

DEPARTMENT OF DAIRY DEVELOPMENT

ANNUAL PLAN 2015-16



**DIRECT BENEFIT TRANSFER LINKED CATTLE  
FEEDING SUBSIDY SCHEME 2015-16**

Head of Account 2404-00-102-79

Total Plan Outlay Rs 1350 Lakhs



## **DBT LINKED CATTLE FEEDING SUBSIDY SCHEME**

**DAIRY DEVELOPMENT DEPARTMENT – ANNUAL PLAN SCHEME 2015-16**

### **Executive Summary** **Cattle feed Subsidy Scheme 2015-16**

The co-operative sector of Kerala covers around 2.5 lakh farmers. About 14 lakh litre of milk is procured through dairy co-operatives per day. One of the main hurdle faced by the farmers is the feeding cost, especially the cost of concentrate feed which is rising on an alarming note. One of the studies conducted by Milma has revealed that about 75-85 percent of cost of production in Kerala is via concentrate feeding.

The scheme envisages to provide cattle feeding subsidy as production incentive as DBT mode to eligible dairy farmers at the rate of Rs 1 per litre of milk poured in DCS during the year 2015-16. The assistance will be provided for summer feeding only. Taking into consideration that around 14.5 lakh litre of milk is procured in DCS per day, around **Rs 5293 lakh** is required to provide cattle feeding subsidy @ Rs 1 per litre of milk poured in DCS. Out of the total amount required, Rs 1350 lakh has been provided under state plan 2015-16 for providing cattle feeding subsidy and also for supply of feed supplements at subsidized rates. Under this scheme, it is proposed to benchmark Rs 1250 lakh as cattle feeding subsidy as production incentive at the rate of Rs 1 per litre of milk poured in DCS and Rs 100 lakh will be for distribution of feed supplements in subsidized rates.

As indicated in the plan write up, proposals for remaining amount will be submitted for sanction through supplementary demand for grand (SDG), through LSGD schemes and also through other central schemes like RKVY

Schemes as follows :-

<b>PARTICULARS</b>	<b>Amount</b>
Average milk procurement through DCS (LPD)	14.5 lakh
Annual Milk Procurement through DCS (14.5 LAKH x 365 days) - LPD	5293 lakh
Amount required for providing cattle feeding subsidy for 365 days (Rs in Lakh)	Rs 5293 lakh
Amount benchmarked for providing cattle feeding subsidy as production incentive @ Rs 1 per litre of milk for 86 days	Rs 1250 lakh
Cattle Feeding Subsidy amount to be raised through other sources like LSGD, Central Schemes etc	Rs 4043 lakh
Amount for subsidising supply of mineral mixture/ cattle feed supplement and vitamin supplement	Rs 100 lakh



## **DBT LINKED CATTLE FEEDING SUBSIDY SCHEME**

### **DAIRY DEVELOPMENT DEPARTMENT – ANNUAL PLAN SCHEME 2015-16**

## **Introduction**

The cost of production of milk in Kerala is the highest in the country. A recent study conducted by KCMMF has found the cost of production to be around Rs 28 per litre in the state. Even after the recent milk price hike, the average price received by the producers from the dairy cooperatives is only Rs. 24 to 26 per litre. Those producers who have access to direct marketing of milk sell their produce at a higher price are at an advantage as the high cost of production does not affect their profitability. But the majority of the farmers in villages who depend on the Dairy cooperative for marketing their surplus milk are finding it extremely difficult to sustain and are forced to quit the field resulting in decrease in the milk production of the state. Department have 3656 Dairy co-operatives (as on 31.03.2015) which procure milk in rural area. The project aims to help the farmers who are pouring milk to the DCS and thereby assist them by providing assistance to reduce the milk production cost with an aim to enhance milk production. All the milk producers in the state pouring milk in Dairy Co-operative Societies are benefited through the scheme for sustainable milk production. While all the crops show marginal profit or loss to the farmers, dairying is the only sustainable development activity that fetches daily dependable income for the survival of the rural poor. It is necessary to support milk producers pouring milk to the DCS as they earn lower price for their milk compared to those selling milk locally at higher price. In order to compensate the loss, the producers in the organized sector should be supported for sustainable dairy production.

### **Cattle feed Subsidy Scheme 2015-16**

**Head of Account : 2404-00-102-79-33**

**Plan Outlay ( Rs 1350 Lakhs)**

#### Financial Outlay

A	<b>Existing Schemes:</b>	UNIT	NOS	SUBSIDY/	TOTAL	SUBSIDY %
				UNIT	SUBSIDY (Rs in Lakh)	
1	<b>CATTLE FEEDING SUBSIDY AS PRODUCTION INCENTIVE (TOTAL REQUIREMENT)</b>	Lit	lit	Rs 1.0/lit	<b>5293.00</b>	
2	<b>DISTRIBUTION OF MINERAL MIXTURE / FEED SUPPLEMENT / VITAMIN SUPPLEMENTS</b>				<b>100.00</b>	
3	<b>STATE PLAN FUND PROVISION (Cattle Feeding Subsidy + Mineral Mixture/Feed Supplement/Vitamin Supplement)</b>				<b>1350.00</b>	
4	<b>EXPECTED FUNDING THROUGH SDG &amp; RKVY/LSGD FOR RAISING CATTLE FEEDING SUBSIDY</b>				<b>4043.00</b>	



## **DBT LINKED CATTLE FEEDING SUBSIDY SCHEME**

### **DAIRY DEVELOPMENT DEPARTMENT – ANNUAL PLAN SCHEME 2015-16**

#### **1. DBT LINKED CATTLE FEEDING SUBSIDY SCHEME**

The co-operative sector of Kerala covers around 2.5 lakh farmers. About 14.5 lakh litre of milk is procured through dairy co-operatives per day. One of the main hurdle faced by the farmers is the feeding cost, especially the cost of concentrate feed which is rising on an alarming note.

Based on the consideration that 14.5 lakh litre of milk is procured per day by the Dairy Co-operative Societies of Kerala, Rs 5293 lakh is required for providing cattle feeding subsidy for 365 days as production incentive @ Rs 1 per litre of milk poured in DCS.

Out of the Total amount requirement of Rs 5293 lakh, Rs. 1350.0 lakhs has already been provided in the budget for 2015-16 as cattle feeding subsidy. Out of the total allotted amount of Rs 1350 lakh, Rs 1250 lakh will be utilized for providing cattle feeding subsidy as production incentive for 86 days (@ Rs 1 per litre of milk poured in DCS) and Rs 100 lakh will be utilized for distribution of mineral mixture/cattle feed supplement/vitamin supplement at subsidized rates (subsidy @ Rs 75 % of cost of feed supplement). The cattle feeding subsidy corresponding to 86 days or Rs 1250 lakh will be disbursed to eligible beneficiaries in Direct Benefit Transfer Mode and the amount will be credited directly to the savings bank account of beneficiaries maintained at shortlisted banks. All the farmers who have poured milk at DCS and who have enrolled to the DBT programme of the Department shall be the beneficiaries of the cattle feeding subsidy scheme.

Proposals will be forwarded to allot Rs. 4043 lakh in the supplementary demands for grants or through RKVY schemes and/or through LSGD schemes for the year.

#### **Objectives**

- To reduce the milk production cost and thereby increasing the profitability in dairying
- To enhance milk production and procurement.
- To bring 10,000 more farmers at the end of the year under dairy co-operative umbrella.
- To provide a helping hand to dairy farmers in the state on milk production cost.
- To maintain dairying as sustainable profession and to attract more young entrepreneurs in the sector by giving more employment opportunity
- To ensure self sufficiency in milk production of the state



**DBT LINKED CATTLE FEEDING SUBSIDY SCHEME**  
**DAIRY DEVELOPMENT DEPARTMENT – ANNUAL PLAN SCHEME 2015-16**

**Financial Analysis (Rs. In Lakhs)**

Average Daily Milk Procurement through DCS	14.5 Lakh Litres
Subsidy for 14.5 lakhs litres of milk @ 1.00 Rs for one day (Incentive eligible @ Rs1.00/litre of milk poured at DCS)	Rs. 14.50 Lakhs
Hence the approximated subsidy amount required for 365days	Rs 5293.00 Lakhs *
Cattle Feeding Subsidy required for 86 days	Rs 1250 lakh
Amount required for Feed supplement / Mineral Mixture / Vitamin Supplement	Rs 100.00 Lakhs
<b>TOTAL STATE PLAN FUND</b>	<b>Rs 1350 LAKH</b>

- The subsidy will be distributed to the beneficiaries till the full amount will be utilized, irrespective of number of days.
- The amount will be dispersed in DBT mode.

**Beneficiaries**

- Over 2.5 lakh dairy farmers pouring milk in Dairy Co-operative Societies of the state are beneficiaries of the project.
- Those farmers who have enrolled to the DBT programme shall be the beneficiaries of cattle feeding subsidy scheme.

**WORKING OF THE PROJECT**

The milk production of the state has shown an increasing trend during the last few years. However the demand has also grown considerably widening the gap between demand and supply. The reasons for variation in milk production and procurement by Dairy cooperatives are increased production cost, high value of cattle feed, inadequate price for milk offered by the DCS etc. There is a trend for selling milk locally to the consumers. This may increase as long as the gap between cost of production and selling price exists. This scheme would be a great relief for the dairy farmers who are members of DCS functioning in the state. All the milk producers of the state who pour milk in the primary dairy co-operatives (DCS) are the beneficiaries of the scheme.

The subsidy amount shall be distributed in DBT mode directly to the savings bank account number of the beneficiaries. Those farmers who have poured milk in DCS during the selected period and those who have enrolled to the DBT programme of the Department shall be the eligible beneficiaries.



## **DBT LINKED CATTLE FEEDING SUBSIDY SCHEME**

### **DAIRY DEVELOPMENT DEPARTMENT – ANNUAL PLAN SCHEME 2015-16**

#### **STEPS INVOLVED**

- Enrolment of farmers at DESU level
- Verification of Farmer detail
- Receiving milk procurement statement in prescribed proforma from DCS secretary for the specified months
- Verification of milk procurement details at DESU level by Dairy Farm Instructor
- Milk procurement details entry to the automation software by concerned officers at DESU level
- Locking the milk procurement details by the concerned Dairy Extension Officer
- Fixing subsidy parameters, selection of beneficiary DESU, DCS by concerned Deputy Directors
- Subsidy Processing via automated software by Deputy Directors
- Locking of processed subsidy and generation of bank statement by concerned District Officer
- Submitting the softcopy and hard copy of documents to concerned bank

A copy of the beneficiary list and subsidy transfer statement will be pasted in the notice board of the DCS for the information of the farmers. Wide publicity will be given to the scheme so that farmers are made aware of the benefits of pouring milk to DCS and they may open savings account in the nearest branch of a public sector bank for receiving the subsidy. The plan fund benchmarked for cattle feeding subsidy shall be utilized for milk pouring days till the complete fund is exhausted.

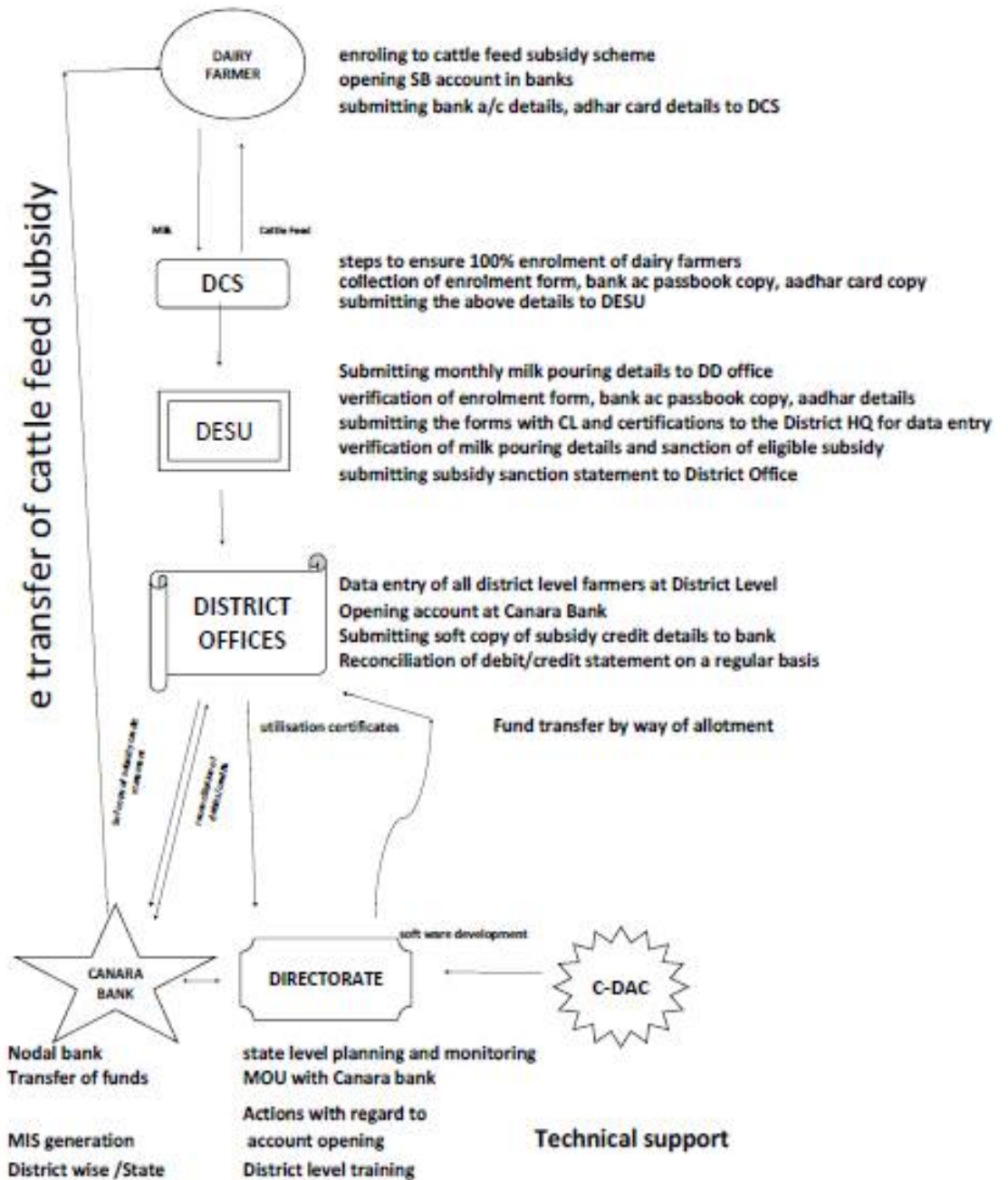


# DBT LINKED CATTLE FEEDING SUBSIDY SCHEME

## DAIRY DEVELOPMENT DEPARTMENT – ANNUAL PLAN SCHEME 2015-16

### ANNEXURE 01

#### DAIRY DEVELOPMENT DEPARTMENT DBT LINKED CATTLE FEED SUBSIDY - PROPOSED MODEL





## **DBT LINKED CATTLE FEEDING SUBSIDY SCHEME**

### **DAIRY DEVELOPMENT DEPARTMENT – ANNUAL PLAN SCHEME 2015-16**

#### **2. DISTRIBUTION OF CATTLE FEED SUPPLEMENT / MINERAL MIXTURE / VITAMIN SUPPLEMENT**

The scheme also envisages providing feed supplements like Mineral mixture and vitamins to ensure that the milk production does not drop and the animals does not suffer from mineral deficiency due to lack of sufficient green fodder during the summer months. The project envisages distributing feed supplement 'Cal Sager plus', a product of Indian Immunologicals Limited (a wholly owned subsidiary of the National Dairy Development Board) to nearly 99,010 farmers pouring milk at dairy co-operatives (DCS) in the state. The product 'Cal Sager plus' available in 1 kg packs shall be distributed among the 99,010 beneficiaries. It has coated Vit. D3 ensuring more bio-availability of Vitamin to the animal. A daily dose of 50 grams would be sufficient for an animal for a period of 20 days.

Calsagar feed pellets are an economical and effective source of calcium for dairy animals. Calsagar has all the characteristics of an ideal Ca supplement.

Calsagar contains 200gm calcium, 100 gm phosphorus and 40,000 I.U. of coated Vitamin D3 per kg. These pellets should be given @ 50-100g for lactating animal per day. Even at 50 gm per animal per day Calsagar provides 10gm of calcium as against 3.3 gm of calcium supplied by liquid calcium at its recommended dose of 100 ml per day. Calsagar is very economical as compared to other liquid feed supplements.

The problem of sub optimal milk production and reproduction caused by inadequate availability of calcium and phosphorus through the feed can be effectively addressed through Calsagar.

The highly bio available and substantial quantity of calcium, phosphorus and Vitamin D3 in Calsagar are instrumental in improving milk yield, fat and SNF content in milk and improving the reproductive efficiency of animals.

The beneficiaries shall be selected from among the blocks in district by the concerned Deputy Director based on the quantity of milk poured during the month of April 2015.

<b>Schemes:</b>	<b>UNIT</b>	<b>NOS</b>	<b>UNIT COST (Rs)</b>	<b>UNIT SUBSIDY/</b>	<b>TOTAL COST</b>	<b>TOTAL SUBSIDY</b>
				<b>(Rs.)</b>	<b>(Lakhs)</b>	<b>(Lakhs)</b>
Distribution of feed supplement (Cal Sagar Plus) 1kg / Cattle	<b>Kg</b>	<b>99010</b>	<b>135</b>	<b>101.00</b>	<b>133.66</b>	<b>100.000</b>

The rates are inclusive of all taxes, transportation charges and other allied charges.





## **DBT LINKED CATTLE FEEDING SUBSIDY SCHEME**

### **DAIRY DEVELOPMENT DEPARTMENT – ANNUAL PLAN SCHEME 2015-16**

#### **Working of the scheme**

Proper publicity of the scheme will be done by Dairy Extension Officers who will distribute feed supplements through dairy co operatives. 3656 Dairy co operatives are working in the state. Dairy Co operatives will supply 1 kg packets of Cal Sager plus to interested farmers by discounting 75% of its cost. 25% of the cost will be collected as beneficiary contribution by the DCS and submitted to DEO of the block as Demand Draft in favor of M/s Indian Immunologicals Ltd. M/s Indian Immunologicals Ltd will supply the item to each district and the Deputy Director will release the subsidy portion upon receipt of invoice from the company.

The Director shall be the authority for target allocation to various districts

#### **Project Summary**

Total amount required for supplying Feed supplement - Rs. 100.00 lakh  
Total amount required for providing Cattle feeding subsidy - Rs.1250.00.lakh  
**Grand total - Rs. 1350.00 lakh**

#### **Exepected Benefits**

- Decreased milk production cost and increased profitability
- Milk production and procurement will be enhanced
- More dairy farmers will be brought under the cooperative umbrella.
- Reduction in the cost of milk production and the investment in dairy production is facilitated
- Encouragement to new entrepreneurs
- Domestic daily average milk procurement will be increased.

#### **Monitoring & Evaluation**

The Dairy Extension Officer shall be responsible for block level implementation of the programme. The District Dairy Development Officer of each District shall closely monitor at every stage of implementation. Director, Dairy Development Department will evaluate the progress of implementation.

  
DIRECTOR