Indian Economy · GS - III

“India’s dependence on imported nutritional supplement ingredients makes domestic prices vulnerable to global commodity fluctuations and exchange-rate movements.” Discuss the economic factors behind the rise in whey protein prices in India and suggest measures to reduce such vulnerabilities.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 15/10/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Global dairy prices, rupee depreciation, import dependence, supply-chain disruptions, post-pandemic demand, cost-push inflation, domestic dairy processing, import diversification, quality regulation, consumer awareness.

Model Answer

Introduction

Whey protein is a dairy-derived protein widely used in sports nutrition and dietary supplements. Its rising prices in India highlight the effects of global markets and currency movements on domestic consumption.

Key Factors Behind the Price Rise

1. **Higher global dairy costs:** Increased prices of dairy inputs can raise the cost of whey production.

2. **Rupee depreciation:** A weaker rupee makes dollar-denominated imports more expensive.
3. **Supply-chain disruptions:** Shipping delays, logistical constraints and international supply-demand imbalances can increase costs.
4. **Rising demand:** Growing interest in fitness and protein supplementation can put additional pressure on supply.

Measures to Reduce Vulnerability

1. Strengthen domestic dairy processing and whey recovery infrastructure.
2. Diversify import sources and improve supply-chain resilience.
3. Encourage investment in food-processing technology and quality testing.
4. Enforce standards against adulterated and misleadingly labelled supplements.
5. Promote affordable protein sources such as pulses, milk, eggs and other suitable foods.

Conclusion

India should combine stronger domestic production with diversified imports and effective quality regulation. This can improve supply resilience, protect consumers and support the development of a reliable nutritional supplement market.

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