

THE PRICE OF PREDATION:

How Flipkart-Walmart's ₹1 Milk Campaign Threatens to Destroy 80 Million Indian Dairy Farmers
Rajan Kshirsagar, President, All India Kisan Sabha

The Playbook Is Familiar—Only the Victim Has Changed

In the United States, Walmart's grocery expansion led to the closure of over **30,000 independent grocers**. The strategy was simple: undercut local prices for long enough to drive competitors out, then raise prices once monopoly was achieved.

Now that same playbook has arrived in India with a desi twist. Instead of a neighbourhood kirana, the target is our cooperative movement. Instead of a product with fat margins, the weapon is milk: the livelihood of **80 million farmers**, 70% of them women.

In March 2026, Flipkart—the Walmart-backed e-commerce behemoth launched a “**customer acquisition campaign**” in Karnataka. The offer: **milk at ₹1 per half-litre**. Let that number settle. Lakshmi from Kolar district wakes at 3 AM. By 7 AM, her 15 litres of milk are sold to the cooperative for **₹40 a litre**. By noon, that same milk is being sold on Flipkart for **₹1**—less than the price of the plastic bottle it replaces. Lakshmi does not know what a “loss leader” is. But she knows her livelihood is being auctioned off to acquire a customer in Bangalore. This is not capitalism. This is predation dressed in consumerism.

The Numbers That Should Haunt Every Conscious Citizen

The All India Kisan Sabha (AIKS) has compiled data to present the unvarnished arithmetic of this assault:

- 1. Farmer procurement price:** ₹38–40 per litre
- 2. Flipkart promotional price:** ₹1 per half litre (a **97–97.5% discount** below procurement cost)
- 3. Total milk sold under promotion:** 14.5 lakh litres
- 4. BAMUL daily sales decline:** 40,000–50,000 litres
- 5. Reported campaign expenditure:** Approximately ₹2,000 crore
- 6. Indian dairy farmers:** 8 crore (80 million) livelihoods at stake
- 7. Women dairy farmers:** 70% of the total

These numbers are not abstractions. They represent the slow strangulation of India's cooperative movement a movement built over generations that lifted millions out of subsistence.

What Flipkart Won't Tell You

Flipkart's defence is a masterpiece of corporate doublespeak.

“A limited promotional campaign.”

What it means: The damage to cooperative institutions—built with farmer contributions and sustained by collective effort—will be irreversible. There is nothing “limited” about a price that forces a cooperative to shutter because it cannot compete with subsidized predation.

“Prices are determined by individual sellers.”

What it means: We hide behind the legal fiction of “platform neutrality” while our algorithms and promotional budgets set the price that matters. This is the same defence Walmart uses globally to evade responsibility.

“All dairy partners receive their full agreed price.”

What it means: We absorb the loss at the platform level, making the discount invisible to the

seller while the market structure collapses. This is the classic “loss leader” strategy used to destroy independent retailers globally.

BAMUL president **D.K. Suresh** identified this tactic with surgical precision:

“Milk cannot be treated as a marketing gimmick as it sustains millions of farmers who work daily to supply the country’s dairy needs.”

He has also demanded that samples be tested, suspecting that milk powder may have been mixed to achieve such an impossible price. When the cooperative that collects, tests, and processes milk raises such a question, the nation should take note.

The Structural Analysis: Why This Is Not Just About Milk

1. The Cooperative Model Under Siege

Karnataka’s dairy cooperatives, operating under the Karnataka Milk Federation (KMF) and the Nandini brand, represent one of the most successful experiments in collective ownership. These institutions guarantee stable procurement prices, provide veterinary services, and return profits to producers. When a corporation with unlimited capital prices milk at ₹1, it does not compete with Nandini; it destroys the market in which Nandini operates. When the cooperative bleeds, the farmer bleeds.

2. The Myth of “Consumer Benefit”

A price that represents **2.5% of production cost** is not a market price; it is a subsidy paid by a corporation to destroy competition. The consumer who buys milk at ₹1 today will, if the cooperative sector collapses, pay whatever monopoly price Flipkart chooses tomorrow. This is the predatory playbook: price below cost to drive competitors out, achieve market dominance, then raise prices.

3. The Digital-Feudal Model

We are witnessing digital feudalism: platforms owning infrastructure, controlling data, and reducing producers to tenants on their own land. In the US, Walmart’s grocery expansion led to the closure of over 30,000 independent grocers. In India, the target is cooperative infrastructure itself. The farmer becomes a price-taker. The cooperative becomes obsolete. The consumer becomes a data point.

The Long-Term View: What Research Tells Us

Research across India, China, and Sub-Saharan Africa reveals a troubling pattern. While a small subset of “platform-ready” farmers see income increases, the vast majority of smallholders face systematic exclusion, algorithmic dependency with no pricing transparency, and debt cycles. Environmentally, the shift to individual packaging increases plastic waste and carbon footprints, as life-cycle assessments show platform-sold produce has a **45% higher carbon footprint** than local mandis. Furthermore, when private platforms succeed, public agricultural infrastructure is neglected, creating systemic risk if a platform faces a crisis.

The Convergence: Trade Deals and Platform Predation

The AIKS draws attention to a dangerous convergence. While Flipkart attacks the cooperative model from the retail side, the India-US trade deal has been framed as a threat to open the floodgates for imported dairy products.

But here is the paradox the government must answer:

Commerce Minister Piyush Goyal has stated that the India-US trade deal **explicitly excludes dairy** that our entire dairy sector is “100 percent secure” with “no market opening” for US milk, cheese, butter, or whey.

If that is true, then why is an American-owned platform allowed to do what American dairy imports cannot? Why seek protection from foreign milk if you will allow foreign capital to destroy the *price* of Indian milk today?

The trade deal is a future threat. Flipkart’s ₹1 milk is the clear and present danger.

What the Law Says—And What It Must Say

BAMUL has filed a complaint under **Section 19(1)(a) of the Competition Act, 2002**, which prohibits abuse of dominant position and defines predatory pricing. They have also written to the Prime Minister. However, legal hurdles are significant: establishing dominance in a fragmented e-commerce sector, proving intent behind below-cost pricing, and navigating FDI policy that prohibits e-commerce platforms from pricing products directly—even when the platform subsidizes the transaction.

But the legal framework itself is inadequate. The Competition Act was not designed to address agricultural commodities with distinct characteristics (perishability, livelihood dependency) or platform economics where below-cost pricing is sustained by investor capital.

The AIKS calls for amending the Act to explicitly define any sale of perishable agricultural goods below 80% of the prevailing procurement price as *prima facie* predatory, irrespective of market share.

What Must Be Done: A Five-Point Immediate Agenda

The All India Kisan Sabha demands the following urgent actions:

1. **Immediate CCI Investigation with Agricultural Specificity:** The Competition Commission of India must expedite its inquiry under Section 4, treating agricultural commodities as a special category requiring heightened scrutiny.
2. **Moratorium on Below-Cost Agricultural Sales:** Until the CCI completes its investigation, the government must impose a temporary moratorium on e-commerce platforms selling agricultural commodities below farmer procurement prices.
3. **Amendment to the Competition Act:** The Act must be amended to create a presumption of predatory pricing for agricultural commodities sold below cost, recognize cooperative institutions as having special status, and define “dominance” in digital markets to include platform power.
4. **Strengthened FDI Enforcement:** The Ministry of Commerce must investigate whether Flipkart’s pricing campaigns violate **Press Note 2 of 2018** by effectively setting prices through subsidies.
5. **Protect Dairy from Trade Concessions:** While the India-US deal currently excludes dairy, any future negotiations must maintain this exclusion. The government must also close loopholes that allow whey and milk powder imports to bypass scrutiny.

What You Can Do: From Reader to Resister

This fight is not only for farmers and cooperatives. Every citizen who buys milk has a role.

- **Choose your milk consciously.** Buy from cooperatives like Nandini, Amul, or your local milk union. Every litre bought from a cooperative is a vote against platform predation.
- **Demand accountability.** Use the **PMO portal** and the **CCI website** to register your support for BAMUL's complaint. Ask the government: why is Press Note 2 not being enforced?
- **Spread the image that tells the story.** Share this simple fact:
₹1 = price of milk on Flipkart
₹2–3 = price of an empty plastic bottle
₹40 = price the farmer is paid

When milk is cheaper than its own container, something has gone catastrophically wrong.

A Final Word to the Farmers of India

The All India Kisan Sabha stands with the dairy farmers of Karnataka and with every agricultural producer who faces this new form of exploitation.

Let no one tell you that ₹1 per litre is “consumer benefit.” It is the price of your displacement.

Let no one tell you that “platforms are the future.” The future belongs to the producers who feed this nation, not to the corporations who treat your labour as a loss leader.

Let no one tell you that resistance is futile. The dairy cooperatives of India have survived globalisation and deregulation. They will survive this—if we act now, together.

The buffalo will be milked tomorrow, as it has been for generations. The question is: who will set the price? The farmer who owns her animal, or the platform that owns the market?

We fight for the farmer. We fight for the cooperative. We fight for a future where the price of milk reflects the dignity of the labour that produces it.

Jai Kisan. Jai Cooperative.

Rajan Kshirsagar

President — All India Kisan Sabha