



COMMERCIAL DAIRY MILK AND MILK SHED DEVELOPMENT PROGRAMME
HERD INDUCTION COMPONENTS
DAIRY DEVELOPMENT DEPARTMENT-PLAN SCHEME 2015-16



Government of Kerala
Department of Dairy Development
Annual Plan: 2015-16



SCHEMES UNDER

COMMERCIAL DAIRY MILK AND MILK SHED DEVELOPMENT PROGRAMME
(HERD INDUCTION COMPONENTS)
(2404-00-109-93-34-0C)

TOTAL COST – Rs 3780.325 LAKH
TOTAL PLAN OUTLAY – Rs 1523.00 LAKH



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I. EXECUTIVE SUMMARY

The project envisages providing assistance to dairy farmers of Kerala state to take up dairy farming as the main livelihood and also increase production of milk. Through the implementation of Milk Shed Development Programme dairy sector is showing steady growth rate. For the purpose of achieving self reliability and self sustainability of dairy sector in the state and also for ensuring the socio-economic stability of dairy farmers in the state, an amount of **Rs. 3625 Lakh** has been earmarked for Dairy Development Department for the financial year 2015-16 under the Milk Shed Development Programme with the following break ups

- Rs 3598 lakh under 2404-00-109-93-34-OC for implementation of scheme,
- Rs 16.00 lakh under 2404-00-109-93-04 OC (1) Tour TA
- Rs 8.00 lakh under 2404-00-109-93-05- OE-4
- Rs 3.00 lakh under 2404-00-109-93-45 POL

As per the plan document 2015-16, out of the total amount of Rs 3598 lakh under MSDP, an amount of Rs 1275 lakh is set apart for implementation of Integrated Dairy Development Programme in selected districts. Separate provisions are included for assistance of purchase of milch animals (Rs 1500 lakh - upto 10 cow units), heifer units (Rs 275 lakh), support to women cattle care programme (27 lakh), external evaluation (Rs 25 lakh), Hi-Tech Fodder Development Programme (Rs 50 lakh), Modernisation of cattle shed and assistance for purchase of milking machine (Rs 473 lakh)

The Administrative sanction for the ongoing components of 2014-15 under the Scheme : Commercial Dairy Milk and Milk Shed Development Programme with a plan outlay of Rs 777.00 lakh have already been issued by Director, Dairy Development as per Proceedings No. D3/5340/15 dated 20.05.2015.

The herd induction component norms (1 cow unit, 2 cow unit, 5 cow unit and 10 cow unit) and rates have been revised by the NABARD. The proposed herd induction scheme components are ongoing in nature without any hike in subsidy portion.



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The following scheme components (1 cow unit, 2 cow unit, 5 cow unit, 10 cow unit and Documentation charges) under **2404-00-109-93-34-OC** with a **Total Outlay of Rs 3780.325 lakhs** and **Plan Outlay of Rs 1523.000 lakh** is approved herewith.

| COMMERCIAL DAIRY MILK AND MILK SHED DEVELOPMENT PROGRAMME : 2015-16 | | | | |
|--|------------------------------|---------------------|---|----------------------|
| TOTAL OUTLAY - Rs 3780.325 LAKH | | | TOTAL PLAN OUTLAY - Rs 1523 LAKH | |
| SI.NO | Scheme Components | NO. OF UNITS | TOTAL COST | TOTAL SUBSIDY |
| | | Rs | Rs in Lakh | Rs in Lakh |
| 2404-00-109-93-34-OC | | | | |
| 1 | Godhanam (Single Cow) | 800 | 608.000 | 256.000 |
| 2 | 2 Cow Unit | 1200 | 1848.000 | 744.000 |
| 3 | 5 Cow Unit | 250 | 1012.500 | 400.000 |
| 4 | 10 Cow Unit | 35 | 311.325 | 122.500 |
| 5 | Documentation Charges | Lumpsum | 0.500 | 0.500 |
| SUBTOTAL - 2404-00-109-93-34-OC (Herd Induction Units) | | | 3780.325 | 1523.000 |



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II. INTRODUCTION

Kerala is a land gifted with natural amenities for the dairy development and there is ample scope for rearing Cattle, Buffaloes and Goat. The dairy sector has made significant contribution to the GDP of Kerala over the past years. Dairy production in Kerala has immensely benefited from the genetic up gradation programmes undertaken by the state during the period from 1972 to 2000 and thereby resulting in cattle population with above 80% cross breeds. The implementation of cattle induction schemes like Pasugramam and Milk Shed Development Programme (M.S.D.P) of the Dairy Development department has created an upward trend in milk production since last five years. But our demand for milk is much higher than the domestic production. Hence it is necessary to find immediate solutions to meet the domestic demand as well as to check quitting of farmers from this field. The project Milk Shed Development Programme is aimed at bringing more farmers/entrepreneurs, Self Help Groups into the sector and to maintain the productivity of crossbred cow and to create awareness to the farmers in adopting scientific management in cattle farming. In the awake of FSSA, hygienic milk production, and proper care during procurement & distribution has to be maintained. In order to achieve the above goal the scheme intends to provide assistance for purchase of single milch animal, starting mini dairy units with 2 milch animals, 5 milch animals and 10 milch.

The Herd induction programmes of the Dairy Development Department through various schemes like Pasugram, MSDP, tsunami rehabilitation programmes, RKVY programmes etc during the last 5 years have helped the state to stabilise the milk production of the state and has helped to march forward towards the dream of attaining self sufficiency in milk production of the state. The milk production has increased from 25.37 LMT (2009-10) to 29.78 LMT (2014-15). The percapita availability in the state has hiked from 198 gms per day (2009-10) to 244 gms per day (2014-15). It's noteworthy that Kerala is now producing 80.08 % of internal milk requirement of the state. Kerala has recorded an increase of 12.67 % annual milk production during the period from 2011-12 to 2014-15.



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| Year | Kerala Milk Production LMT | Per capita availability - Kerala gms/day |
|---------|----------------------------|--|
| 2009-10 | 25.37 | 198 |
| 2010-11 | 26.43 | 217 |
| 2011-12 | 27.16 | 223 |
| 2012-13 | 27.92 | 229 |
| 2013-14 | 29.03 | 238 |
| 2014-15 | 29.78 | 244 |

III. OBJECTIVES

- *To encourage farmers to take up dairying as a primary occupation*
- *Encourage farmers in adopting scientific management practices in cattle farming.*
- *To provide self employment opportunities as well as livelihood for the rural youth and women community.*
- *To provide incentive to the stakeholder farmers of this sector.*
- *To provide safe milk to consumers.*
- *To attract more farmers and new entrepreneurs in to this sector.*
- *To encourage farmers to take up dairying as a business activity.*
- *To increase the number of productive animals in our cattle wealth.*



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IV. FINANCIAL OVERVIEW

| COMMERCIAL DAIRY MILK AND MILK SHED DEVELOPMENT PROGRAMME : 2015-16 | | | | | | |
|--|------------------------------|--------------|---|--------------|-----------------|-----------------|
| TOTAL OUTLAY - Rs 3780.325 LAKH | | | TOTAL PLAN OUTLAY - Rs 1523 LAKH | | | |
| SI.NO | Scheme Components | NO. OF UNITS | ONE UNIT | | TOTAL UNITS | |
| | | | TOTAL COST | UNIT SUBSIDY | TOTAL COST | TOTAL SUBSIDY |
| | | Rs | Rs | Rs | Rs in Lakh | Rs in Lakh |
| 2404-00-109-93-34-OC | | | | | | |
| 1 | Godhanam (Single Cow) | 800 | 76000 | 32000 | 608.000 | 256.000 |
| 2 | 2 Cow Unit | 1200 | 154000 | 62000 | 1848.000 | 744.000 |
| 3 | 5 Cow Unit | 250 | 405000 | 160000 | 1012.500 | 400.000 |
| 4 | 10 Cow Unit | 35 | 889500 | 350000 | 311.325 | 122.500 |
| 5 | Documentation Charges | Lumpsum | | | 0.500 | 0.500 |
| SUBTOTAL - 2404-00-109-93-34-OC (Herd Induction Components) | | | | | 3780.325 | 1523.000 |



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VI. SCHEME PROPER

06.01 MINI DAIRY UNITS

This project envisages establishing mini dairy units comprising of single milch animal (Godhanam - 800 units), 2 milch animals (1200 units), 5 milch animals (250 units) and 10 cow units (35 units). In case of purchase of milch animals from 2 cow unit to 5 cow units, the beneficiaries shall ensure that the lactation stages of the purchased animals ensure milk production in the farm throughout the year so that re-payment of loan is not affected, in case if the scheme is bank linked. 4800 milch animals will be newly inducted to the state as a result of this year's scheme. The concerned District Officer shall ensure the effective implementation of the project. Sufficient propaganda should be made through various media. Application in the prescribed proforma has to be collected, scrutinized and recommended for selection by the Dairy Extension Officer of the concerned block. While selecting the beneficiaries (2 cow units, 5 cow units and 10 cow units) new farmers / entrepreneur shall be given preference. Priority should be given to women/SC/ST/OBC/financially weaker families for the two animal unit schemes. In the Godhanam scheme purchase of traditional milch animals like Gir, Vechoor, Kasargod dwarf etc shall also be encouraged.

The District Officers shall be the sanctioning authority for 1, 2 and 5 cow units. The Director, Dairy Development shall be the sanctioning authority for the final beneficiaries of 10 cow units. Selected beneficiaries of all the schemes has to remit Rs. 150/- as registration fee. A beneficiary committee comprising representatives of the Dairy Co-operatives of the area, representative of beneficiary, Dairy Farm Instructor, Veterinary Surgeon and Dairy Extension Officer who is the implementing officer of the concerned



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block has to be constituted. The Implementing officer or the Officer deputed shall accompany the beneficiary for purchase and facilitate the transport of cattle. Health and vaccination certificates are to be obtained from a registered veterinary surgeon at the time of the purchase. Savings on any of the items of expenditure mentioned in the financial outlay of dairy units shall be utilized for excess expenditure on any other items of the scheme.

The Dairy Extension Officer concerned shall arrange training for the selected beneficiaries and they can avail the facility of DTC for this purpose. Cows/buffaloes shall be purchased from the heifer rearing units implemented by the department through MSDP during the previous years or from neighbouring states of Kerala. The expected production of a milch cow or buffalo proposed to be purchased in the scheme shall be of 12 LPD and 8 LPD respectively. The beneficiary shall obtain the health and valuation certificate of the cow/buffalo from Veterinary Surgeon and it has to be insured for 3 years with transit insurance cover. All records as per the existing guidelines regarding the distribution of animals have to be maintained in the DESU concerned. The beneficiaries of the 5 animal shall cultivate fodder in minimum 25 cents of land and 50 cents fodder cultivation for 10 animal units. The cost incurred for fodder cultivation components in 5 cow and 10 cow units shall be borne by the beneficiaries itself. Each beneficiary of herd induction unit shall construct cattle sheds as per the directions of the Department. Marginal farmers and agricultural labourers and SC/ST whose main source of income is agricultural activities shall be given preference for two cow units. Loan shall be channelled through government recognised financial institutions by the beneficiary for Dairy Units as far as possible. For 10/5/2 cow units beneficiaries will have the option to purchase buffaloes or cows or both within the Unit. The selected beneficiary shall execute an agreement in stamp paper worth Rs.100/- in the prescribed proforma with an undertaking that the scheme shall be continued for a minimum period of three years.



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Dairy Units: Financial Outlay

| 06.1. A Single Cow Unit (Godhanam) | | |
|---|--|------------------|
| SI.NO | PARTICULARS | COST (Rs) |
| 1 | Cost of 1 CBC @ Rs 40000 per animal | 40,000.00 |
| 2 | Transportation Cost @ Rs 1000 per animal | 1,000.00 |
| 3 | Shed - 65 sqft/animal X Rs 400 / sqft | 26,000.00 |
| 4 | Equipment | 1,100.00 |
| 5 | Feed Cost for 1 month (1 animal) | 5,100.00 |
| 6 | Insurance (@7.0 % cost) | 2,800.00 |
| Total Cost | | 76,000.00 |
| Subsidy for One Unit | | 32,000.00 |

| 6.1.B TWO COW UNIT | | |
|-----------------------------|--|--------------------|
| SI.NO | PARTICULARS | COST (Rs) |
| 1 | Cost of 2 CBC @ Rs 40000 per animal | 80,000.00 |
| 2 | Transportation Cost @ Rs 1000 per animal | 2,000.00 |
| 3 | Shed - 65 sqft/animal X Rs 400 / sqft | 52,000.00 |
| 4 | Equipment | 3,200.00 |
| 5 | Feed Cost for 1 month (1 batch) | 10,200.00 |
| 6 | Insurance (@7.0 % cost) | 5,600.00 |
| 7 | Vet Aid | 1,000.00 |
| Total Cost | | 1,54,000.00 |
| Subsidy for One Unit | | 62,000.00 |



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| 6.1.C 5 COW UNIT | | |
|-------------------------|--|--------------------|
| SI.NO | PARTICULARS | COST (Rs) |
| 1 | Cost of 5 CBC @ Rs 40000 per animal | 2,00,000.00 |
| 2 | Transportation Cost @ Rs 2000 per animal | 10,000.00 |
| 3 | Shed - 65 sqft/animal X Rs 400 / sqft | 1,30,000.00 |
| 4 | Equipment | 4,000.00 |
| 5 | Feed Cost for 1 month (1 batch) | 25,500.00 |
| 6 | Insurance (@7.0 % cost) | 14,000.00 |
| 7 | Fodder Cultivation (25 Cents) | 5,000.00 |
| 8 | Dung Pit | 15,000.00 |
| 9 | Vet Aid | 1,000.00 |
| 10 | Miscellaneous | 500.00 |
| | Total | 4,05,000.00 |
| | Subsidy for One Unit | 1,60,000.00 |

| 6.1.D 10 COW UNIT | | |
|--------------------------|---|--------------------|
| SI.NO | PARTICULARS | COST (Rs) |
| 1 | Cost of 10 CBC @ Rs 40000 per animal | 4,00,000.00 |
| 2 | Transportation Cost @ Rs 2000 per animal | 20,000.00 |
| 3 | Shed - 65 sqft/animal X Rs 400 / sqft | 2,60,000.00 |
| 4 | Equipment & Milking Machine, Chaff Cutter | 75,000.00 |
| 5 | Feed Cost for 1 month (1 batch) | 51,000.00 |
| 6 | Biogas Plant - 2 cub M volume | 22,500.00 |
| 7 | Fodder Cultivation (50 Cents) | 7,500.00 |
| 8 | Dung Pit (12X8X5 m) | 20,000.00 |
| 9 | Insurance (@7.0 % cost) | 28,000.00 |
| 10 | Vet Aid | 5,000.00 |
| 11 | Miscellaneous | 500.00 |
| | Total Cost | 8,89,500.00 |
| | Subsidy for One Unit | 3,50,000.00 |



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- *For dairy units (single cow, 2 cow, 5 cow and 10 cow units) NABARD rates are taken as index*
- *For dairy units (single cow, 2 cow, 5 cow and 10 cow units) savings in any one of the scheme component can be used for other components of the Units.*
- *The cost incurred for fodder cultivation component in 5 cow and 10 cow units shall be exclusively borne by the beneficiary dairy farmers.*

Total financial outlay of Dairy Units :

| Sl. No. | Components | Unit Cost Rs. | Unit Subsidy Rs. | Total Units | Plan Fund | Beneficiary contribution | Total Cost |
|-----------------------------------|----------------------|---------------|------------------|-------------|-----------------|--------------------------|-----------------|
| | | | | | (Rs. in Lakhs) | (Rs. in Lakhs) | (Rs. in Lakhs) |
| 1 | One Cow Unit | 76,000 | 32,000 | 800 | 256.000 | 352.000 | 608.000 |
| 2 | Two Cow Unit | 1,54,000 | 62,000 | 1200 | 744.000 | 1104.000 | 1848.000 |
| 3 | Five Cow Unit | 4,05,000 | 1,60,000 | 250 | 400.000 | 612.500 | 1012.500 |
| 4 | Ten Cow Unit | 8,89,500 | 3,50,000 | 35 | 122.500 | 188.825 | 311.325 |
| Total Amount (Rs. in Lakh) | | | | | 1522.500 | 2257.325 | 3779.825 |

Monitoring

Deputy Directors of the concerned district shall monitor the implementation of the scheme at district level. Director shall monitor the state wide implementation of the programme



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Calendar of Activities

| Sl.No | Activity | Month |
|--------------|---|------------------|
| 1 | Advertisement for inviting applications | July 15 |
| 2 | Acceptance of Applications | June 15-July15 |
| 3 | Verification, processing of application and Finalization & approval of beneficiary list | July 15 – Aug 15 |
| 4 | Arrangement of bank loans, Cultivation of fodder grass | September 15 |
| 5 | Training to beneficiaries, Constitution of Committee | Sept 15 - Oct 15 |
| 6 | Execution of bond | Sept 15 - Oct 15 |
| 7 | Cattle shed construction, Renovation of shed | Sept 15 – Oct 15 |
| 8 | Animal purchase, Release of fund to Beneficiary | Oct 15 – Nov 15 |
| 9 | Verification by Inspection officer | Nov 15 - Dec 15 |
| 10 | Evaluation of scheme | January 15 |

6. 3. DOCUMENTATION CHARGES

Rs 0.500 lakh is benchmarked for documentation of MSDP activities of the state.

7.0 CONCLUSION

For successful, viable and profitable dairy farming improvement in production potential, reproductive management and general management practices plays key roles. Housing & feeding of milch animals, milking of animals, protection against diseases, breeding management, care during pregnancy, calf management, Hygienic handling of milk needs to be improved for profitable dairying farming. With the effective implementation of the programme the existing gap in effective Dairy extension can be bridged easily.



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8.0 MONITORING AND EVALUTION

The block wise implementation and monitoring shall be carried out by the Dairy Extension Officer of the concerned block. The Deputy Directors of the beneficiary districts shall periodically monitor, evaluate and report the progress of the programme to the undersigned. The Director of Dairy Development shall be the authority for state wide implementation of the programme

9.0 SUMMARY

The various components of MSDP 2015-16 schemes will help in adding up 4800 milch animals including pregnant heifers to the cattle population of the state which will result in an expected increase in milk production by nearly 50,000 litres per day. The mini dairy farms will be a role model for the prospective entrepreneurs willing to invest in the dairy sector. It will also create employment opportunities to the local people. The existing progressive dairy farmers can be motivated to remain in this sector and improve milk production by providing assistance to their need.


DIRECTOR