

cl5cHlcn=

ift. 2/

~~_____~~

He, lPte~TcP, q~q|c|6| l!cf g.aRul,
e,R.s!!|o|l, Qi:l~cl| |

~~_____~~

3Q' ~TcB',
q~q|c|c|it {!ci gR<|,
;\ " ...-... |

fc|ts|.a:- Self employment generation & dairy sector by establishing of Hi-Tech/Mini Dairy units for the year 2012-13.

— 3!:- 3!!Qcf| mcf| c|>cf|icf| 3 9 34 ~c|icf| 1 1 .10.20 | 2.

उपरोक्त विषय एवं सन्दर्भ के सम्बन्ध में आपको हाई टैक-डेरी

~c6)H m) ~ fui~Jt ~G cnl2:G cfW 3t'1,~|c|t cf; fc|ts|.s|.l cft ~

6|l6|<1-1\ <ft ~ t; 3-t|l|llcH| cnl4dl|t| gg a)ufi 'G|l W t; |



~: He, lPte~TcP, cr~q|c|c|ii ~ g.aRul,
e,R.s!!|o|l, Qi:l~cl| |

पृ० क्रमांक: 35142-62 ift. 2/

दिनांक 21-11-12

~~|c|6' &|cf> ~ '2|afi ~ ~TcP, cr~Q,c|c|ii ~ ~ maITJ
(3qfate~TcP i\|e,acn CM: B|S\$cn-1) CM: ~!|c|c|ileT O~ci t; |

~: He, lPte~ ~q|c|6| ~ gc|Rul,
e,R.s!!|o|l, Qi:l~cl| |

~1,,

DEPARTMENT OF ANIMAL HUSBANDRY & DAIRYING, HARYANA

SCHEME FOR ESTABLISHMENT HI-TECH DIARY UNITS

Introduction

It needs no emphasis that India happens to be the goldmine of farm livestock resources. It possesses more than half of the buffalo population of the world with a majority of the recognized breeds. The Indian Dairy Industry with a large number of Dairy Entrepreneurs in rural areas has made a tremendous impact on the agrarian economy of the country. Haryana holds a special place in the field of milk production and it is truly known as the 'Milk Pail' of the country. More than 80% of the State milk comes from buffaloes alone. The State is proud to be the home-tract of one of the best buffalo breeds of the world i.e. 'Murrah'. Buffalo has also been recognized to be the animal of the 21st Century and thus, systematic improvement of buffaloes for milk production of the country is a foregone conclusion. There is a great demand of this high yielding elite breed not only from within but outside the country as well. Most of the States procure breeding stock from Haryana for up gradation of their low producing buffaloes. The State is quite conscious of conserving, improving and fast multiplying this unique genetic stock of buffaloes by promoting breeding activities in the State.

Milk production in the State is 66.61 lac M.T. out of which more than 80% is contributed by buffaloes. The per head milk availability in the state is 708 gm per day which is 2nd highest next to Punjab. According to livestock census-2007, the buffalo population in the state is 59.50 lacs and that of cattle population 15.50 lacs.

The State has a vast potential of self employment in the sector of Animal Husbandry & Dairying. Establishment of dairy units of 3, 5, 20 or plus milch animals can generate substantial employment (Direct or Indirect) for setting up such units wherein loan is provided by the banks & subsidy by Govt. Normally, one person gains full time employment by keeping 2-3 milch animals. From unit of 5 to 20 plus milch animals other members of the family also gain employment.

The State is having a well developed infrastructure of veterinary institutions catering to the needs of the livestock owners providing veterinary services round-the-clock at their doorsteps. The State is also self-sufficient in fodder production and rich in human resource for providing training to the farmers as well as the field functionaries. The Department holds 11 days dairy trainings at every Sub Division in the State for the persons interested in setting up of dairy units.

Animal Husbandry is an integral part of Agriculture and next to Agriculture is the major sector of employment. According to 18th Livestock Census-2007, about 22.27 lac families (Households) are engaged in livestock rearing along with agriculture, out of these about 10.00 lacs families are drawing household income from this sector as major occupation. To boost up the milk production, fodder production and generation of more &

more employments in the dairy sector, it is proposed to establish dairies with 3, 5 & 20 plus milch animals.

1. The objectives of the scheme are as under:-

- (i) To provide self employment to unemployed rural/rural youths.
- (ii) To enhance the production of milk meet at the increasing demand of consumers in general and milk plants of the state in particular.
- (iii) To supplement the income of the families of the young entrepreneurs.
- (iv) To raise the socio economic status of the weaker section of the society.

2. Eligibility criteria for the applicants.

- i) He/ She should be a bonafide resident of the state and should be from 18 to 55 years of age.
- ii) The applicant should have a minimum of matriculation educational qualification.
- iii) He / She should have dairy training certificate from department / HAU / LLRUVAS / NORI/ or any other recognised institution.
- iv) He/ She should have atleast 1 acre of agricultural land in his/ her possession.

3. Role of the department

- i) Providing free trainings to the suitable dairy entrepreneurs.
- ii) Sponsoring of loan applications to banks.
- iii) 50% cost of insurance of dairy animals in the case of general and 100% of the premium S.C. beneficiaries will be borne by the department.
- iv) Veterinary and breeding facilities available at farmers door steps.
- v) Arrangement of marketing of milk through HDDCF etc.

4. Size of the dairy units

Three types of small/commercial dairy units of 3, 5 and 20 milch animals are established in the state as per the demand of dairy entrepreneurs. Target for the year 2012-13 are as under:-

Sr. No.	Name of Scheme	Target for 2012-13
1.	20 Milch animal Unit 5 Milch animal Unit 3 Milch animal Unit for General Category/ Ex-servicemen/ Widows	200
	Total	200

5. Financial assistance

The loan will be provided by the financing banks and subsidy will be given by the department. Financial assistance (subsidy) @ 25% for the cost of milch animals will be provided on establishment of dairy units. For providing financial assistance cost of a milch animal will be Rs. 40000/- yielding 8-12 Kg/ day, Rs. 50000/- yielding 12 Kg to 16 Kg / day and Rs. 60000/- having yield more than 16Kg / day. In this way on establishment of 3/5/20 animals units financial assistance of subsidy from the department is as under.

Sno.	No. of milch animals	Subsidy for 8-12 Kg/ day yield on milch animal cost of Rs. 40000/-	Subsidy for 12 Kg to 16Kg / day yield on milch animal cost of Rs. 50000/-	Subsidy for more than 16Kg / day on milch animal cost of Rs. 60000/-
1	20	2,00,000/-	2,50,000/-	3,00,000/-
2	5	50,000/-	62,500/-	75,000/-
3	3	30,000/-	37,500/-	45,000/-

The subsidy to be used as back ended on sanction of loan will be released in advance to the financing bank. The farmer will be asked to set up the unit in a period of three months and the health certificate of the milch animals would be produced by the concerned Vety. Surgeon.

6. Model scheme & economics

The model scheme for financing Hi-tech Commercial Dairy unit and economics thereof proposed are as per annexure I & II. The loan application format, guiding drawing of modern animal shed are also enclosed with the scheme.

DISBURSEMENT OF LOAN:

1) For the construction of shed:

- a) 50% of cost of shed will be disbursed at the beginning by transferring into saving bank account.
- b) Remaining 50% of cost of shed will be disbursed after verifying the end use of the first 50% amount.

2) For the purchase of animals:

After completion of shed, loan will be given initially for 10 animals. As soon as the farmer completes the purchase of first lot of 10 animals, the loan for the remaining 10 animals will be released. In order to help the farmers to purchase the animals of his choice the loan amount for animals will be released by transferring the amount to his saving bank account. However, the purchase of animals shall be actually verified by the Branch Staff and the local Vety Surgeon to ensure end use of loan.

3) Repayment period:

Term loan: Loan shall be repaid in 7 years in 78 monthly instalments with a moratorium period of 6 months.

Working capital: To be sanctioned for one year & renewed thereafter.

4) Security:

Primary: Hypothecation of shed, livestock & other moveable assets financed by the bank.

Collateral: Registered mortgage of agriculture land or equitable mortgage of property having value at least 150% of total loan amount. In case the borrower does not own land in his name, then the land standing in the name of his father shall be mortgaged and he shall be made a guarantor also.

5) Insurance:

- i) As per agreement of bank with identified insurance company or on the rate decided by the State Govt. whichever is minimum.
- ii) Optional: - Personal Accidental Insurance of farmer for Rs. 1 Lac for a premium of Rs. 30 per year. Similarly the laborers engaged in the dairy farm and other family members of the farmer can be covered under the scheme at the same rate of premium.

- 6) **Processing fee:** nil
- 7) **Upfront fee :** nil
- 8) **Inspection charges:** nil
- 9) **Classification:** Under Direct Agriculture Finance

ANNEXURE-2

COST ESTIMATE FOR ESTABLISHING A MODEL DAIRY OF 20 MILCH ANIMALS

A. CAPITAL COST

1.	Cost of 20 Cross Breed Cows / Murrah Buffaloes @ Rs. 50,000/- per animal including transport charges	Rs. 1000000/-
2.	Repair & renovation of animals shed, store & office	Rs. 2,00,000/-
3.	Milking equipment & animal cooling unit	Rs. 1,00,000/-
TOTAL FIXED EXPENDITURE		Rs. 13,00,000/-
	Less Margin @ 15% i.e. borrowers contribution	Rs. 2,00,000/-
	Bank's Finance (Term Loan)	Rs. 11,00,000/-

B. RECURRING EXPENDITURE

1.	Cost of green fodder - 25 kg/Day/animal @150/- per quintal on average basis	Rs. 2,73,750/-
2.	Cost of dry fodder - 10 Kg/day/animal @ Rs. 400/- per quintal	Rs. 2,92,000/-
3.	Cost of feed/concentrates - 5 kg / day/ animal @ Rs. 1400/- per quintal	Rs. 5,11,000/-
4.	LABOUR CHARGES @ Rs. 42,00/- p.m. for 2 labourers	Rs. 1,00,800/-
5.	MISCELLANEOUS EXPENSES @Rs. 1,500/- / animal p.a. (as veterinary expenses, electricity & water supply expenses)	Rs. 30,000/-
6.	INSURANCE & OTHER EXPENSES @ Rs. 1000 / animal	Rs. 2,00,00/-
	TOTAL	Rs. 12,27,550/-

COST OF FEED FOR CALVES		
1.	Cost of green fodder - 3 kg/ day/ calf@ 150/- per quintal	Rs. 54,750/-
2.	Cost of dry fodder - 2 kg / day/ calf@ Rs. 400/- per quintal	Rs. 58,400/-
	Total	Rs. 1,13,150/-
	TOTAL RECURRING EXPENDITURE	Rs. 13,40,700/-
	INCOME	
	Sale of Milk (Average milk in lts. Per annum X No. of animals X Appx. Cost of milk/lts.) i.e. 3500 X 20 X 25	Rs. 17,50,000/-
	Value of Manure	Rs. 20,000/-
	Total Income	Rs. 17,70,000/-
	INCOME/EXPENDITURE ANALYSIS	
	Total Income	Rs. 17,70,000/-
	Total Expenditure	Rs. 13,40,700/-
	Income after Expenditure p.a.	Rs. 4,99,300/-
	Monthly Income	Rs. 41,608/-
	Less Loan Installment	Rs. 20,000/-
	Net Monthly Income	Rs. 21,608/-

Note:

1. *This is a model Scheme keeping in view the prevailing market rates. However, Branch Manager is authorized to sanction variations+ to the extent of 15%.*
2. *Working Capital is calculated assuming that the farmer will keep stock of feed etc. For 6 months. However, the branches can consider the stock.*
3. *Bank finance term loan is 11 lacs & working capital (cash credit limit for six months is 5 lacs out of 16 lacs).*