

F.No.1-1/2009-DP
Government of India
Ministry of Agriculture
Department of Animal Husbandry, Dairying & Fisheries

Krishi Bhawan, New Delhi-110001
Dated the 10th April, 2015

Subject: - Administrative Approval for implementation of Central Sector Scheme - "DAIRY ENTREPRENEURSHIP DEVELOPMENT SCHEME" during 2015-16

The undersigned is directed to refer to this Department's OM No 1-1/09-DP dated 9th September, 2010 conveying first administrative approval for Central Sector Scheme - "DAIRY ENTREPRENEURSHIP DEVELOPMENT SCHEME (DEDS)" implementation during 11th Plan and last administrative approval issued vide letter No 1-1/09-DP dated 8th May, 2014 and to convey administrative approval for continuation of DEDS scheme for the financial year 2015-16, during 12th Five Year Plan.

2. Objectives of the Scheme.

- to generate self-employment and provide infrastructure for dairy sector;
- to set up modern dairy farms and infrastructure for production of clean milk;
- to encourage heifer calf rearing for conservation and development of good breeding stock;
- to bring structural changes in the unorganized sector, so that initial processing of milk can be taken up at the village level;
- to upgrade traditional technology to handle milk on a commercial scale and
- to provide value addition to milk through processing and production of milk products.

3. Implementing Agency and Area of Operation

The National Bank for Agriculture and Rural Development (NABARD) will be the nodal agency for implementation of DEDS scheme in all the States and UTs throughout the country.

4. Outlays of the scheme

There is budget provision of Rs 127.00 crore during the year 2015-16, which includes Rs 99.00 crore under MH2404 (General Component), Rs 11.00 crore under MH2404 (SC Component) and Rs 17.00 crore under MH 2552 (North Eastern Region).

5. Components that can be financed, indicative unit cost and pattern of assistance are given below:

S.No	Component	Unit Cost	Pattern of Assistance
i	Establishment of small dairy units with crossbred cows/ indigenous descript milch cows like Sahiwal, Red Sindhi, Gir, Rathi etc / graded buffaloes upto 10 animals. (for SHGs, Cooperatives societies, Producer Companies unit size will be 2-10 animals per member.)	Rs 6.00 lakh for 10 animal unit – minimum unit size is 2 animals with an upper limit of 10 animals.	25% of the project cost (33.33 % for SC / ST farmers), as back ended capital subsidy. Subsidy shall be restricted on prorata basis to a maximum of 10 animals subject to a ceiling of Rs.15,000 per animal, (Rs.20,000 for SC/ST farmers) or actual whichever is lower.
ii	Rearing of heifer calves – cross bred, indigenous descript milch breeds of cattle and of graded buffaloes – upto 20 calves	Rs 5.30 lakh for 20 calf unit – with an upper limit of 20 calves	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy. Subsidy shall be restricted on prorata basis to a maximum of 20 calf unit subject to a ceiling of Rs.6,600/- per calf (Rs.8,800 for SC/ST farmers) or actual whichever is lower.
iii	Vermi compost with milch animal unit (to be considered with milch animals/small dairy farm and not separately)	Rs 22,000/-	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 5,500/- (Rs 7300/- for SC/ST farmers) or actual whichever is lower.
iv	Purchase of milking machines /milk testers/bulk milk cooling units (upto 5000 lit capacity)	Rs 20 lakh	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 5.0 lakh (Rs 6.67 lakh for SC / ST farmers) or actual whichever is lower.

v	Purchase of dairy processing equipment for manufacture of indigenous milk products	Rs 13.20 lakh	25% of the project cost (33.33 % for SC/ST farmers) as back ended capital-subsidy subject to a ceiling of Rs 3.30 lakh (Rs 4.40 lakh for SC/ST farmers) or actual whichever is lower.
vi	Establishment of dairy product transportation facilities and cold chain	Rs 26.50 lakh	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 6.625 lakh (Rs 8.830 lakh for SC/ST farmers) or actual-whichever is lower.
vii	Cold storage facilities for milk and milk products	Rs 33 lakh	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 8.25 lakh (Rs 11.0 lakh for SC/ST farmers) or actual whichever is lower.
viii	Establishment of private veterinary clinics	Rs 2.60 lakh for mobile clinic and Rs 2.0 lakh for stationary clinic	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 65,000/- and Rs 50,000/- (Rs 86,600/- and Rs 66,600/- for SC/ST farmers) respectively for mobile and stationary clinics or actual whichever is lower.
ix	Dairy marketing outlet / Dairy parlour	Rs 1.0 lakh/-	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 25,000/-(Rs 33,300/- for SC/ST farmers) or actual whichever is lower.

Note:- The subsidy amount will be rounded off to the nearest 100 Rupees. Beneficiaries may submit project proposals without any limit. However, the back ended capital subsidy under the scheme will be restricted to the above ceilings. The Banks will verify the costs of components admissible under the scheme based on the cost norms notified by NABARD.

(K. C. PATRA)
 Under Secretary,
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 Ministry of Agriculture
 No. of A. H. D. & P. S. 100
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6. Eligible Beneficiaries

- i) Farmers, Individual Entrepreneurs and Groups of Unorganized and Organized Sector. Group of organized sector, includes Self-Help Groups on behalf of their members, Dairy Cooperative Societies, Milk unions on behalf of their members, Milk federation, Panchayati Raj Institutions (PRIs) etc. are eligible under the scheme.
- ii) An applicant will be eligible to avail assistance for all components under the scheme but only once for each component.
- iii) More than one member of a family can be assisted under the scheme provided they set up separate units with separate infrastructure at different locations. The distance between the boundaries of two such farms should be at least 500 m.

7. Pattern of Assistance

- a) 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.
- b) Entrepreneur contribution (Margin) for loans beyond Rs.1 lakh* -10% of project cost (Minimum)
- c) Bank Loan - Balance portion
[* Subject to any revision in RBI guidelines]

8. Financial Institutions eligible for re-finance under the scheme

- a. Commercial Banks
- b. Regional, Rural and Urban Banks
- c. State Cooperative Banks
- d. State Cooperative Agriculture and Rural Development Banks: and
- e. Such other institutions, which are eligible for refinance from NABARD

9. Linkage with credit

Assistance under the scheme shall be purely credit linked and subject to sanction of the Project by eligible financial institutions and as per the guidelines of the scheme enclosed herewith.

10. Priorities:

NABARD should work in close liaison with the State Governments and UTs so that the proposals on priority basis in cluster mode may be implemented. NABARD may also instruct to banks to give priority to projects being implemented in cluster mode farmers/Women in SHGs, Cooperatives and Producer Companies including creation of facilities of processing, value addition and marketing of milk produced in the cluster mode.

11. NABARD shall furnish a monthly progress report to DAHD&F, regarding proposals received and sanctioned; farmers / entrepreneurs benefited; including Scheduled Caste (SC), Scheduled Tribes (ST) & Women members; component-wise details of fund release; funds sanctioned and recovery of loan.

12. It may be ensured that 16.2% of the funds targeted for SC farmers/ beneficiaries under Scheduled Castes Sub Plan (SCSP) as per the directives of Planning Commission.

13. This administrative approval for continuation of the scheme during 2015-16 is issued with approval of Joint Secretary (C&DD) of the Department of Animal Husbandry, Dairying & Fisheries vide Dy No 2026/JS(CDD) dated 10.04.2015.

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Under Secretary to the Govt. of India
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Dept. of A. H. D. & Fisheries
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Distribution:

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2. The Accountant General, Commerce, Works and Miscellaneous, AGCR Building, Near ITO, New Delhi-110002.
3. Chief Controller of Accounts, Department of Agriculture and Cooperation, Krishi Bhavan, New Delhi.
4. Advisor (Agriculture), NITI AAYOG, New Delhi:
5. Additional Secretary & Financial Advisor, Deptt. of Animal Husbandry & Dairying, Krishi Bhavan, New Delhi.
6. Chief General Manager, Department of Refinance, NABARD, C-24, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
7. Joint Secretary (Admn.), Room No.199, Ministry of Rural Development; Krishi Bhawan, New Delhi.
8. Joint Secretary (PF-II), Ministry of Finance, Department of Expenditure, North Block; New Delhi.
9. Joint Secretary, Ministry of Finance, Department of Economic Affairs, Banking Operation and Administration Division, Room No.6, 3rd Floor, Jeevan Deep Building, Parliament Street, New Delhi.
10. Chairman, NDDDB, P.B.No.40, Anand 388001.
11. AC (P) and DC (LH)
12. All State Governments, Department of Animal Husbandry & Dairying.
13. MD, Milk Federation, States/ UTs
14. Shri Naveen Kumar, Technical Director, NIC (With a request to Include the Administrative approval in website of the Department)

Copy for information to:

PPS to Secretary (AHD&F)

PPS to AS & FA

PPS to AHC

PS to JS (C&DD)/ Dir (DD)/Dir (Budget)/DC(DD)/US (Fin)/ AC (DD)/AO (Budget)

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Ministry of Agriculture

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GUIDELINES FOR DAIRY ENTREPRENEURSHIP DEVELOPMENT SCHEME FOR IMPLEMENTATION DURING THE 12TH FIVE YEAR PLAN.

1. Background

1.1 The Department of Animal Husbandry, Dairying and Fisheries is implementing Dairy Entrepreneurship Development Scheme (DEDS) since 01.09.2010 with the objective of generating self employment opportunities in the dairy sector, covering activities such as enhancement of milk production, procurement, preservation, transportation, processing and marketing of milk, by providing back ended capital subsidy for bankable projects. The scheme is being implemented by National Bank for Agriculture and Rural Development (NABARD).

1.2 DEDS scheme has received overwhelming response from dairy entrepreneurs across the country. Considering the contribution made by the scheme in providing livelihood opportunities and gainful employment to small and marginal farmers and dairy entrepreneurs, the Cabinet Committee on Economic Affairs (CCEA) has approved the continuation of DEDS scheme with an outlay of Rs 1400 crores during the 12th Five Year Plan.

2. Objectives of the Scheme

- to generate self-employment and provide infrastructure for dairy sector;
- to set up modern dairy farms and infrastructure for production of clean milk;
- to encourage heifer calf rearing for conservation and development of good breeding stock;
- to bring structural changes in the unorganized sector, so that initial processing of milk can be taken up at the village level;
- to upgrade traditional technology to handle milk on a commercial scale and
- to provide value addition to milk through processing and production of milk products.

3. Implementing Agency and Area of Operation

The National Bank for Agriculture and Rural Development (NABARD) will be the nodal agency for implementation of DEDS scheme in all the States and UTs throughout the country.

4. Outlays of the scheme and implementation Period

The Planning Commission has allocated an amount of Rs 1400 crores for DEDS scheme for 12th Five Year Plan for implementation of the scheme throughout the country.

5. Eligible Beneficiaries

5.1 Farmers, Individual Entrepreneurs and Groups of Unorganized and Organized Sector are eligible under DEDS. Group of organized sector, includes Self-Help Groups on behalf of their members, Dairy Cooperative Societies, Milk unions on behalf of their members, Milk federation, Panchayati Raj Institutions (PRIs) etc.



5.2 An applicant will be eligible to avail assistance for all components under the scheme, but only once for each component. However, more than one member of a family can be assisted under the scheme provided they set up separate units with separate infrastructure at different locations. The distance between the boundaries of two such farms should be at least 500 m.

5.3 Priority shall be given to projects being implemented in a cluster mode covering dairy farmers/Women in SHGs, Cooperatives and Producer Companies including creation of facilities of processing, value addition and marketing of milk produced in the cluster.

6. Pattern of Assistance

a) 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.

b) Entrepreneur contribution (Margin) for loans beyond Rs.1 lakh* -10% of the project cost (Minimum)

c) Bank Loan - Balance portion

[* Subject to any revision in RBI guidelines]

7. Financial Institutions eligible for re-finance under the scheme

a. Commercial Banks

b. Regional Rural and Urban Banks

c. State Cooperative Banks

d. State Cooperative Agriculture and Rural Development Banks: and

e. Such other institutions, which are eligible for refinance from NABARD

8. Linkage with credit

Assistance under the scheme shall be purely credit linked and subject to sanction of the Project by eligible financial institutions mentioned at para 7 above.

9. Sanction of project by banks (Financial Institutions):

9.1 The entrepreneurs will prepare a project as per norms of the scheme and submit to the Bank for sanction of the project. The bank shall appraise the project as per the administrative approval issued by DADF from time to time and if found eligible, sanction the total outlay excluding the margin, as a bank loan. The loan amount shall be disbursed in suitable installments depending on the progress of the unit. After the disbursement of the first installment of the loan, the financial institution /bank shall apply to the concerned Regional Office of NABARD for sanction and release of subsidy amount.

9.2 All the financing banks shall be required to forward their subsidy claims through their controlling office to the concerned NABARD Regional Office within two months of disbursement of first installment of the bank loan.



