuff is within the acceptable limit.*
 - 10. Not relevant.*
 - 11. Not relevant.*
 - 12. Not relevant.*
 - 13. Not relevant.*
 - 14. These procedures shall not apply to the food items imported or to be imported, for which separate procedure has been prescribed by the Ministry of Food for testing radioactivity level. In these cases, the procedure prescribed by Ministry of Food shall be followed.*
 - 15. Acceptable limits of radioactivity for milk powder, milk food and milk products is 95 bq of CS-137 per kilogram and that for other food items is 50bq of CS-137 per kilogram. The level of CS-137 in an item shall be calculated in the state it reaches the port without being liquefied, concentrated or processed. In case of local items, the level of CS-137 in an item shall be calculated in the state it is marketed. The highest acceptable limit of radioactivity levels may be revised by the government from time to time.*
 - 16. Not relevant.*

17. *Milk food: All kinds of milk food products including baby food with fat contents covered under H.S. Heading 04.02 or 19.01 and all H.S. Code classifiable there under shall be importable subject to the following conditions, as:*
- a. *Baby food produced from milk shall be imported in tin containers up to 2.5 kgs only;*
 - b. *Milk food with cream shall be imported in the tin containers or bags in box up to 2.5 kg;*
 - c. *The Industrial enterprises, which are approved by the packing or caning Sector of Board of Investment, Bangladesh Small & Cottage Industries Corporation or Director, Institute of Public Health & Nutrition, shall import milk food with cream or baby food in big airtight Hermetic Container for packing locally (retail);*
 - d. *The words: “**There is no alternative to breast-feeding**” shall be printed clearly in relatively larger letters in Bangla (Bengali language) in a visible space on each tin, airtight package or bag in box of baby food with cream;*
 - e. *Composition and percentages of various ingredients shall be printed in Bangla on the tin containers, airtight packages or bag in boxes of milk food;*
 - f. *The date of manufacture and the date of expiry (for human consumption) shall be embossed or shall be computer printed in permanent ink either in Bangla or in English on each tin container, airtight package or bag in box of milk food;*
 - g. *The net weight of milk food shall be clearly indicated on each container in Bangla or in English; apart from this, in case of import of milk and milk product baby food, the registration number given by the Director, Institute of Public Health & Nutrition (IPHN) shall be printed on every tin, airtight package or bag in box clearly;*
 - h. *The condition mentioned at clauses (d), (e), (f) and (g) above must be embossed on the tin container. Separate printed labels shall, in no way, be pasted on the tin container;*
 - i. *Measuring spoon shall be supplied in tin containers of baby food i.e. milk food having fat contents up to 19 percent.*
18. *Import of non-fat dried milk shall be made subject to the following conditions, such as:*
- a. *Import of non-fat dried milk, packed in bag/ tin, shall be allowed;*
 - b. *The importer shall produce an analysis certificate duly authenticated by the competent authority of the exporting country and the certificate shall contain a declaration to the effect that the milk food is fit for human consumption;*
 - c. *The date of manufacture and date of expiry of fitness of the contents for human consumption shall be printed on each container, tin or bag;*
 - d. *In case of import of milk food products and powder milk, pre-shipment inspections shall be mandatory for determination of radioactivity level and the goods may be shipped only if in such test the radioactivity level is found within the acceptable limits approved by the Government. Such testing reports shall be sent to all concerned authorities as one of the shipping documents;*
 - e. *On arrival of milk foods and dried milk in the country, the consignment shall be subject to radioactivity test for the second time before release of the goods and the goods shall be released only if the radioactivity level is found within the acceptable as well as approved limits. The existing procedure of testing the radioactivity level of imported milk food and dried milk on arrival in the country shall continue as usual.*
19. *The date of manufacture and the date of expiry for import of Food and beverage: For importation of all kinds of food and beverages, the date of manufacture and the date of expiry shall clearly be embossed on each tin container or package and printed label shall not be pasted*

on the tin, container or package separately: Provided that, no food items will be allowed to import after the expiry date.

20. *In case of wine/liquor, the dates of expiry need not to be mentioned.*
21. *The quantity and description of ingredients and colors used in preserved food must be printed on pot, container or package and no separate label will be pasted on it. In this case, embossing is a must.*
22. *Date of manufacture and the date of expiry shall have to be written/printed on the container/package of those raw materials used in preparation of food and beverages that are to be unusable after certain period of time.*
23. *For importation of all food products, (directly consumed/drunk or consumed/drunk after processing) the importer shall require to submit along with other shipping documents a cautionary certificate from the government of the exporting country or from appropriate approved agency to the effect that the item is “fit for human consumption”, “that it does not contain harmful ingredients”, or that “it is free from all kinds of harmful germs.” Such a certificate shall mention the age group for which the item is eligible for consumption.*
24. *In case of all foodstuff/edible substances importable to Bangladesh, the importers shall send information of the edible substances mentioned in sub-para 25(29) in a prescribed form of BSTI to the Bangladesh Standard & Testing Institution (BSTI) and information of other food stuff to Bangladesh Centre for Science and Industrial Research.*
24. *All foodstuff/edible substances imported into Bangladesh must undergo mandatory tests of BSTI and BCSIR. On arrival of the consignment in Bangladesh the importers shall submit samples of the items to the BSTI/BCSIR for testing and obtain clearance certificate from them. If food staff/edible substance does not conform to their standard, the consignment will not be eligible for release and the importer will be subject to legal action.*

Melamine Test Report

Test reports from any reputable/established laboratory are acceptable to the customs authority of Bangladesh. The reports must clearly indicate the amount of melamine per kilogram present in any sample drawn from a specific consignment following standard rules of sampling. The consignments of milk powder will be eligible to be released from the port and be marketed in Bangladesh only when the melamine levels are found to be less than 1.0 mg/kg in accordance with the above reports; the method of testing must also be indicated, e.g., LC MSMS, GCMS and/or HPLC. A test result “Not Detected” is NOT acceptable.

Tariffs

While there are no quantitative restrictions on imports of dairy products, several border charges such as supplementary duties, regulatory duties, and VAT are added to the 25-percent (highest level) custom duty for import of these products.

Select References

The Bangladesh Import Policy Order 2009-12 is available on the Bangladesh Ministry of Commerce web-site: <http://www.mincom.gov.bd/>

The Bangladesh Tariff Schedule 2009-10 (which has not changed) is available at: <http://www.nbr-ctg.com/downloads/pdftariff/Chapter-04.pdf>

Select Dairy Companies in Bangladesh

Aftab Milk & Milk Products Ltd.

Uttara Bank Bhaban (4th & 5th Floor)
90, Motijheel C/A
Dhaka-1000, Bangladesh
Tel: 7161874, PABX: 9554236, 9551381
Fax: +880 2 9563319
Email: aftab_g@aitlbd.net
<http://www.aftabmilk.com/>

Akij Food and Beverage Limited -

13/1/Ka Panthapath
Dhaka – 1205, Bangladesh
Tel: +88 02 9140251, 9140350
Fax: +88 02 9140597
Email: info@akij.net
<http://www.akijfood.com/>

Bangladesh Milk producers' Co-operative Union Limited

139-140, Tajgong commercial Area
Dhaka-1208, Bangladesh
Tel: +88 011 9897927
Fax: +88 02 9889873
Email: info@milkvitabd.com, milkcoop@bangla.net, mvpro@milkvitabd.com
<http://www.milkvita.org/history.html>

BRAC Dairy

Aarong centre
346, Tejgaon i/a
Dhaka 1000, Bangladesh
Tel: +880 02 01716403573
<http://www.brac.net/content/brac-dairy>

Abdul Monem Limited (Amomilk)

Monem Business District
111, Bir Uttam C.R. Dutta Road (Sonargaon Road)
Dhaka-1205, Bangladesh.
Tel: +88 02 9669570, 8618079, 9676301-3

Fax: +88 02 9668638, 9664913
Email: info@amlbd.com
<http://www.amlbd.com/main.php>

Danish Condensed Milk Bangladesh Ltd.

Partex Star Group
Shanta Western Tower, Level - 13
Bir Uttam Mir Shawkat Road, 186 Tejgaon I/A
Dhaka - 1208, Bangladesh
Tel: +88 02 8878800-11
Fax: +88 02 8878815
Email: mail@partexstargroup.com
<http://www.partexstargroup.com/partexdanish/>

Goalini Condensed Milk

Hasam Holdings, 52/1, New Eskaton
Dhaka 1000, Bangladesh
Tel: +88 02 9348787, 02 9357909
<http://www.sagroupbd.com/>

Meghna Dairy & Food Products Ltd. -

Fresh Villa, House #15
Road #34, Gulshan-1
Dhaka 1212, Bangladesh
Tel: +88 02 9552880
Email: info@meghnagroup.biz
http://meghnagroup.biz/index.php?option=com_content&view=frontpage&Itemid=1

Nestlé Bangladesh Ltd.

Gulshan Tower (4th Floor)
Plot 31, Road 53, Gulshan North
C/A Dhaka 1212, Bangladesh
Tel: + 88 02 9882759
Fax: +88 02 8822035, +88 02 9881302
Email: sadat.reza@bd.nestle.com
<http://www.nestle.com/aboutus/globalpresence?zone=Asia>

New Zealand Dairy Products Bangladesh Limited

O/S – 801, Level – 08
Shanta Western Tower
186 Bir Uttam Mir Shawkat Ali Road
(Tejgaon – Gulshan Link Road)
Dhaka – 1208, Bangladesh.
Tel: +880 02 8878701 - 10
Fax: +880 02 8878704
Email: info@newzealanddairybd.com

<http://www.newzealanddairybd.com/>

Pran Foods

Pran Group

PRAN-RFL Center

105 Middle Badda

Dhaka - 1212, Bangladesh

Tel: +88 02 9881792, 88 02 8835546

Fax: +88 02 8837464

Email: mktg@prangroup.com

<http://www.pranfoods.net/dairy.php>

Rangpur Dairy & Food Products Ltd.

22/19 khiljhee road (3rd floor)

Mohammadpur, Dhaka-1207

Tel: +88 02 9115227, 8121900, 9134837

Fax: +88 02 9114865

Email: rdfpl@dhaka.net

www.rdmilk.org

Sanowara Group

Red Cow Building

601, Ramjoy Mohajan Lane

Khatungonj

Chittagong, Bangladesh

Tel: +88 031 634376, 610823, 624527

Fax : +88 031 610407

Email: info@sanowara.com

<http://www.sanowara.com>

Unilac Sanowara (BD) Ltd.

Arakan Road

Chandgaon Industrial Area

Chittagong, Bangladesh

Tel: +88 031 670856

Fax: +88 031 671309

Email: unilac@spnetctg.com