

Annexure-8.39

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**F.No.1-1/2009-DP
Government of India
Ministry of Agriculture and Farmers Welfare
Department of Animal Husbandry, Dairying & Fisheries
Dairy Division**

**Krishi Bhawan, New Delhi-110001
Dated the 20th April, 2017**

To

**Principal Accounts Officer,
Ministry of Agriculture and Farmers Welfare,
Department of Animal Husbandry, Dairying and Fisheries
16, Akbar Road Hutments;
New Delhi-110011.**

**Subject: - Administrative Approval for implementation of Central Sector Scheme –
“DAIRY ENTREPRENEURSHIP DEVELOPMENT SCHEME” during 2017-
18.**

Sir

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 12th Plan and last administrative approval issued vide letter No 1-1/09-DP dated 11th April, 2016 and to convey administrative approval for continuation of DEDS scheme for the financial year 2017-18 beyond 12th 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 240.00 crore during the year 2017-18, which includes Rs 181.12 crore under MH2404 (General Component), Rs 38.88 crore under MH2404 (SC Component) and Rs 20.00 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, Rathii 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. Beneficiaries may purchase animals of higher costs, however, the subsidy will be restricted to the above ceilings.
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 /milkotesters/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.

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.

Distribution:

1. The Pay & Accounts Officer, PAO(Sectt)-I, Ministry of Agriculture and Farmers Welfare, Department of Animal Husbandry, Dairying & Fisheries, Room No.35, Krishi Bhawan, New Delhi
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 Bhawan, New Delhi.
4. Advisor (Agriculture), NITI AAYOG, New Delhi.
5. Additional Secretary & Financial Advisor, Deptt. of Animal Husbandry & Dairying, Krishi Bhawan, 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. All State Governments, Department of Animal Husbandry & Dairying.
12. All MD, Milk Federation, States/ UTs
13. Technical Director, NIC (With a request to Include the Administrative approval in website of the Department)

Copy for information to:

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PS to JS(ANLM)/Ps to JS(LH)

(K.C. Patra)

Under Secretary to the Govt. of India

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Ministry of Agriculture
Department of Animal Husbandry & Dairying