



**GOVERNMENT OF KERALA**

**DEPARTMENT OF DAIRY DEVELOPMENT**

*A Proposal for Strengthening, modernizing and computerizing  
Dairy Co-operative Societies so as to enable them to  
ensure the food security and  
comply with the provisions included in  
food safety and standard Act 2006*

***Under the State Plan (2015-16) - ASSISTANCE TO DCS***

**Head of Account : 2404-00-195-94-31**

**TOTAL PLAN FUND : Rs 1650 LAKH**

**(continuing scheme of 2014-15)**

## 1. EXECUTIVE SUMMARY

During 2015-16 an amount of **Rs 1650 Lakhs** has been earmarked to the Department under state Plan (Head of Account: 2404-00-195-94) ASSISTANCE TO DAIRY CO-OPERATIVES. The scheme envisages to strengthen, modernize, automate and computerize the Dairy Co-operative Societies and to enable them to ensure the food security and comply with the provisions included in the food safety and standard Act 2006.

<b>ASSISTANCE TO DAIRY CO-OPERATIVE SOCIETIES (2404-00-195-94-31)</b>			
<b>(CONTINUING SCHEME OF 2014-15)</b>			
<b>SI.NO</b>	<b>PROJECT NAME</b>	<b>TOTAL COST</b>	<b>TOTAL SUBSIDY</b>
		<b>(Rs Lakhs)</b>	<b>(Rs Lakhs)</b>
1	Food safety Orientation Programme for Elite , Progressive Dairy Farmers (1500 man days)	4.500	4.500
2	Construction or renovation of hygienic Milk collection rooms/Storage rooms	500.000	375.000
3	Provide Assistance to Assess& Ensure the FSSA 2006 requirements to meet the documentation , registration & Prerequisite as mentioned the Act. Including setting up of lab facilities	204.000	153.000
4	Operational Assistance to Newly Registered DCS /Assistance for Revival of defunct Societies	41.000	30.750
5	Need Based Assistance to DCS	800.000	480.000
6	Assistance to Dairy Co-operative Societies to start /strengthen New / Existing Milk Processing/chilling/Packing /Cattle Feed units, Renovation/Construction of Cold stores, DCS and ISO certification of such units.	330.000	200.000
7	Automatic Milk Collection Units	56.000	42.000
8	Farmer's facilitation cum information centre	322.000	241.500
9	Assistance to District wise consortium to monitor and maintain the automation & networking system	21.000	21.000
10	Assistance for transportation of milk to the milk route of MILMA.	13.500	13.500
11	Provision for conducting review meeting for DCS personnels	9.960	9.960
12	Documentation & Data Bank Creation	15.000	15.000
13	Dr. VARGHESE KURIEN AWARD	3.000	3.000
14	50 information KIOSK in 50 Potential DCS .	55.000	55.000
15	Operational Cost	3.000	3.000
16	Preparation of Poster/Brochure/Board to communicate quality & Food safety Requirements to be adopted at Farm & Dairy Cooperative level	2.790	2.790
<b>GRAND TOTAL</b>		<b>2380.750</b>	<b>1650.000</b>

## **1. INTRODUCTION**

The role of dairy development in improving the nutritional standards of the people, generating employment opportunities and enhancing income level in rural areas especially for small and marginal farmers and agriculture labourers has been well established. Over the years, the country has maintained a growth rate of about 4 per cent per annum in milk production. In terms of value of output, milk is now the single largest agricultural commodity, way ahead of paddy and wheat. It is projected that by the year 2020, the annual demand for milk in the country would be 170 million tonnes. It is therefore a great challenge to increase milk production to meet the ever-increasing demand by improving the infrastructure of the dairy sector in Kerala.

The dairy co-operatives are the backbone of the dairy industry in the country and situation is not different in Kerala with the DCS providing a ready market and steady price to the dairy farmers. As on 28.02.2015, there are 3650 DCS in the state which collects milk twice a day from their farmers and pays the milk value based on the quality (fat% and SNF%). It is expected that 20 new societies will be formed and 30 defunct societies will be revived during the year .

Strengthening of dairy co-operatives through automation will help in improving the procurement and marketing facilities of these societies, thereby making the transaction transparent, handling of milk more hygienic and ensure accuracy in weighing and testing of milk poured by the producer members.

Consequent to the implementation of FSSA 2006, stringent measures are to be taken to ensure at most hygiene at the production, transportation, processing and distribution of food products. Microbial count in milk doubles every half an hour and thus as the gap between milking time and chilling time increases, the microbial count increases significantly.

So this year the department's activities are focused to provide adequate infrastructures facilities to enable DCS for procuring, handling, storing and processing quality milk and also to ensure food security & food safety.

## **2. OBJECTIVE**

- Improve the credibility of dairy cooperative societies; thereby ensuring dairy farmers' prosperity.
- Improve milk quality and its compliance with the newly introduced Food safety and Standard Act 2006.
- Sustain the DCS to produce and market value added products.
- To automate milk collection at society level so as to bring significant benefits to farmers and local dairy cooperatives.
- To speed up the entire milk collection process, thereby reducing the spoilage of milk; wait time for farmers at the collection centres greatly reduced.
- To increase efficiency, transparency and fairness, and speedy payment of milk price at the dairy co-operative societies.
- To reduce the chance of errors and fraud in milk collection, testing, recording and value payment.

- To establish a common communication channel between Dairy Development Department and DCS.
- To help milk cooperatives become more efficient and productive and to bring more accountability to the entire dairy co-operative sector in the state.
- Introduce dairy farmers facilitating cum information centres and to strengthen existing units.
- To enable DCS take up new ventures that will benefit the rural community like Village Knowledge Centres etc.
- To provide dairy advisory & extension services to farmers using ICT tools
- Strengthen the cattle feed stores of the DCS to ensure food safety and fulfil farm to fork approach
- Make the DCS as a village knowledge centre.

### 3. FINANCIAL OUTLAY

SI.NO	PROJECT NAME	NO OF UNITS	UNIT COST	UNIT SUBSIDY	TOTAL COST	TOTAL SUBSIDY
			(Rs)	(Rs)	( Rs Lakhs)	(Rs Lakhs)
1	Food safety Orientation Programme for Elite , Progressive Dairy Farmers (1500 man days)	1500	Rs 300 per Trainee per man days	Rs 300 per Trainee per man days	4.500	4.500
2	Construction or renovation of hygienic Milk collection rooms/Storage rooms	100	500000	375000	500.000	375.000
3	Provide Assistance to Assess& Ensure the FSSA 2006 requirements to meet the documentation , registration & Prerequisite as mentioned the Act. Including setting up of lab facilities	340	60000	45000	204.000	153.000
4	Operational Assistance to Newly Registered DCS /Assistance for Revival of defunct Societies	50	82000	61500	41.000	30.750
5	Need Based Assistance to DCS	400	200000	120000	800.000	480.000
6	Assistance to Dairy Co-operative Societies to start and/or strengthen (existing) Milk Processing/chilling/Packing /Cattle Feed unit, Renovation/Construction of Cold stores, DCS and ISO certification of such units.	Lumpsum	33000000	20000000	330.000	200.000
7	Automatic Milk Collection Units	40	140000	105000	56.000	42.000
8	Farmer's facilitation cum information centre	46	700000	525000	322.000	241.500
9	Assistance to District wise consortium to monitor and maintain the automation &	14	150000	150000	21.000	21.000

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	networking system					
10	Assistance for transportation of milk to the milk route of MILMA.	50	27000	27000	13.500	13.500
11	Provision for conducting review meeting for DCS personnels	166	6000	6000	9.960	9.960
12	Documentation & Data Bank Creation	Lumpsum	Lumpsum	Lumpsum	15.000	15.000
13	Dr. VARGHESE KURIEN AWARD	Lumpsum	300000	300000	3.000	3.000
14	50 information KIOSK in 50 Potential DCS .	50	110000	110000	55.000	55.000
15	Operational Cost	Lumpsum	Lumpsum	Lumpsum	3.000	3.000
16	Preparation of Poster/Brochure/Board to communicate quality & Food safety Requirements to be adopted at Farm & Dairy Cooperative level	Lumpsum	Lumpsum	Lumpsum	2.790	2.790
<b>GRAND TOTAL (Continuing scheme of 2014-15)</b>					<b>2380.750</b>	<b>1650.000</b>

## 4. PROJECTS

### 4.1 Food safety Orientation Programme for Elite and Progressive Dairy Farmers

UNITS	NO OF UNITS	UNIT COST (Rs)	UNIT SUBSIDY (Rs)	TOTAL COST (Rs in Lakhs)	TOTAL SUBSIDY (Rs in Lakhs)
Nos	1500	@ Rs 300 per man days	@ Rs 300 per man days	4.5	4.5

The Food Safety & Standard Act 2006: The Food Safety and Standards Act 2006 (Licensing And Registration Of Food Businesses), its rules and Regulations 2011 clearly specifies the prerequisite program that has to be adopted by milk handlers & members of food chain.

It is the responsibility of the department to provide food safety training for the DCS personnels, Board members and farmers of the state so that an awareness and expertise is obtained regarding hygienic milk production, milk procurement, milk transportation, handling , processing and marketing.

During the year 2012-13 and 2013-14, the dairy department has successfully completed the training programme for Dairy Society Personnel (for Chief Executive and Milk Tester/Lab Assistants/Procurement assistants). During the year 2014-15, 1500 elite and progressive dairy farmers have already been trained in this area.

It has been observed that most of the contamination happens at the primary level are mainly due to the lack of the awareness among the food handlers. Society personnel are the key persons for checking the milk, meeting the farmers and handling the milk. So by providing the awareness among the DCS personnel, we can ensure communication of necessary information to farmers too.

Primary awareness regarding the FSSA Norms should be given to elite and progressive farmers. For the purpose of the same it is essential to give a one day training programme for the selected elite and progressive farmers of the state. The trained farmers shall be utilised as a trainer for training other farmers of the DCS.

Minimum hygiene requirements mentioned in the FSSA 2006 to be followed and adopted at the farm level may be specifically communicated in the training. As per the allocation/targets, the concerned Quality Control officers with the help of concerned Dairy Extension Officers are responsible to identify and organize the trainings at district level.

**Financial Break up**

<b>Items</b>	<b>Amount</b>
Orientation Programme for 1500 elite / progressive dairy farmer @ Rs 300/ man day	Rs 4.5 Lakhs
<b>Total</b>	<b>Rs 4.5 Lakhs</b>

Rs 300 / man day is estimated to meet the cost for organizing training which include all expenses like refreshment charges, rent, rate and taxes, honorarium for external faculty / expert trainers, printing charges, issue of study materials (if required) etc. Services of designated officers / food safety officers and expert trainers from among the department level officers shall be utilised to the maximum extent possible.

**4.2 Construction or renovation of Hygienic Milk collection rooms / Storage rooms.**

<b>UNITS</b>	NO OF UNITS	UNIT COST (Rs)	UNIT SUBSIDY (Rs)	TOTAL COST (Rs in lakhs)	TOTAL SUBSIDY (Rs in lakhs)
Nos	100	500000	375000	500.00	375.00

Government of India have introduced revised food law instead of existing 'Prevention of Food Adulteration Act' called 'Food Safety and Standards Act 2006. This new food law necessitates stringent measures in handling of food materials.

According to this new food law all the operations of food production, procurement processing and distribution should be carried out under circumstances which will not contaminate food physically, chemically or by microbiological hazards.

### **Objectives**

The objective of the scheme is to assist Dairy Co-operative Societies to construct or renovate milk collection room for the hygienic milk collection / storage room for storing cattle feed, milk, milk products etc. The assistance shall be 75 % of the total cost or Rs 375000/- whichever is less.

### **Eligibility**

Only those DCS which procures minimum 200 litres per day (average of 6 months prior to the date of application by DCS)

### **Scheme**

Application shall be invited from Dairy Co-operative Societies across the state having a minimum of 3 cents of land for assistance in the prescribed form.

The society should have an average procurement of 200 Litres per day. The milk procurement shall be taken for the last 6 months average prior to the date of submission of application. The Dairy Co-operative Societies should have introduced two axis pricing policy and established section 80 for the employees and also those DCS working on profit for the past 3 years shall be considered for this project. Beneficiary contribution shall be from the own fund of the DCS, but with the prior sanction of the concerned Deputy Directors. Necessary funds after the eligible subsidy may be raised by the society and details. The application shall be in prescribed format. The duly filled application form with mandatory recommendations shall be appended with relevant documents like project report, true copy of board resolutions, approved plan and estimate, attested copies of last audit report, tentative balance sheet (of last six months) etc

Prior to approval, the concerned the Assistant Director (Technical Assistant / Quality Control Officer as authorised by the Deputy Director) may verify the Plan & Estimate and ensure that the suggested Plan complies with the FSSA requirements. If required, necessary changes may be demanded and the final plan & estimate with the recommendations by concerned Dairy Extension Officer shall be forwarded to the Deputy Director for final approval. If required the concerned Assistant Director shall conduct a meeting with the selected DCS to communicate the requirements. The Deputy Director based on the recommendations from the Dairy Extension Officer and the report from the Assistant Director shall prioritise and rank the applications and sanction shall be given based on the availability of funds and targets as issued from the Directorate.

The assistance may be given for new construction / renovation of existing facilities. The assistance shall be 75 % of the total estimated cost, limited to a maximum of Rs 3,75,000/-. The detailed estimate, plan and stage / completion certificate from an officer not below the rank of an Asst. engineer, PWD/LSGD may be submitted by the beneficiary society for sanction and payment of subsidy amount. Stage payment may also be given ie; 50 % for completion up to roof level and the rest after completion. The concerned Assistant Director (TA/QCO as authorised by The Deputy Director) shall ensure the effectiveness of the project.

The total subsidy for one project is limited to Rs 3.75 Lakh or 75% of the total cost. The plan assistance remaining from those beneficiary DCS who have completed the scheme below the expected outlay shall be pooled and shall be utilized to extend the scheme to another beneficiary DCS so that the concerned District/Unit can utilize the

whole subsidy amount as per their target. Also the concerned Implementing Officer can divide total subsidy cost he/she received and thereby the benefit can be given to more DCS.

**4.3 Provide Assistance to Assess & Ensure the FSSA 2006 requirements to meet the documentation, registration & Prerequisite as mentioned the Act. Including setting up of lab facilities  
(Purchase / Repair of equipments, minor constructions to aid quality milk procurement/handling/processing/storage, purchase of testing chemicals etc)**

UNITS	NO OF UNITS	UNIT COST (Rs)	UNIT SUBSIDY (Rs)	TOTAL COST (Rs in lakhs)	TOTAL SUBSIDY (Rs in lakhs)
Nos	340	60000	45000	204.00	153.00

To get a license for DCS as per the Food Safety Act 2006, the organization may submit the documents which details the management system established in their sector. And also to meet the requirements specified in Food Safety and Standards (Licensing and Registration of Food Businesses), Regulations 2011.

It is the responsibility of the department to assist the farmer-oriented dairy cooperative societies in ensuring, checking and monitoring the quality of milk they collect and sell to the local customers in the nearest pockets. In tune with the FARM TO FORK concept of the FSSA 2006 the testing of milk at society level may be strengthened which will help to reduce the spoilage of milk thereby enabling compliance with the FSSA requirements. This scheme envisages documentation to confirm the FSSA requirements and extend assistance to set up/upgrade the societies labs to purchase / repair existing / new equipment / utensils / Testing & cleaning chemicals to meet the food safety requirements and ensure quality & safety of milk. Any activity that directly or indirectly favours hygienic milk collection, handling, storage, processing at DCS level can be taken up under this head

The total cost for one unit is estimated to be Rs 60,000. Subsidy shall limited to Rs 45,000/- or 75% of the actual cost whichever is less.

This year around 10 % of DCS may be covered, and based on the rate of successful implementation; the scheme may be extended and thereby fully implemented within 5 Years.



#### 4.4 Operational Assistance to Newly Registered DCS /Assistance for Revival of defunct Societies.

<b>UNITS</b>	<b>NO OF DCS</b>	<b>UNIT COST (Rs)</b>	<b>UNIT SUBSIDY (Rs)</b>	<b>TOTAL COST (Rs in lakhs)</b>	<b>TOTAL SUBSIDY (Rs in lakhs)</b>
Nos	50	82000	61500	41.00	30.750

The scheme envisages giving financial support to newly registered societies and revival of the defunct DCS.

##### 4.4.1. Newly Registered DCS

The assistance may be sanctioned on need based requirement in any or whole component of the scheme. The assistance once availed in part or whole will never be granted subsequently, but the society is eligible to apply for un availed component of the project on request in the case of partial implementation. A bank account shall be opened jointly in favour of The Secretary of the DCS and Dairy Extension Officer of the concerned Dairy Extension Service Unit and the sanctioned amount shall be deposited in the Joint Account.

<b>Components</b>	<b>Total out lay minimum (Rs)</b>	<b>DCS Contribution minimum (Rs)</b>	<b>Plan Assistance maximum (Rs)</b>
Training to 2 DCS personnel (5 days x 2 No.s x Rs 300)	3,000	750	2,250
Establishment grant for DCS personnel for 3 months @ Rs 3000/month	9,000	2,250	6,750
Equipments, registers, chemicals , furniture, fixtures or stationary etc	20,000	5,000	15,000
Assistance to reduce milk value due	50,000	12,500	37,500
<b>Total</b>	<b>82,000</b>	<b>20,500</b>	<b>61,500</b>

\*Any saving on the above component may be utilized for any other component

The total assistance eligible to a Dairy Co-operative Societies is Rs 61,500/- or 75% of the actual cost whichever is less. The application for operational support in prescribed format may be submitted to the concerned DESU and the District Dairy Development Officer shall be the sanctioning authority.

##### 4.4.2 Revival of Defunct DCS

In our state, about 200 DCS are in the process of revival. Those are defunct due to various reasons. The important reason is the lack of financial stability, managerial

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incapability, lack of milk route etc. Department have taken rescue measures to revive the defunct DCS and make them viable. Initially the society is in need of working capital to pay the milk value, office expenses, establishment charges, equipments, transport etc. The grant shall be deposited in a Joint account maintained in favour of The Dairy Extension Officer of concerned DESU and The Secretary of the beneficiary DCS.

<b>Components</b>	<b>Total out lay minimum (Rs)</b>	<b>DCS Contribution minimum (Rs)</b>	<b>Plan Assistance maximum (Rs)</b>
Establishment grant for DCS personnel for 3 months @ Rs 3000/month	9,000	2,250	6,750
Equipments, registers, chemicals , stationary etc.	15,000	3,750	11,250
Transportation of milk	15,000	3,750	11,250
Assistance to reduce Milk value due	43,000	10,750	32,250
<b>TOTAL *</b>	<b>82,000</b>	<b>20500</b>	<b>61,500</b>

\*Any saving on the above component may be utilized for any other component

The application for assistance for revival may be submitted to the concerned DESU and the Deputy Director of the District will be the sanctioning authority. The total assistance eligible to a Dairy Co-operative Society shall be Rs 61500/- or 75% of the actual cost whichever is less.

#### 4.5 Need Based Assistance to DCS

<b>UNITS</b>	<b>NO OF UNITS</b>	<b>UNIT COST (Rs)</b>	<b>UNIT SUBSIDY (Rs)</b>	<b>TOTAL COST (Rs Lakhs)</b>	<b>TOTAL SUBSIDY (Rs Lakhs)</b>
No.s	400	200000	120000	800.00	480.00

The DCS in the state are functioning with the meagre margin they realise through the sales of milk procured from farmers. Quite often they find it difficult to invest in improving the hygiene and aesthetic aspects of the DCS due to the lack of funds. This scheme envisages assisting the DCS to improve the infrastructure based on their immediate requirements to handle milk hygienically and to provide an aesthetic appearance to the Dairy Cooperative Societies.

The scheme envisages, giving assistance to 400 Dairy Co-operative Societies, according to their needs. Assistance of 60% of the total estimated cost subject to a maximum of Rs 1,20,000 per DCS shall be provided. The total subsidy for one project is limited to Rs 1.2 lakhs or 60% of the expended amount. The subsidies remaining from those beneficiaries who have completed the scheme below the expected outlay shall be pooled and can be utilized to extend the scheme to another beneficiary so that the concerned district / Unit can utilize the whole subsidy amount as per their target. The concerned Implementing Officer shall have the authority to divide total subsidy cost he/she received (regardless of no of units) thereby extending the benefit to more number of DCS.

Assistance can be given to the following items:

- a. Computer , Printer , Analyser, weighing Balance, Broadband connection and Accessories or the missing component of AMCU
- b. Purchase & installation of pump
- c. Construction of Bore well / open well/ set up facilities for rain water harvesting.
- d. Purchase of office furniture.
- e. Construction/ repair of compound wall, extension/repair of existing building.
- f. Go-down / Store Room/collection centres and/offices etc.
- g. Rewiring / Electrical repairs
- h. Solar water heater/Can Washers /scrubbers.
- i. Milk cans and/or Milk product making or marketing equipments/vehicles.
- j. Generator/ Installation of Solar System
- k. Cream Separator and/or Deep Freezer
- l. Repair of any existing equipments/devices/vinyl flooring for milk collection rooms of rented building of DCS.
- m. Any item / items based on the project report submitted by the DCS, duly recommended by the Dairy Extension Officer and further approved by the concerned Deputy Director of Dairy Development Department.

The society can choose any item or a combination of items from the above list, as per their requirements but the subsidy amount shall be limited as indicated in DPR.

#### **4.6 Assistance to Dairy Co-operative Societies to start / strengthen New/Existing Milk Processing/chilling/Packing /Cattle Feed unit, Renovation/Construction of Cold stores, DCS and ISO certification of such units.**

UNITS	NO OF UNITS	UNIT COST (Rs)	UNIT SUBSIDY (Rs)	TOTAL COST (Rs in Lakh)	TOTAL SUBSIDY (Rs in Lakh)
Lump sum	Lump sum	33000000	20000000	330.00	200.00

In Kerala in 2014-15, around 1800 lakh litre of milk was locally sold as loose / packet milk and / or milk products by Dairy co-operative societies and is the major direct income for all Dairy co-operative societies to meet their expenses.

Milk being a perishable product, if has to be converted to value added products when in excess or otherwise, require extensive chilling, processing and storage facilities demanding a major improvement in the present day infrastructure scenario of majority of the societies which is the one aim intended by this scheme.

Other than Milma, a few Co-operative organizations in the state are playing an important role in meeting the demand of milk of our state. These Co-operative organizations are collecting milk from their producers residing within their area of operation. More than 3 lakh farmers are supplying milk to these organizations. This organizational linking from

the rural producer to the urban consumer should be strengthened further to meet the emerging market of fluid milk and milk products in the cities.

This scheme is totally focusing to upgrade/establish the existing/new processing units under DCS to strengthening infrastructure and/or mechanize/modernize sector by providing need based assistance to modify/purchase required equipments, accessories and/or machineries to produce and market value added products, chill and store the milk below 5°C.

Similarly another major requirement is the production of sufficient quantity good quality cattle feed. The scheme envisages assisting any interested DCS to set up a feed mixing unit to ensure the availability of quality cattle feeds to the farmer members.

To maintain the cold chain at primary level, assistance may be provided to setup/purchase/renovate Bulk Coolers, Chillers, Insulated vans/Tankers to market milk & Milk Products etc.

Assistance may be provided to DCS owned product making units to obtain Food Safety Management System certificate.

### **Highlight of the Scheme:**

Any Co-operative societies can apply, this scheme provides assistance to purchase construct and/or repair the existing or new equipment, machineries, vehicles to produce and market value added products.

Rural Milk marketing facilities of assisted dairy co operatives will be increased. Cattle rearing will become cost effective to the farmers and thus more entrepreneurs will be attracted to this lively hood sector. Availability of quality milk in the urban areas will be assured.

Lack of infra structural facilities for processing and marketing of milk and milk products is the main hurdle in tapping these potential markets. The project envisaged here is to provide assistance for the development of infra structural facilities for processing and marketing of milk and milk products to dairy co operatives where rural marketing facilities are not available.

The total cost for one unit is unlimited; Subsidy shall be limited to 60% of the actual cost or Rs 30 lakh whichever is less. Those DCS which has availed fund under this item during the last 3 financial years (2012-13, 2013-14 and 2014-15) under this scheme component shall not be eligible for placing new application for assistance.

### **Objectives of the Project**

- The financial assistance is extended for processing of milk with the following objectives.
- Ensure the availability of good quality cattle feeds for their members.
- To enhance the keeping quality of milk and also to avoid economic losses to farmers.

- For manufacturing various milk products to make it available for the domestic market.
- To install automatic fill pack machine to pack fluid milk and milk products.
- To erect machinery for the production of milk products.
- To install cream separator, steam boiler, plate chiller, homogenizer, BMC, Milk Silo etc.
- To install any other machineries/equipments for manufacturing value added milk products

### **Type of Projects**

The type of milk processing projects that are normally considered for financial assistance are:

#### **Milk Chilling plants:**

It involves collection of milk from the villages, chilling the milk to 3-4 degree Celsius and transporting to the main dairy for further processing and manufacture of products;

#### **Market Milk Plants:**

It involves procurement of milk from the villages, chilling, pasteurization, homogenization or packing of milk of various brands (whole, standard, toned and double toned milk) and supplying them to the consumers.

#### **Composite Milk Processing Plants :**

The project involves the collection of milk and processing into market milk and products like ice cream, cheese, butter, ghee, etc.

#### **Cattle Feed Mixing Unit :**

This project is aimed to setting up small cattle feed mixing unit or Non conventional feed chopping and marketing unit etc

#### **Food Safety Management System certification**

Assistance shall be provided for Infrastructural development to meet the prerequisite programs, Training, Consultancy & Certification costs etc.

#### **Approval of the Project:**

The Director, Dairy Development shall be the sanctioning authority. Duly filled application of the DCS in prescribed format with necessary recommendations of Dairy Extension Officer and Deputy Director along with detailed project report, approved plan and estimate from competent authorities, true copy of DCS resolutions, undertakings, attested copy of last audit report, statements showing the financial stability of the DCS, tentative balance sheet pertaining to last 6 months prior to the date of application by DCS and other relevant documents shall be forwarded to the Director for final selection and sanction.

## 4.7 Automatic Milk Collection Units.

UNITS	NO OF UNITS	UNIT COST (Rs)	UNIT SUBSIDY (Rs)	TOTAL COST (Rs in Lakh)	TOTAL SUBSIDY (Rs in Lakh)
Nos	40	140000	105000	56.00	42.00

The traditional system of milk collection in the Dairy Cooperative societies included mainly to accept milk by volumes, carrying out fat testing by Gerber method and entering the fat and SNF data manually in the registers.

This at times resulted in unreliable data, possible malpractice leading to loss of fat & thereby eroding the confidence of the members.

In order to avoid such issues, a unique system to automate milk procurement operations of village milk co-operative society was developed. The Automatic Milk Collection Station is an integrated unit, combining different functions of a milk collection centre, such as measuring the weight, fat content & providing the price output of the milk poured in the centre. The equipment also helps the milk co- operatives / milk collection centres in maintaining summary of milk collected and supplied together with the rate on a daily, monthly and yearly basis. This state-of-the-art equipment operates both on battery and main and is able to process and record 120-150 milk samples per hour.

It have a database with linkage to farmer specific information to identify the farmer, quantity of supplies, quality parameters such as the fat content, payment etc on a routine basis. This AMUC Unit consist of electronic stainless steel weighing scale with a digital display, electronic milk quality testing equipment (mostly milk analyzer), printer, all interfaced with a computer with specific application software installed.

The Software shall be decided by the Purchase committee.

The total estimated cost for installation of one AMUC is Rs 1.4 Lakhs. Subsidy shall be limited to Rs 1.05 lakh or 75% of the actual cost, whichever is less.

### Objectives:

The financial assistance is extended for purchase of Automatic Milk Collection Stations with the following objectives.

- To increase the efficiency and accuracy of quality testing in milk
- To reduce the workload of the society/collection centre staff through automation
- To prevent error, fraud and malpractices and to ensure better price to the farmers through speedy and transparent transactions.

### Advantages:

- Saving in quantity of sample milk
- Saving of chemicals and detergents
- Saving of expenditure on glassware

- Saving in stationery and time
- Saving in expenditure on staff.
- Gateway for the computerization

#### **4.8 Farmer's facilitation cum information centre.**

UNITS	NO OF UNITS	UNIT COST (Rs)	UNIT SUBSIDY (Rs)	TOTAL COST (Rs in Lakh)	TOTAL SUBSIDY (Rs in Lakh)
Nos	46	7,00,000	5,25,000	322.00	241.500

More and more entrepreneurs with a variety of ideas in dairy farming are investing in the field now days. Hi-tech, semi – mechanized or traditional – younger and fresher minds are courageous enough to invest in any system found productive and profitable.

It is essential to find a common place for both the traditional farmers as well as the younger entrepreneurs share their field experience.

Farmers often get together for their DCS's General Body meetings, World Milk Day celebrations, Fodder Day Celebrations, Block/District Level Ksheera samghamam and Farmers' contact programs etc. Most of the time these types of programs are arranged in auditoriums or other rented building putting an additional expense on the DCS.

This Scheme aims to provide 46 Dairy Farmers' Facilitating cum information centres to host such programs and as common platform for interaction.

Totally modernized and furnished seminar hall cum information centre with audio video facilities. This hall may be rented for outside programs to meet the maintenance cost if required.

The component of the scheme is a seminar hall, audio facilities, writing Boards, LCD projector with screen/LCD TV, required furniture to organize seminars .

The total cost for one unit is estimated to be Rs 7 Lakhs. Subsidy shall be limited to Rs 5.25 lakh or 75% of the actual cost whichever is less.

#### **4.9 Assistance to District wise consortium to monitor and maintain the automation & networking system.**

UNITS	NO OF UNITS	UNIT COST (Rs)	UNIT SUBSIDY (Rs)	TOTAL COST (Rs in Lakhs)	TOTAL SUBSIDY (Rs in Lakhs)
Nos	14	150000	150000	21.00	21.00

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The department started complete automation of the dairy sector with great expectations, and aims at reaching all levels by the end of this 12th Plan.

This MIS system aims to centralize the daily milk procurement and unifying its corresponding transactions under one umbrella.

AMCU and computer with internet facilities are the primary input hardware to be kept at the dairy cooperative societies to enter the data and to monitor the data, computers are required at all concerned Dairy Extension Service Units and District Deputy Director's office and Quality Control Offices.

Presently a good percentage of DCS are using AMCU unit with different software and also one of the problem experienced is the failure in hardware or software. To unify the accounting systems and networking of the department offices, steps have been initiated using a portion of fund granted under ACA 2012-13 to roll out the software developed by the wayanad district consortium with help of NIC. As per the system a state level Technical committee may be constituted and that Technical Committee shall provide the inputs for further modification on the software. So the existing/developed software shall be installed in each DCS with help of the consortium. The Department shall only provide the software to the all DCS through their consortium. Networking and Hardware support services shall be the responsibly of the concerned Consortium.

The scheme envisages providing assistance to district level consortium of dairy cooperative societies to ensure the network and hardware supports to DCS and/or department offices. Any activity that directly or indirectly favours the automation programme of the department can be taken up by the consortium

By providing assistance the maintenance activities of the concerned Dairy Extension Units and District Deputy Director's office and Quality Control Offices also can be carried out.

The assistance shall be utilized to obtain service of Network Operator/Administrator, purchase of Hardware (Stand by), equipments / tools, conducting Meeting, Tender expenses, documentation etc. A fixed contribution shall also be collected from the member DCS for the effective functioning of the Consortium. The amount may be deposited in the joint account of the Chairman & the Convener. But 25% of the total cost of every activities (above mentioned expenses) may always be met by the consortium own fund (contribution of member DCS).

The consortium shall be responsible for monitoring and evaluating the effectiveness of the automation and net working system



#### **4.10 Assistance for transportation of milk to the milk route of regional unions.**

UNITS	NO OF UNITS	UNIT COST (Rs)	UNIT SUBSIDY (Rs)	TOTAL COST (Rs in Lakhs)	TOTAL SUBSIDY (Rs in Lakhs)
Nos	50	27000	27000	13.50	13.50

Most of the Primary Dairy co-operatives in our state are functioning in remote areas. Milk routes for collecting milk from primary DCS to regional unions for processing are operating through main roads/ pukka roads. Some of the DCS functioning in the remote area may not be able to utilise the service of the route vehicle since the contractors may not be willing to operate their vehicle through gutter roads. Thus the DCS functioning in those areas will be spending huge overhead expenses to bring milk collected by the DCS to the milk route operated by regional unions.

This scheme envisages assisting the transportation cost incurred by DCS for bringing the milk collected by DCS up to the milk route. An amount of Rs.3000/- shall be given as assistance for one DCS per month. Maximum assistance given to one DCS during this financial year will be Rs 27,000/- (Assistance for 9 months). 50 DCS will be assisted during the year, an amount of Rs. 13.5 lakh is earmarked to meet the assistance.

Last year this project was implemented very effectively and thereby helped to reduce the spoilage loss.

#### **4.11 Provision for conducting review meeting for at Department level offices**

UNITS	NO OF UNITS	UNIT COST (Rs)	UNIT SUBSIDY (Rs)	TOTAL COST (Rs in Lakhs)	TOTAL SUBSIDY (Rs in Lakhs)
Nos	166	6000	6000	9.96	9.96

Review meetings may be conducted with all the secretaries/presidents/representatives of DCS at each DESU, where DCS are functioning actively to discuss on the issues pertaining to the administration of the dairy co-operative society, audit etc. It also provides for fruitful discussions of the local problems faced by the farmers through interactions among DCS secretaries/representatives and evolving possible solutions. The meeting may be of half day duration, conducted at Dairy Extension Service Unit level / District office level in any DCS or its in nearest place. The plan assistance may be used for the conduct of the meeting and for providing light refreshment to the participants. It is envisaged that four review meetings each may be organized by 152 DESUs during the year 2015-16 and 2 review meetings each in 14 District Head Quarters. The 2 review meetings at district HQ shall be for the department level officers working in different units and any agenda that is directly or indirectly

concerned with the development activities of the DCS shall be taken for discussion. The plan component for providing assistance to each review meeting is Rs 1500/ review meeting (for quarterly meetings at DESU) and Rs 3000 / review meeting at District Headquarters ( 2 No.s per year per district).

Presence of the representative of the Dairy Directorate may be ensured as far as possible in the district level meeting. Minutes of meeting, Attendance, action plan, achievements may be documented for all DESU/District level meetings.

4 Review meetings per DESU per year X Rs 1500 per meeting X 152 DESUs

= Rs 9.12 Lakhs.

2 Review meeting per District Head Quarters X Rs 3000 per meeting X 14 districts

= Rs 0.84 lakhs

## 4.12 Documentation & Data Bank Creation

Dairy Co operative societies are the platform for dairy farmers to sell their milk. There are 3650 nos of Primary Dairy Co operatives registered in our state, ensure the fixed price for their milk. So sustain this sector, strengthening of these dairy co operatives are essential. With the help of CDAC, software has been developed for the Information Centres. All the Dairy Extension Service Units have already been raised to Farmer Facilitation Centres. The developed software is under testing stage and will be available for use within 3 months. Further the department has started disbursing assistance to beneficiaries in **Direct Benefit Transfer Mode**. The development and updating of M.I.S is mandatory for the department level automation programme. The data regarding the DCS, beneficiaries, and officers has to be uploaded to the website and has to be maintained, upgraded and made available to the end users. So this project envisages to enter the available data at various offices of the Department, details of DCS, stock details of department offices / DCS, Board members, audit objection, arbitration, election, monthly progress reports, procurement etc details of DCS, DCS administration, KDFWF, Scheme implementation, file movement, complaint readdresses, beneficiary list , office details etc of DESU, District Offices & Dairy Directorate will be available in this information centres . It is very difficult to enter the initial details by the department officers and need external help / outsourcing. In this scheme fund is benchmarked for meeting data entry charges and maintenance.

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SI.NO	PARTICULARS	TOTAL COST (Rs in lakhs)	PLAN ASSISTANCE (Rs in lakhs)
1	Data entry - DBT (UIC data entry + milk pouring details)	8	8
2	Data Entry / DBT activities at District HQ Data Bank Creation / Documentation at DD office	4	4
3	Data Entry / DBT activities at District HQ Data Bank Creation / Documentation at Directorate	3	3
<b>GRAND TOTAL</b>		<b>15</b>	<b>15</b>

*Savings of any component can be utilised for implementation of other components*

#### 4.13 Dr. VARGHESE KURIEN AWARD

UNITS	NO OF UNITS	UNIT COST (Rs)	UNIT SUBSIDY (Rs)	TOTAL COST (Rs in Lakh)	TOTAL SUBSIDY (Rs in Lakh)
Lump sum		300000	300000	3.00	3.00

The government had decided to institute awards for the best primary Dairy cooperatives in the state as a gesture for honouring the memory of Dr. Varghese Kurien, the milk man of India and the Father of White Revolution. A committee was constituted by the government with the Director Dairy Development Department as convenor and the Chairmen of KCMMP, TRCMP, ERCMP, MRCMP and the Managing Director KCMMP as members, for selecting the Primary Dairy Cooperative and for the implementation of the award distribution. Accordingly the committee finalised the guidelines for selection of the best primary Dairy Cooperative in the state.

There are 3650 registered primary Dairy cooperatives in the state of which nearly 3194 are APCOS and the remaining 456 are Non-APCOS. Since the bye law of the APCOS and the Non APCOS are different the activities and the functioning of these DCS are also different. Since their performance cannot be measured using the same yard stick the scheme envisages giving separate awards to the best DCS in the two categories. The selected DCS from each category will be given a cash award of Rs. 1 Lakh at a state level function organised for the purpose.

The District Deputy Directors shall select the best APCOS and Non APCOS DCS in their District based on the guidelines and criteria forwarded by the Director. A committee for

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scrutinizing the list obtained from the districts and for selecting the winners from each category will be constituted by the Director of Dairy Development. The committee shall submit to the Director the list of the award winners and the Director will then convene the state level committee constituted for the purpose by the Government which will finalise the winners and the date and venue for the presentation of the award.

Item	Amount (Rs Lakhs)
State First ( APCOS)	1.00
State First ( NON- APCOS)	1.00
Expenditure for Conducting Award distribution Ceremony ( Hall rent, Refreshment, TA to Farmers and two of their dependants, PA system, Hall arrangement Etc)	1.00
<b>TOTAL ( Rs in Lakh)</b>	<b>3.00</b>

#### 4.14 Information Kiosk in 50 Potential DCS .

UNITS	NO OF UNITS	UNIT COST (Rs)	UNIT SUBSIDY (Rs)	TOTAL COST (Rs in Lakh)	TOTAL SUBSIDY (Rs in Lakh)
Nos	50	110000	110000	55.00	55.00

As we are in the 'Information age', it is inevitable that our farmer touch-points be transformed to Information Centres where they can access to the information on most modern tools & techniques, package of practices, sources of inputs including good quality animals, success stories in the field of dairying happening across the globe. Such information centres may be established at the Dairy Cooperative societies procuring more than 750 litres milk/ day (average of the previous year) which enable speedy transfer of information to the dairy farming community.

With the help of CDAC, software for information centres have been developed and it is under the testing process. That information may be excess through the DCS through KISOK. Through the assistance under ACA 2012-13, the software for DCS accounting system developed by DSDS - Wayanad with help of NIC was initiated to role out the entire state. Through this KIOSK the farmers can also access milk poured, his/her account details etc in future. Space, continuous electricity, safety and other additional requirements to install the KIOSK may be provided by the concerned DCS. The selected DCS may execute an agreement in stamp paper worth Rs.100/- mentioning the terms & conditions. The concerned District Consortium shall be responsible to provide all support services.

Items	Amount (Rs in Lakhs)
50 KIOSK @ Rs 1 lakh / KIOSK	50.00
Installation, recurring expense, internet charge, other unforeseen expenses if any @ Rs 10,000/KIOSK	5.00
<b>Total Amount (Rs in Lakhs)</b>	<b>55.00</b>

Any saving of the above items may be used for other item or purchase additional KIOSK

#### 4.15 Operational Cost.

<b>UNITS</b>	<b>NO OF UNITS</b>	<b>UNIT COST (Rs)</b>	<b>UNIT SUBSIDY (Rs)</b>	<b>TOTAL COST (Rs in Lakh)</b>	<b>TOTAL SUBSIDY (Rs in Lakh)</b>
Lump sum		3,00,000	3,00,000	3.00	3.00

Operational cost such as cost of Tender procedures, publicity, Documentation, stationary, hiring charges or any unforeseen expenses etc . This project envisages to meet such expenses.

#### 4.16 Preparation of Poster/Brochure to communicate quality & Food safety Requirements to be adopted at Farm & Dairy Cooperative level.

<b>UNITS</b>	<b>NO OF UNITS</b>	<b>UNIT COST (Rs)</b>	<b>UNIT SUBSIDY (Rs)</b>	<b>TOTAL COST (Rs in Lakh)</b>	<b>TOTAL SUBSIDY (Rs in Lakh)</b>
Lump sum		2,79,000	2,79,000	2.79	2.79

DCS is considered as one of common place for the dairy farmers regularly visit. To maintain the quality and safe milk for consumption the dairy farmers as well as the DCS personnel may adopt the hygiene practices. One of the best methods to communicate the practices to organize training for farmers, exposure visit, demonstration, display the pictures, conducting exhibition etc. The Dairy Development conducts all such activities as part of its Rural Extension activities. But through this project, provide assistance to display the Poster/Brochures that should be adopted by the dairy farmers as well as DCS. Quality & Food safety related poster/Brochure may be prepared, printed and displayed in all Dairy Cooperative Societies.

### 5.0 IMPLEMENTATION

The project will be implemented by the Dairy Department officials. The project such as installation of AMCU, Setting of KIOSK, and any automation related activities will be

implemented by existing consortium or constituting a district wise purchase committee including minimum these following Members.

The representatives of the Dairy Development Department (the Deputy Director, Principle of the Dairy Training Centres, Technical Assistant and Quality Control Office of the concerned district), Representative of the concerned Regional Cooperative Milk Union, and 2 representatives elected from Dairy Co-operative Societies of the district.

Deputy Director of the concerned district will be the Convener of the district Implementation committee. The Committee can be expanded by adding the Representatives of IT related Government agencies. This implementation committee will also act as the District consortium for monitoring the scheme.

The process of implementation will be as follows:-

- a. Invitation of Application.
- b. Receive the application through Dairy Extension Service Units.
- c. The received applications may be scrutinized and forwarded to concerned Deputy Directors for approval.
- d. Select and constitute a Purchase committee by conducting a district wise meeting of the beneficiaries and above mentioned officials.
- e. The technical specification of the items may be finalized by Purchase committee
- f. Purchase process may be followed as per the existing store purchase rule/DGS&D rates in the case of computer purchase.
- g. The society should provide the basic facilities for installation of the supplied items.
- h. Proper utilization and timely maintenance may be ensured by the beneficiary society.
- i. Purchase committee and Dairy Development Department have the power to inspect and monitor the proper maintenance and utilization of the purchased items under this project.
- j. An agreement may be executed between the beneficiary society and implementing officer in prescribed form with the assurance that the equipment ( if the assistance above 1 Lakhs /Unit , example: Items 5.2, 5.5, 5.7, 5.8, 5.14)will be utilized for minimum 5 years and the proper care and maintenance.
- k. The total subsidy for each scheme in this project is limited to a fixed % of the expended amount. The subsidies remaining from those beneficiaries who have completed the scheme below the expected outlay can be pooled and can be utilized to extend the scheme to another beneficiary so that the concerned district can utilize the whole subsidy amount as per their target.
- l. Completion of the project.
- m. Monitoring and evaluation of the project may be reviewed by the concerned district purchase committee .
- n. The authority to interchange any component within the district and between the districts based on the actual demand for each component will be vested with the Director, Dairy Development.

## **6.0 EVALUATION**

The Deputy Directors & the consortium of concerned districts may ensure that the scheme is implemented effectively and beneficial to the interests of the dairy farmer and the society, at large. The feedback of the scheme will be submitted to the director for effective implementation of the scheme in the years to come.

## **7.0 Outcome of the Project**

- Train 1500 elite/progressive dairy farmers to communicate the requirements to be followed the Dairy Cooperatives to ensure FSSA 2006 at primary level.
- Strengthening the quality control activities by providing the equipments & glassware's to 340 DCS
- Minimum 4 review meetings of all dairy Cooperatives at Dairy Extension Service Units and 2 review meetings at District level to evaluate the performance of DCS.
- Ensure the cold chain
- Data will be available in the Information Centres and focusing to centralize the milk procurement data.
- Assistance to Processing units under Dairy Cooperatives to establish the internationally accepted Food safety management system (ISO 22000) to ensure and comply the FSSA 2006 always.
- Processing/chilling/Cattle feed units help the cooperative society to prepare value added products for better farmer's wealth.
- Spoilage of the milk will be reduced by installing 100 Hygienic milk collection centres for farmer's better returns and thereby enable them to comply FSSA 2006.
- Enhance the farmers confidence and rapid information sharing
- Expecting 50 New /Revival DCS in this year
- 40 AMC units strengthen the lab testing and pricing systems.
- Infrastructure facilities of 340 DCS will be strengthened.
- Enhance the farmers confidence and rapid information sharing
- Facilitate a common platform for the dairy farmers for experience sharing.
- 50 Information KIOSK will be installed in 50 Potential DCS
- Award will be given to best DCS
- Initiate & unifies farmers, DCS personnel, Dairy Department & Milma officials district level consortium to monitor and evaluate the activities

Comply the Food Safety & Standard Act 2006 , strengthen the DCS , reduction of milk spoilage, complaints & penalties , availability of data easily transaction of information may be monitored and evaluated by the concerned District Head.

Quarterly review meeting may be conducted by concerned Deputy Directors to monitor the effectiveness of the implemented project.

## **8.0 CONCLUSION**

This project will rejuvenate the dairy sectors of the district by upgrading, modernizing, financing and computerizing Dairy Cooperative Society. Enhance the state-wide common information system; unify the Dairy Cooperative Societies accounting and management system. The hygienic milk collection units, Need based Assistance and Dairy Farmers Facilitating Cum Information Centres, The hygienic milk collection units, training the DCS personnel's, upgrading the processing units of DCS, provide assistance to upgrade the systems of the Processing units of DCS to ISO 22000 will strengthen the dairy sector by providing better marketing avenues and ensuring better price to the farmers.



**DIRECTOR**