

O.I.H.

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF ANIMAL HUSBANDRY, DAIRYING AND FISHERIES
LOK SABHA
UNSTARRED QUESTION NO.3265
TO BE ANSWERED ON 7TH AUGUST, 2018

CONDITION OF COOPERATIVE MILK FEDERATIONS

3265 SHRI VIKRAM USENDI

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि और किसान कल्याण मंत्री be pleased to state:

- (a) The details of the schemes formulated by the Government to ameliorate the conditions of Cooperative Milk Federations;
- (b) Whether the Government proposes to keep the interest on loan borrowed by the dairy farmers at par with the interest paid by agriculture farmers;
- (c) If so, the details thereof;
- (d) Whether the Government proposes to provide loan on interest subvention on purchase of livestock since dairy farming is a supplementary occupation to agriculture; and
- (e) If so, the time by which a final decision is likely to be taken by the Government in this regard.

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
(SHRIMATI KARISHNA RAJ)

(a) Department of Animal Husbandry, Dairying and Fisheries, Government of India has been implementing following dairy development schemes to ameliorate the conditions of Cooperative Milk Federations in the country. Details are given at Annexure below:

Sl.No.	Scheme Name	Annexure
1	National Programme for Dairy Development	I
2	National Dairy Plan (Phase-I)	II
3	Dairy Entrepreneurship Development Scheme	III
4	Dairy Processing and Infrastructure Development Fund	IV

(b)& (c) The Department is implementing DEDS in which Back Ended Capital Subsidy is given to farmer instead of interest subvention to reduce the burden on loan borrowed by dairy farmers. Under the scheme, back ended capital subsidy of 25% for general category beneficiaries (33.33% for SC/ST beneficiaries) is provided for components namely setting up of small cattle rearing unit, bulk milk cooler, testing equipment, transport facilities, indigenous product making facilities, cold storage, vermi compost unit and setting up private veterinary clinic. There is a budgetary provision of Rs.323 crore during 2018-19. Details of scheme are given at Annexure-III.

(d) & (e) In the budget announcement 2018-19, the facility of Kisan Credit Cards was extended to animal husbandry farmers, to help them meet their working capital needs of small and marginal farmers. Thus the animal husbandry and fisheries farmers would get the same benefit of interest subvention for their working capital requirement which is available to farmers. Interest subvention on loan of purchase of livestock has not been approved.

National Programme for Dairy Development (NPDD)

National Programme for Dairy Development (NPDD) was launched in February, 2014 with the objective of to create and strengthen infrastructure for procurement, processing and marketing of milk.

Under the programme, 83 projects in 28 States have been approved with the total outlay of Rs.848.48 crore (Central Assistance Rs. 650.85 crore) against which Rs.348.34 crore has been released and an amount of Rs.168.89 crore has been utilized upto 30.6.2018

This Department has approved establishment/modification of 20.36 LLPD capacity dairy plant, installation of 15.73 LLPD capacity chilling plant and creation of 8206 dairy cooperative society (DCS) till 30.06.2018.

National Dairy Plan Phase I (NDP I)

A Central Sector Scheme of Government of India, is a scientifically planned multi-state initiative being implemented by National Dairy Development Board (NDDB) with the network of End Implementing Agencies (EIAs) for the period 2011-12 to 2018-19 with the following objectives:

- (i) Increase productivity of milch animals and thereby increase milk production to meet the rapidly growing demand for milk.
- (ii) Provide rural milk producers with greater access to the organised milk processing sector.

A multi-pronged series of interventions are being undertaken under NDP I to meet the twin objectives of NDP I. The key interventions being implemented under NDP I are provided below:

- a) Progeny Testing Programme
- b) Pedigree Selection Programme
- c) Strengthening of Semen Stations
- d) Pilot Doorstep AI Delivery Services
- e) Ration Balancing Programme
- f) Fodder Development Programme
- g) Village Based Milk Procurement System
- h) Project Management and Learning

Dairy Entrepreneurship Development Scheme (DEDS)

The scheme has been launched in September, 2010 and implemented through NABARD. The scheme aims at setting up of small dairy units, heifer rearing, bringing structural change in unorganised sector, upgradation of traditional technology to handle milk on commercial scale. Some of the major components of the scheme are setting up of small dairy units, heifer rearing, Cold Storage facilities, Equipment for manufacture of indigenous milk products, purchase of milking equipment and dairy marketing outlets.

Pattern of Assistance

- I. Back ended capital subsidy @ 25% of the project cost for general category and @ 33.33 % for SC/ST farmers. The component-wise subsidy ceiling will be subject to indicative cost arrived at by NABARD from time to time.
- II. Entrepreneur contribution (Margin) for loans beyond Rs.1 lakh* -10% of project cost (Minimum)
- III. Bank Loan - Balance portion

COMPONENTS OF THE SCHEME:

S. No	Component
i	Setting up of milch cattle(2-10 animals)
ii	Heifer rearing dairy units (upto 20 animals)
iii	Vermi compost unit
iv	Purchase of milking machines /milk-o-testers/bulk milk cooling units (upto 5KL)
v	Equipment for manufacture of indigenous milk products
vi	Dairy product transportation
vii	Cold storage facilities
viii	Establishment of private veterinary clinics
ix	Dairy marketing outlet / Dairy parlour

Dairy Processing & Infrastructure Development Fund (DIDF)

- I. The scheme has been launched in December 2017 with total scheme outlay of Rs.10881 crore. The scheme aims at helping the producer owned and controlled institutions to increase their share of milk, thereby providing greater opportunities of ownership, management and market access to rural milk producers in the organised milk market. The scheme envisages investment of Rs. 8004 crore as interest bearing loan, Rs. 2004 crore as milk cooperative contribution, Rs. 12 crore as contribution by National Dairy Development Board (NDDB) and National Cooperative Development Corporation (NCDC) and Rs. 864 crore as interest subvention by Department of Animal Husbandry, Dairying & Fisheries, Government of India. The scheme envisages to make an investment of 27.83% of the total investment of Rs. 10881 crore towards creation of capacity of value added products. The scheme is implemented through National Dairy Development Board (NDDB) and National Cooperative Development Corporation (NCDC).

Major components:

- I. Modernization & creation of new milk processing facilities
- II. Manufacturing facilities for Value added Products
- III. Milk Chilling infrastructure
- IV. Setting up electronic milk testing equipment at village level
- V. Project Management and Learning
- VI. Any other activity related to the dairy sector targeted to contribute to the objectives of DIDF and decided by Government of India in consultation with the stakeholders.

Important points regarding DIDF:

- I. Year of implementation: 2017-18 to 2019-20 with the proposed outlay of Rs. 10881 crore.
- II. Consists of Rs. 8004 crore as interest bearing loan, Rs. 2001 crore as contribution from Milk Cooperatives, Rs. 864 crore as interest subvention through budgetary support from DADF
- III. NDDB & NCDC will contribute Rs. 12 crore for Project Management & Learning Support).

Salient Features of the DIDF scheme:

- I. 95 Lakh milk producers will be benefited by covering 50,000 villages.
- II. Establishment of 28000 Bulk Milk Coolers with 140 Lakh Liters per Day as additional milk chilling capacity.
- III. Providing 28000 Milk Testing Equipments to check adulteration in milk.
- IV. Creation of additional 210 Metric Ton per Day Milk Drying capacity.
- V. Modernization, expansion and creation of Milk Processing capacity of 126 Lakh Litres per Day.