

DAIRY DEVELOPMENT DEPARTMENT : STATE PLAN 2025-26

DPR - CATTLE FEEDING SUBSIDY 2025-26

**DAIRY DEVELOPMENT
DEPARTMENT**

ANNUAL PLAN: 2025-26

DETAILED PROJECT REPORT



CATTLE FEEDING SUBSIDY SCHEME

HEAD OF ACCOUNT: 2404-00-102-79-33

TOTAL PLAN OUTLAY: Rs. 800.00 Lakh

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DAIRY DEVELOPMENT DEPARTMENT

ANNUAL PLAN: 2025-26

CATTLE FEEDING SUBSIDY

2404-00-102-79-33

EXECUTIVE SUMMARY

TOTAL PLAN ASSISTANCE – Rs 800 LAKH

As per the Budget Outlay 2025-26, Rs 800.00 lakh has been earmarked for implementation of scheme components under **CATTLE FEED SUBSIDY** with **H.O.A – 2404-00-102-79-33**. Feed cost is a main bottle neck as far as profitable dairying in Kerala is concerned. Studies have revealed that the cost of production of milk is as high as Rs 49 per litre. Further from the studies it is evident that more than 80 % of cost of milk production is attributed by the feed cost. In Kerala, the availability of green grass is only around 47 % of the requirement. Hence there is a high dependency on compounded cattle feed. The cost of compounded cattle feed is above Rs 1500 per bag of 50 Kg. This scheme supports dairy farmers supplying milk to Dairy Co-operative Societies (DCSs) by reducing milk production costs and promoting sustainable milk production. It aims to enhance milk output, expand farmer participation in DCSs, and attract youth by creating employment in dairying. Key components include subsidized distribution of natural feed, cattle feed supplements, and provisions for implementation and monitoring.

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Scheme Components and Financial Outlay

CATTLE FEEDING SUBSIDY SCHEME : 2025-26					
SCHEME COMPONENTS	2025-26				
	No. of Units	UNIT COST (Rs)	UNIT SUBSIDY (Rs)	TOTAL COST (Rs in Lakh)	TOTAL SUBSIDY (Rs in lakh)
Natural Feed Component (Distribution of green grass, silage, TMR and other dried feed components at subsidized rates to dairy farmers through Dairy Co-operatives)	645	330000	100000	2,128.50	645.00
Distribution of cattle feeding supplement / mineral mixture at subsidized rates	163000			211.9	154.85
Gouvit Chelated	81500	150	110	122.25	89.65
Keramin	81500	110	80	89.65	65.20
Implementation, Monitoring and Documentation Charges				0.15	0.15
GRAND TOTAL - 2404-00-102-79-33				2340.55	800.00

The assistance to dairy farmers will be routed through Dairy Co-operatives

The scheme is expected to reduce the feed cost and thus will reduce the cost of production of milk and hence an increased profitability from dairying activities.

DIRECTOR

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01. GENERAL INTRODUCTION

General Introduction is covered in the initial part of the document

02. BUDGET PROVISION 2025-26 & APPROVED PLAN WRITE UP

As per the Budget Outlay 2025-26 as intimated by the State Planning Board, Rs 800.00 lakh has been earmarked for implementation of scheme components under **CATTLE FEED SUBSIDY** with **H.O.A - 2404-00-102-79-33**. The scheme supports dairy farmers supplying milk to Dairy Co-operative Societies (DCSs) by reducing milk production costs and promoting sustainable milk production. It aims to enhance milk output, expand farmer participation in DCSs, and attract youth by creating employment in dairying. Key components include subsidized distribution of natural feed, cattle feed supplements, and provisions for implementation and monitoring.

03. FINANCIAL OUTLAY

CATTLE FEEDING SUBSIDY SCHEME : 2025-26					
SCHEME COMPONENTS	2025-26				
	No. of Units	UNIT COST (Rs)	UNIT SUBSIDY (Rs)	TOTAL COST (Rs in Lakh)	TOTAL SUBSIDY (Rs in lakh)
Natural Feed Component (Distribution of green grass, silage, TMR and other dried feed components at subsidized rates to dairy farmers through Dairy Co-operatives)	645	330000	100000	2,128.50	645.00
Distribution of cattle feeding supplement / mineral mixture at subsidized rates	163000			211.9	154.85
Gouvit Chelated	81500	150	110	122.25	89.65
Keramin	81500	110	80	89.65	65.20
Implementation, Monitoring and Documentation Charges				0.15	0.15
GRAND TOTAL				2340.55	800.00

04. SCHEME PROPER

04.01 NATURAL FEED COMPONENT (DISTRIBUTION OF GREEN GRASS, SILAGE, TMR AND OTHER DRIED FEED COMPONENTS AT SUBSIDIZED RATES TO DAIRY FARMERS THROUGH DAIRY CO- OPERATIVES)

Plan Outlay - Rs.645.00 Lakh

In Kerala, when compared to other states, the cost of production of milk is very high. The main factor behind this is the shortage of fodder both green and dry and hence a high dependency on concentrate / compound feeds by dairy farmers for feeding their milch animals. The cost of compound feed available in the market is as high as Rs 1450 per bag of 50 kg. This high feed cost is a limiting factor as far as the profitability of dairy farming is concerned in Kerala. Availability of free land for fodder cultivation and reluctance of dairy farmers to take up extensive fodder cultivation is making the situation worse. The green fodder requirement of the state is about 102.2 LMT per annum. However, the available fodder cultivation is only 47 per cent of the total required fodder.

The feed resources available from existing agricultural practices meet roughly 40% of the dairy industry's requirement of green and dry fodder. With increased crossbreeding, the physical stature of the animals has improved considerably and as a result, the demand for feed and fodder has further increased. Government has been giving special focus on fodder and feed production to bridge the gap in the demand and supply of feed and fodder. The Dairy Development Department is the nodal agency for fodder development activities in the State.

The availability of dry fodder like Hay and Straw is also very low. The dry fodder is mainly entering from neighboring states of Kerala especially from Tamil Nadu. The paddy straw is being underutilized as some cattle feed in Kerala. No specific mechanism is available and practiced for bridging a regional balance in regard to availability of straw and hay. Moreover, the middle man involved in

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transporting dried fodder across the state border is exploiting the dairy farmers of Kerala by imposing additional charges. The cost of hay in certain season is as high as Rs 17 to Rs 18 per kg. This again is a limiting factor in regard to profitable dairying in Kerala. In districts like Alappuzha and Palakkad where paddy cultivation is popular, the Straw / Hay is mostly discarded on the ground of high conversion cost via labour and transportation cost from paddy field.

District wise Livestock & dry matter deficit Status

Districts	Indigenous cattle ('000)	Crossbred cattle ('000)	Buffalo ('000)	Goats (number)	Sheep (number)	Dry matter (000 MT) deficit
Palakkad	12.3	153.6	9.2	113031	1157	649
Ernakulam	4.7	102.1	12.8	123538	50	756
Kollam	1.4	100.9	5.8	111342	9	271
Thrissur	2.9	99.9	18.7	128130	94	870
Kannur	1.5	98.3	0.8	56445	3	134
Thiruvananthapuram	0.8	97.7	3.8	163980	31	691
Kozhikode	8.7	96.1	4.3	43962	12	374
Idukki	7.1	82.9	5.7	98503	23	553
Kottayam	0.9	80.8	6.1	94297	9	357
Malappuram	2.6	77.9	19.9	137718	9	259
Alappuzha	0.6	75.3	6.0	55158	0	152
Wayanad	2.4	70.3	5.2	35150	21	000/Nil
Pathanamthitta	0.6	63.8	2.8	51066	18	178
Kasaragod	30.7	52.0	1.3	33757	10	98
Kerala state	77.0	1,251.60	102.3	1246077	1446	74.17%

Source: 19th Livestock Census, Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture and Farmers Welfare, Govt.

FODDER DEFICIT DISTRICTS (based on dry matter availability 000 MT)

S.No.	Districts	Dry matter (000 MT) quantity in deficit
1	Thrissur	870
2	Ernakulam	756
3	Thiruvananthapuram	691
4	Palakkad	649
5	Idukki	553
6	Kozhikode	374
7	Kottayam	357
8	Kollam	271
9	Malappuram	259
10	Pathanamthitta	178
11	Alappuzha	152
12	Kannur	134
13	Kasaragod	98

Source: Feed base 2012, NIANP, Bengaluru

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For the sake of reducing the cost of milk production the Department is proposing to deliver subsidized fodder through Dairy Co-operatives to those farmers who are within the Co-operative Umbrella and who are pouring milk to DCS on a regular basis.

The project envisages extending financial assistance to Dairy Co-operatives for distributing fodder, both green fodder (like green grass, legumes, silage etc.) and dried fodder (like straw/hay/TMR, Concentrate cakes etc. other than compounded cattle feed) at subsidized rates to those farmers who pour milk to DCS. Rs 645.00 lakh is benchmarked for this scheme component.

04.01.01. Financial Outlay

Particulars	Rate of Subsidy	Max Subsidy Amount permissible for One DCS (Rs)	No. of DCS	Amount (Rs in Lakh)
Distribution of Fodder (Green and/or Dry) at subsidized rates	Rs 3/Kg for green fodder like green grass, legumes, silage etc. Rs 4/kg for dried fodder like Hay / Straw, TMR etc.	1,00,000	645	645

During the period from 2016-17 to 2020-21, this scheme component was included in the Scheme: Assistance to Dairy Co-operatives with H.O.A 2404-00-195-94-34-OC-03-Other items. During the year 2021-22, as per the direction from The Government Secretary, AH and Dairying, the Department has proposed the Scheme Component: Distribution of subsidized scheme component (green grass and dried feed components) to Dairy Farmers through Dairy Co-operatives under the scheme: Cattle Feeding Subsidy with H.O.A 2404-00-102-79-33

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- The assistance shall be based on the District wise allotment from Directorate to District Offices
- The scheme is not intended for subsidizing the concentrate / compound feed
- The DCS will have to submit an application in prescribed form to the concerned DESU.
- Based on the application received from DESU with proper recommendations, district wise selection of the beneficiary DCS for feed assistance shall be made by a committee formed at District HQ with The Deputy Director of concerned district as Convener and Technical Assistance, Quality Control Officer, 2 No. of Dairy Extension Officer and 1 Dairy Farm Instructor from the district (nominated by The Deputy Director of concerned district) as the members of the committee.
- The Deputy Director holds the authority to select more than one DCS coming under a particular block for implementation of this scheme.
- The list of beneficiary DCS nominated from districts shall be forwarded by the concerned Deputy Director to The Directorate, Dairy Development for final approval.
- Selected DCS will have to arrange for the purchase of green fodder and dry fodder from available sources by meeting mandatory procedures. Only those DCS which have the financial stability for making advance payment for purchase of Feed commodities need to be selected. The selection committee shall also ensure that the selected DCS is having infrastructure facilities for temporary storage of Feed Commodities.
- The rate of subsidy shall be Rs 3 per kg for Green Fodder like green grass, legumes, silage etc. and Rs 4 per Kg for Dry Fodder like straw, hay, TMR, concentrate cakes etc. Feed components other than compounded cattle feed of feed plants can be considered under the category of Dry Fodder
- ***The maximum permissible subsidy amount for a DCS shall be Rs 1,00,000/- (Under unavoidable situations, more than one unit shall be sanctioned to a particular DCS but with the prior approval of The Director, DDD)***
- ***Maximum subsidy amount permissible to an individual beneficiary farmer shall be Rs 5000/-***
- The beneficiary DCS shall distribute subsidized green fodder and/or dry fodder to dairy farmers of nearby DCS also. The Deputy Director

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shall ensure that maximum numbers of farmers are benefited from this scheme component.

- Preference shall be given to those DCS which are already involved in distribution of Green /or Dry feeds to pouring members.
- Subsidy shall not be extended to DCS for the quantum of green fodder and/or dry fodder distributed prior to the selection order of District Deputy Director to the beneficiary DCS.
- The Deputy Director shall take the help and support of Regional Unions / KCMMF for implementation of this scheme component, if needed.
- The DCS shall distribute the green grass and/or dry fodder at subsidized rate to dairy farmers. The beneficiary contribution, subsidy amount and total cost for each beneficiary shall be properly recorded in DCS. The Secretary of beneficiary DCS shall ensure that bill shall be issued to individual beneficiary farmers. Necessary entries shall be made in stock register, Day book and other relevant registers of the DCS
- The Secretary of beneficiary DCS after completion of the scheme component shall submit the subsidy claim letter, B.O.D resolution, Green and/or Dry feed distribution statement, individual bills to the concerned DESU. The Dairy Farm Instructor concerned as per the instructions from concerned Deputy Director and Dairy Extension Officer shall verify the authenticity of statements submitted by The Secretary of the beneficiary DCS. The block level officers shall ensure and confirm that necessary entries are made in all the relevant registers of the DCS.
- The officers concerned shall ensure that district / block level propaganda is given for the programme
- The Dairy Extension Officer shall be responsible for DESU level implementation of the Programme. The Deputy Director of concerned district shall co-ordinate, monitor and implement the programme at district level.
- The Joint Director (Planning), Directorate of Dairy Development shall be in charge of state level implementation and co-ordination of the programme.

Registration Fees – Rs 170 per beneficiary DCS

04.01.02. Expected Benefits

- Components are aimed at ensuring the socio economic stability of dairy farmers in the state

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- 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.

04.02 DISTRIBUTION OF CATTLE FEEDING SUPPLEMENT / MINERAL MIXTURE AT SUBSIDIZED RATES

Plan Outlay - Rs.154.85 Lakh

04.02.01 Introduction

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 / vitamin deficiency due to lack of sufficient green fodder during the summer months. The project envisages distributing feed supplement 'Mineral supplement (Gouvit Chelated - 81,500 Kg) products of Indian Immunological Limited (a wholly owned subsidiary of the National Dairy Development Board) and 'Keramin Organic' (81,500 Kg) product of Kerala Feeds Limited to farmers pouring milk at Dairy Co-operatives (DCS) in the state. The products "Keramin Organic" and 'Gouvit / Govit Chelated' available in 1 kg packs shall be distributed among the beneficiaries.

Keramin Organic - Feeding Pattern

- Young calves: 15-20 gms/day/calves
- Heifers/non-lactation animals: 25-50 gms/day/animals
- Lactating cows and buffaloes: 50-100 gms/day/animal
 - Depending upon the level of milk production.

Kerala Feeds Limited is manufacturing mineral mixture containing all the essential minerals required by the dairy animal in required quantities. Kerala Feeds has a standard Mineral mixture as per BIS specification having chelated trace minerals having higher bio-availability intended for high producing animals called KERAMIN ORGANIC.

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Gouvit /Gouvit Chelated – Contains highly significant qualities of Vitamins like Vit A, Vit D3, Vit E, Vit K, Vit B etc. Chelated minerals are used for supporting normal growth, stabilizing bipolar disorder, building strong muscles and bones, and improving immune system function and overall health. Chelated minerals as dietary supplements that are superior to other mineral supplements and chelated minerals are used more easily by the body (more bioavailable) than non-chelated minerals.

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 2025

04.02.02 Financial Outlay

SCHEME COMPONENTS	2025-26				
	No. of Units	UNIT COST (Rs)	UNIT SUBSIDY (Rs)	TOTAL COST (Rs in Lakh)	TOTAL SUBSIDY (Rs in lakh)
Distribution of cattle feeding supplement / mineral mixture at subsidized rates	163000			211.9	154.85
Gouvit Chelated	81500	150	110	122.25	89.65
Keramin	81500	110	80	89.65	65.20

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

04.02.03 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. 3338 Dairy Co-operatives are functional in the state. Dairy Co-operatives will supply 1 kg packets of Keramin Organic and Vitamin Supplement (Gouvit / Gouvit Chelated) 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 favour of M/s Indian Immunological Ltd & M/s Kerala Feeds Limited. M/s Indian Immunological Ltd & Kerala Feeds Limited will supply the item to each district and the Deputy Director will release the subsidy portion upon receipt of invoice from the company.

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

04.02.04 Expected Benefit of the Scheme

- Improves milk production
- Improve reproduction efficiency of male and female animals
- Improves growth and development in calves and heifer hence early puberty.
- Improves feed intake
- Improves immunity
- Improves general health of the animal

04.03 MONITORING AND DOCUMENTATION CHARGES

Plan Outlay - Rs. 0.15 Lakh

Rs 0.15 Lakh is set apart for meeting documentation, monitoring, evaluation and implementation charges for above mentioned schemes.

05 IMPLEMENTATION, MONITORING AND EVALUATION OF SCHEME

The Dairy Extension Officer shall be responsible for block level implementation of the programme. The Dairy Extension Officer shall be assisted by Dairy Farm Instructors, Dairy Promoters and Women Cattle Care Workers of concerned DESU. The District Dairy Development Officer shall be the district level implementing officers of concerned districts and shall be assisted by Assistant Directors of the district. The Deputy Directors of each District shall closely monitor at every stage of implementation. Director, Dairy Development Department will evaluate the progress of implementation periodically with the assistance of the planning wing at Directorate.

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06 CALENDAR OF ACTIVITIES

SI.NO	ACTIVITY	TIME FRAME
1	Administrative Sanction	Before 15.05.2025
2	Propaganda for the programme	Before 01.06.2025
3	Selection of Beneficiary DCS	Before 25.06.2025
4	Distribution of cattle feed (compounded CF, Green Grass, Dried Fodder) & Mineral Mixture	Before 15.08.2025
6	Release of subsidy to beneficiary DCS / CF firms	Before 15.09.2025
7	Evaluation of the programme	Before 10.10.2025

07 CONCLUSION

The scheme will help to reduce the feed cost and thus will reduce the cost of production of milk and hence an increased profitability from dairying activities.

DIRECTOR

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ANNEXURE

CATTLE FEEDING SUBSIDY SCHEME : 2025-26			
UNIT COST, UNIT SUBSIDY AND REG. FEES			
SCHEME COMPONENTS	2025-26		
	REG FEES	UNIT COST (Rs)	UNIT SUBSIDY (Rs)
Natural Feed Component (Distribution of green grass, silage, TMR and other dried feed components at subsidized rates to dairy farmers through Dairy Co-operatives)	170 PER DCS	330000	100000