DAIRY DEVELOPMENT DEPARTMENT

ANNUAL PLAN: 2024-25

ON-GOING SCHEME COMPONENTS

CATTLE FEEDING SUBSIDY SCHEME

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

TOTAL PLAN OUTLAY: Rs. 700.00 Lakh

SCHEME COMPONENT

CATTLE FEEDING SUBSIDY SCHEME : 2024-25						
SCHEME COMPONENTS	**Units**	**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)	No. of DCS	**480**	330000	100000	1,584.00	**480.00**
Distribution of cattle feeding supplement / mineral mixture at subsidized rates	Keramin Organic & Gouvit Chelated	**163000**			211.9	**154.85**
Gouvit Chelated	Mineral Mixture	**81500**	150	110	122.25	**89.65**
Keramin	Minerals & Vitamins	**81500**	110	80	89.65	**65.20**
Implementation, Monitoring and Documentation Charges					0.03	0.03
Provision for meeting expenditure pertaining to Plan Scheme 2023-24-Queue Bills of 2023-24, Bills moved to WAMS/BDS and financially not met due to restriction in release of permitted balance					65.12	**65.12**
GRAND TOTAL					**1861.05**	**700.00**

DIRECTOR

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01. INTRODUCTION

Dairy Development in India has played a key role in upliftment of Indian Economy especially the rural economy of the country. Dairying has been a significant part of rural Indian household since ages, generating a steady source of income and providing nourishment to the family. The Dairy Co-operative movement of India, spearheading our country to become global leader in milk production, is a role model worldwide. The growth and development of dairy industry in the country can be further escalated with up scaling of dairy education and innovative research approaches.

Dairying holds significant importance in India for various reasons

As a tool for Livelihood:- It serves as a primary source of livelihood for millions of rural households, especially small and marginal farmers. Dairy farming provides them with a steady source of income, employment, and sustenance.

Adding to the nation's Nutritional security:- Dairy products are essential source of nutrition, especially fat, protein, lactose, vitamins and minerals. Milk is a staple food for a large segment of the Indian population, particularly for children and pregnant women, contributing to their overall health and well-being.

As a source of Income generation: - Dairy farming offers opportunities for income generation throughout the year. Apart from milk production, there are avenues for value addition such as processing milk into various dairy products like ghee, butter, cheese, and yogurt, which can fetch higher prices in the market.

Dairying for Rural development: - The dairy sector plays a crucial role in rural development by providing employment opportunities, infrastructure development, and stimulating economic activities in rural areas. It helps in reducing rural-urban migration by creating sustainable livelihood options in rural regions.

Significant contribution to GDP:- The dairy industry contributes significantly to the country's Gross Domestic Product (GDP) and agricultural GDP. India is one of the largest milk-producing countries globally, and the dairy sector's growth directly impacts the nation's economy.

Dairying for Empowerment of women:- Dairy farming often empowers women in rural areas as they actively participate in activities like milking, animal care, and sometimes even in managing the dairy business. This contributes to their economic independence and social status within their communities.

Utilization of resources:- Dairy farming efficiently utilizes agricultural by-products and marginal lands, thus improving the overall productivity of the agricultural sector. It also helps in the recycling of crop residues and agricultural waste as cattle feed, thereby promoting sustainable agriculture practices.

A potential source for foreign exchange earnings:- India exports dairy products like milk powder, butter, and ghee to various countries, earning foreign exchange. The dairy industry's export potential continues to grow, contributing to the country's foreign trade balance.

Thus in a holistic way, dairying plays a multifaceted role in India's socio-economic fabric, contributing to food security, poverty alleviation, rural development, and economic growth. The Dairy Co-operative movement of India, spearheading our country to become global leader in milk production, is a role model worldwide. The growth and development of dairy industry in the country can be further escalated with up scaling of dairy education and innovative research approaches.

01.01. Dairy Sector – National Scenario

Unlike the developed countries, small and marginal farmers have been the driving force of the dairy sector in India. In an era of declining farm income and drop in employment opportunities, dairying and animal husbandry has emerged as an important subsector of India’s Agriculture. Further the complementarity of co-operatives and private organizations in the industry has aided in bringing sophistication and efficiency in the entire value chain. Owing to the increasing demand for dairy products driven by the growing population, higher purchasing power of the customers, increased focus on nutrition and growing aversion for unbranded and loose products, milk production in india is set to reach approximately 628 MMT in the next 25

years (ie. Till 2047). The dairy sector plays a vital role in achieving Sustainable Development Goals – especially SDG-1, SDG-3, SDG-5, SDG-8 and SDG-10 thereby plays a significant role in transforming lives of agrarian sector.

India has been the leading producer and consumer of dairy products worldwide since 1998 with a sustained growth in the availability of milk and milk products. Dairy activities form an essential part of the rural Indian economy, serving as an important source of employment and income. India also has the largest bovine population in the world. However, the milk production per animal is significantly low as compared to the other major dairy producers. Moreover, nearly all of the dairy produce in India is consumed domestically, with the majority of it being sold as fluid milk. On account of this, the Indian dairy industry holds tremendous potential for value-addition and overall development.

The share of agriculture and allied sectors in the country's total GVA has been declining in the last decade. Sector's share in the Gross Value Added (GVA) of the country at constant prices has declined from 17.8 per cent in 2013-14 to 15.1 per cent (P) in 2022-23. The sectors share in total GSVA (at constant 2011-12 prices) of the State declined to 8.52 per cent in 2022-23 (QE), compared to 8.97 (P) per cent in 2021-22

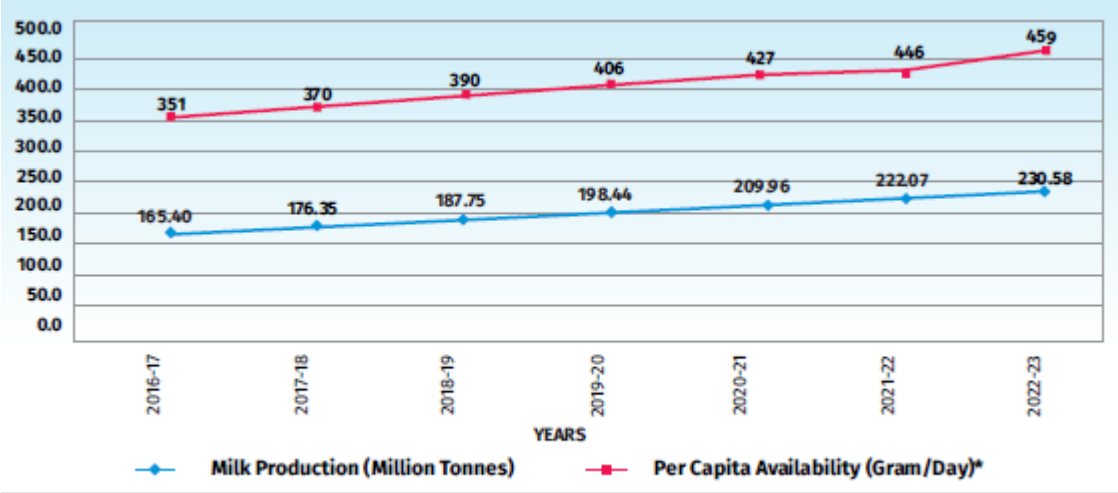
As per the 20th Livestock Census (2019), the total livestock population in the country is 536.76 million, showing an increase of 4.8 per cent over the Livestock Census of 2012. The 20th Livestock Census (2019) reports the State's livestock population as 29.09 lakh (5.42 per cent). As per the estimates of National Accounts Statistics (NAS) 2023, the contribution of livestock in total agriculture and allied sector GVA (at constant prices) increased from 29.8 per cent in 2020-21 to 30.5 per cent (2021-22). (Economic Review 2023)

Total milk production in the country is 230.58 million tonnes during 2022-23. The milk production has increased from 222.07 million tonnes in 2021-22 to 230.58 million tonnes in 2022-23 registering a growth of 3.83%. There has been steady increase in per capita availability of milk since 2016-17. The per capita availability has increased from 351 gm/ day in 2016-17 to 459 gm /day in 2022-23 (Basic Animal Husbandry Statistics-2023)

India ranked 1st in milk production, contributing 24 per cent of global milk production. At the national-level, milk production has increased from 22.21 crore tonnes in 2021-22 to 23.06 crore tonnes in 2022-23, registering a growth of 3.83 per cent, sustaining the trend over the past three decades. The highest five milk producing states in India in 2022-23 were Uttar

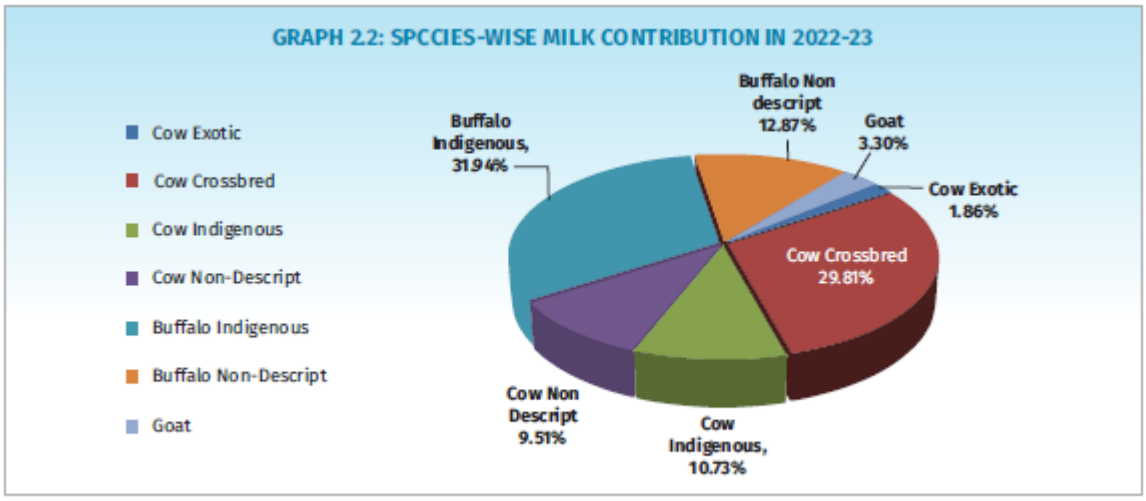
Pradesh (15.72 percent) Rajasthan (14.44 Percent) Madhya Pradesh (8.73 per cent), Gujarat (7.49 per cent), and Andhra Pradesh (6.70 per cent), which together contributed 53.08 per cent of total milk production in the country. (The average yield per animal per day for exotic crossbred is 8.55 Kg per day and for indigenous/non-descript is 3.44 Kg per day (Basic Animal Husbandry Statistics, 2023.). The per capita availability of milk has been increasing in India over the years and is estimated at 459 grams/day in 2022-23 (Basic AH Statistics 2023 by DAHD, GOI). The highest per capita availability is in Punjab (1283 grams per day) followed by Rajasthan (1138 grams per day). The species-wise milk production in the country shows that nearly 31.94 per cent of total milk production is contributed by indigenous buffaloes, followed by cross-bred cattle 29.81 per cent. The indigenous cattle contribute 10.73 per cent of the total milk production in the country. Goat milk contributes 3.30 per cent of the total milk production (Basic Basic Animal Husbandry Statistics, 2023). Kerala ranks 15th among the milk-producing states. Kerala's per capita availability is 198 grams per day (Basic Animal Husbandry Statistics, 2023).

India - Milk Production (Million Tonne) & Per capita availability (gms/day)

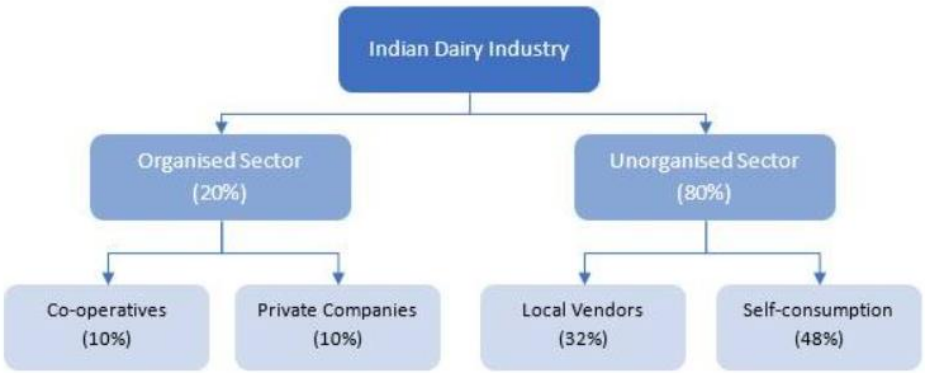


ased on Projected Human Population according to Population Census-2011

India : Species wise milk production



The Indian dairy industry is divided into the organized and unorganized segments. The unorganized segment consists of milk handled by traditional milkmen/vendors, self-consumption at home, the organized segment consists of cooperatives and private dairies. As per the Annual Report for FY19 of Dept. of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture & Farmers Welfare, GOI, co-operatives & private dairies still procure only about 20% of the milk produced in the country, while 32% is sold in the unorganized market and about 48% is consumed locally. About 40% of the milk sold is handled by the organised sector and the remaining 60% by the unorganised sector. However, in most of the developed nations, 90% of the surplus milk is processed through organized sector. With the increase in population, rise in per capita income, changing lifestyle, affordable aspirational food habits, export opportunities etc., the demand for milk is expected to rise.



During the last five to ten years, India has seen dramatic shift towards consumption of value-added products such as cheese, yoghurt, UHT (ultra-heat treatment) milk, flavored milk, and whey. To tap the advantages of the

changing consumer food preferences, most organized players are expanding product portfolios in the value-added segment. This segment offers high growth potential and better margins versus the liquid milk and Skimmed Milk Powder (SMP) segment. The value-added products overall contribute to ~35-40% of the total dairy market in India and commodity products together contribute to almost ~65% of market share. Furthermore, within the value-added segment, largest product category is ghee, having a market share of about 15-18% in the overall dairy market. While loose packets of curd is available locally, a key characteristic of emerging value-added products like UHT milk, flavoured milk, low-fat curd/yogurt, cheese and whey is that 100% of these products are sold through organized market. The value-added products market is under-penetrated, thus having tremendous scope for the growth and is expected to grow at much faster rate as compared with the commodity market.

The dairy industry in India is the largest globally, accounting for 24% of global milk production. The industry contributes 5% to the national economy and directly supports more than 8 crore farmers. India’s dairy industry has grown significantly over the past 10 years, supported by various initiatives taken by the government. The nation's milk production increased at a CAGR of 6.2% from 146.31 million tonnes (MT) in 2014-15 to 209.96 MT in 2020-21.

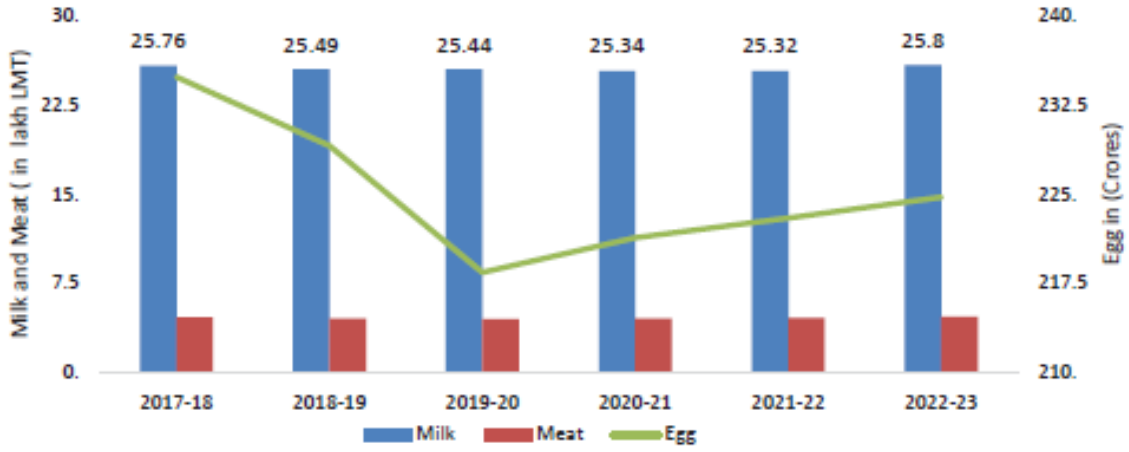
The major production area of dairy products in India is Uttar Pradesh, Maharashtra, Himachal Pradesh, Madhya Pradesh, Punjab, Rajasthan and Tamil Nadu. Competition in the Indian dairy industry has always been robust. Amul, Mother Dairy, Orissa State Cooperative Milk Producers Federation, Dudhsagar Dairy, Aavin, and Kwality Limited are some of the major players in the dairy industry in India.

Rural women play a significant role in animal rearing and are involved in operations such as, feeding, breeding, management, and health care. The livestock sector has emerged as one which generates employment and income security to women through micro enterprises. Women constitute 71 per cent of the labour force in livestock farming. In dairying, 75 million women are engaged as against 15 million men, while in the case of small ruminants, the sharing of work with men is almost equal. The need for technology up gradation and skill enhancement through capacity building programmes are felt across the sector.

01.02. Dairy Development in Kerala

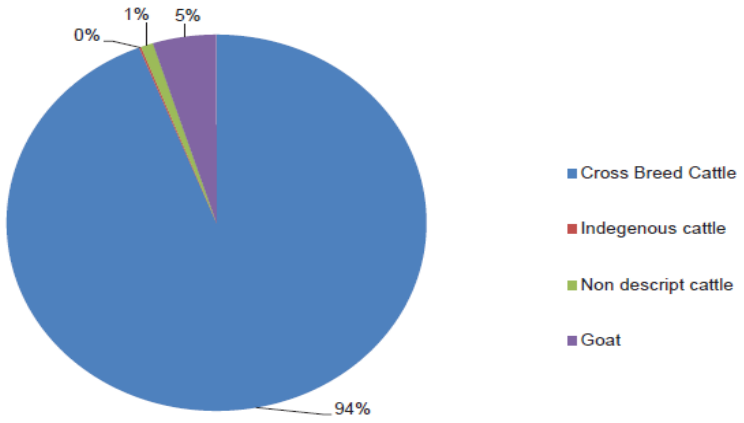
As per the estimates of National Accounts Statistics (NAS) 2022, the contribution of livestock in total agriculture and allied sector GVA (at constant prices) increased from 29.33 per cent in 2019-20 to 30.13 per cent (2020-21). The contribution of the livestock sector was 4.90 per cent of total GVA in 2020-21. In Kerala, the livestock sector is one of the fastest growing sectors of the rural economy. The contribution of livestock sector in total agriculture and allied sector GSVA (constant prices 2011-12), was 26.44 per cent (Quick estimates) (DES, 2021- 22). The share in the total GSVA of the State was 2.35 per cent in 2021-22. In real terms, GSVA in the Livestock sector at constant prices (2011-12), marginally increased from ₹11,701.86 crore in 2020-21 to ₹11,714.01 crore in 2021-22.

Kerala:- Production of Milk, Meat and Egg during the period from 2017-18 to 2022-23



The total milk requirement in Kerala in 2021- 22 was 33.51 lakh metric tonnes. But the annual production was only 25.79 lakh metric tonnes, which resulted in an average outside purchase of over 2.5 lakh litres of milk per day. Out of 25.79 lakh MT of milk produced in the State, a major share was produced by cross bred cattle (93.56 per cent). Indigenous cattle produced only 0.0661 LMT of milk . The contribution of non-descript cattle was 0.3117 LMT. The milk production from goats was 1.34 LMT. Indigenous and non-descript buffaloes contributed the rest (Department of Animal Husbandry).

Details of species-wise milk production in Kerala in 2021-22 is provided as below



Source : Economic Review 2023

Cross breed cattle (93.56 %) Indigenous Cattle (0.16%) Non-descript cattle (0.95%) Indigenous Buffalo (0.36%) Non-descript buffalo (0.12%) Goat (4.86%). Even though the herd sizes are low compared to major milk-producing states, cattle productivity in Kerala is higher than the national average. The average milk yield per animal in India in 2022-23 for exotic and crossbred cattle is 11.42 kg per day and 8.41 kg per day, respectively. For indigenous cattle and non-descript cattle, it is 4.17 kg per day and 2.87 kg per day, respectively (indiastat.com). The average yield from crossbred cattle in Kerala is 10.77 kg per day, the third highest among the Indian states after Chandigarh (12.22 kg per day) and Punjab (13.49 kg per day). This advantage for Kerala was due to high per cent of exotic and crossbred animals in the population compared to other states.

5.94 Lakh Metric Tonnes of Milk (16.27 Lakh Litre per Day) was procured through Dairy Co-operatives during the year 2016-17, whereas 6.79 lakh Metric Tonnes of Milk (18.6 lakh litres per day) is the corresponding figure for the year 2022-23. This hike is a positive indicator as far as the Animal Husbandry and Dairy Development activities of the state is concerned and is a narration of the various development activities undertaken by the Government to nurture the Sector.

Some important data published by DAHD, GOI pertaining to the year 2023 is as below

MILK PRODUCTION - LAKH METRIC TONNE								
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
KERALA	26.49	25.2	25.75	25.48	25.44	25.33	25.32	25.79
ALL INDIA	1554.9	1654.04	1763.47	1877.49	1984.39	2099.59	2210.63	2305.77

MILK PRODUCTION - EXOTIC / CROSS BRED COWS - LAKH METRIC TONNE								
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
KERALA	24.83	23.58	24.16	23.9	23.7	23.7	23.66	23.93
ALL INDIA	419.31	437.78	471.51	512.59	568.75	662.89	703.74	730.18

MILK PRODUCTION - INDIGENEOUS / NON DESCRIPT COWS - LAKH METRIC TONNE								
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
KERALA	0.241	0.235	0.265	0.239	0.325	0.319	0.293	0.378
ALL INDIA	317.14	343.2	364.82	385.74	397.71	420.17	445.94	466.59

MILK PRODUCTION - BUFFALOES - LAKH METRIC TONNE								
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
KERALA	0.1296	0.122	0.126	0.121	0.119	0.124	0.132	0.1443
ALL INDIA	764.59	812.66	862.61	918.17	959.43	953.91	996.26	1032.99

MILK PRODUCTION -COWS - LAKH METRIC TONNE								
	EXOTIC 2021-22	EXOTIC 2022-23	CB 2021-22	CB 2022-23	INDIG 2021-22	INDIG. 2022-23	NON DESCRIPT 2021-22	NON DESCRIPT 2022-23
KERALA	0	0	23.667	23.9328	0.0432	0.0661	0.2496	0.3117
ALL INDIA	42.5	42.818	661.25	687.36	237.5	247.39	217.13	219.2

MILK PRODUCTION -BUFFALOES - LAKH METRIC TONNE						
	IND BUFF 2021-22	IND BUFF 2022-23	NON DESCRIPT BUFFALOE 2021-22	NON DESCRIPT BUFFALOE 2022-23	GOAT 2021-22	GOAT 2022-23
KERALA	0.0939	0.0565	0.0383	0.0877	1.2327	1.3427
ALL INDIA	698.12	736.35	298.13	296.64	66.02	75.99

MILK PRODUCTION FROM 2015-16 TO 2022-23

NATIONAL & STATE WIDE - READY RECKNOR

NO. OF ANIMALS IN MILK OF EXOTIC /CROSS BRED COWS - IN LAKHS

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
KERALA	6.686	6.305	6.494	6.443	6.337	6.339	6.242	6.0878
ALL INDIA	154.11	159.62	167.61	176.75	190.03	216.34	226.27	234.07

NO. OF INDIGENEOUS / NON DESCRIPT COWS - IN LAKHS

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
KERALA		0.2126	0.2425	0.2205	0.2767	0.2662	0.2435	0.3223
ALL INDIA		331.65	341.43	351.66	353.91	359.51	363.36	371.54

NO. OF BUFFALOES - IN LAKHS

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
KERALA	0.071	0.066	0.069	0.063	0.062	0.065	0.07	0.0748
ALL INDIA	411.9	425.69	431.88	447.67	457.18	442.63	458.1	466.86

MILK PRODUCTION FROM BUFFALOES - IN LAKH METRIC TONNE

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
KERALA		0.1221	0.1267	0.1213	0.1195	0.1242	0.1321	0.1443
ALL INDIA		812.66	862.62	918.17	959.43	953.91	996.27	1032.99

PRODUCTIVITY OF EXOTIC / CROSS BRED COWS - KG PER DAY

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
KERALA	10.18	10.25	10.19	10.17	10.25	10.24	10.39	10.77
ALL INDIA	7.45	7.51	7.71	7.95	8.2	8.39	8.52	8.55

PRODUCTIVITY OF BUFFALOES - KG PER DAY

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
KERALA	5.04	5.11	4.98	5.04	5.27	5.2	5.16	5.28
ALL INDIA	5.09	5.23	5.47	5.62	5.75	5.9	5.96	6.06

PRODUCTIVITY OF INDIGENEOUS / NON DECRIPT COWS - KG PER DAY

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
KERALA	2.76	3.02	2.99	2.97	3.21	3.29	3.29	3.21
ALL INDIA	2.74	2.84	2.93	3.01	3.08	3.2	3.36	3.44

AVERAGE YIELD PER COW IN MILK ANIMAL - KG / DAY

	EXOTIC 2021-22	EXOTIC 2022-23	CB 2021-22	CB 2022-23	INDIG 2021-22	INDIG. 2022-23	NON DESCRIPT 2021-22	NON DESCRIPT 2022-23
ALL KERALA	0	0	10.37	10.77	2.36	2.19	3.54	3.57
ALL INDIA	11.36	11.42	8.38	8.41	4.07	4.17	2.83	2.87

NATIONAL & STATE WIDE - READY RECKNOR

AVERAGE YIELD PER BUFFALOE IN MILK ANIMAL - KG / DAY								
	IND BUFF 2021-22	IND BUFF 2022-23	NON DESCRIPT BUFFALOE 2021-22	NON DESCRIPT BUFFALOE 2022-23	GOAT 2021-22	GOAT 2022-23		
ALL KERALA	5.38	5.26	4.7	5.3	0.71	0.74		
ALL INDIA	6.62	6.76	4.82	4.82	0.46	0.5		

NO. OF IN MILK ANIMALS - IN LAKHS										
	EXOTIC 2021-22	EXOTIC 2022-23	CB 2021-22	CB 2022-23	INDIG 2021-22	INDIG 2022-23	NON-DESCRIPT 2021-22	NON DESCRIPT 2022-23	2021-22	2022-23
ALL KERALA	0	0	6.24	6.09	0.0501	0.0829	0.1934	0.2394	6.4835	6.4123
ALL INDIA	10.255	10.26	216.02	223.8	153.43	162.36	210.01	209.19	589.715	605.61

NO. OF IN MILK BUFFALOES - IN LAKHS										
	IND BUFFALOE 2020-21	IND. BUFFALOE 2021-22	NON DESCRIPT BUFFALOE 2020-21	NON DESCRIPT BUFFALOE 20210-22	GOAT 2020-21	GOAT 2021-22				
ALL KERALA	0.0433	0.0478	0.0222	0.0223	4.533	4.743				
ALL INDIA	277.73	288.79	164.91	169.3	363.21	374.17				

PER CAPITA AVAILABILITY OF MILK - GRAM PER DAY										
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23		
ALL KERALA	211	200	203	200	198	197	196	198		
ALL INDIA	333	351	370	390	406	427	444	459		

01.03.Dairy Co-Operative Sector in Kerala as the Back Bone of Dairying Activities

The Dairy Co-operatives are the backbone of the Dairy industry in the country and situation is not different in Kerala with the DCS providing a ready market and steady price to the Dairy farmers. As on date, there are 3610 DCS in the state which collects milk twice a day from their farmers and pays the milk value based on the quality (fat% and SNF %). Out of the total registered 3610 DCS, 3364 DCS are functional and remaining 246 DCS are dormant.

In Kerala, 5 lakh out of 70 lakh families are dependent solely on livestock for their livelihood, while another 5 lakh depend on livestock as a subsidiary means for supporting their livelihood. More than 55 per cent of bovine keepers maintain 2–3 cow units, while about 32 per cent maintain one-cow units. More than 60 per cent of livelihood enterprises set up by Kudumbasree are in the Animal Husbandry sector. Out of 37 lakh women in

the suburbs of the poverty line, 70 per cent opted for enterprises in the animal husbandry sector, as the major basis of livelihood. It indicates that further progress in the livestock sector would directly be reflected in the balanced development and up-liftment of the rural economy.

It is highly significant to note that there was around 30% hike in milk procurement during the period from 12th FYP to 13th FYP. It is also noteworthy that annually around Rs 2956.00 Crore is being distributed as price of milk alone to dairy farmers in the Kerala Dairy Co-operative Sector. Around 10.2 lakh man-days of employment generation is being created every year in the Kerala Dairy Co-operative Sector. During the last 7 years 164 Dairy Co-operatives have been newly registered and 120 dormant Dairy Co-operatives have been revived and made functional.

DAIRY DEVELOPMENT DEPARTMENT - STATUS OF REGISTERED , FUNCTIONAL & DORMANT DCS AS ON 30.06.2023

DISTRICTS	DCS Registered			Dormant DCS			Functioning DCS		
	APCOS	Non APCOS	Total	APCOS	Non APCOS	Total	APCOS	Non APCOS	Total
THIRUVANANTHAPURAM	372	54	**426**	36	27	**63**	336	27	**363**
KOLLAM	293	56	**349**	20	9	**29**	273	47	**320**
PATHANAMTHITTA	191	15	**206**	32	2	**34**	159	13	**172**
ALAPPUZHA	244	15	**259**	13	1	**14**	231	14	**245**
KOTTAYAM	240	21	**261**	19	0	**19**	221	21	**242**
IDUKKI	199	11	**210**	12	1	**13**	187	10	**197**
ERNAKULAM	323	10	**333**	17	3	**20**	306	7	**313**
THRISSUR	211	52	**263**	14	3	**17**	197	49	**246**
PALAKKAD	315	23	**338**	3	3	**6**	312	20	**332**
MALAPPURAM	266	12	**278**	19	5	**24**	247	7	**254**
KOZHIKODE	244	12	**256**	2	0	**2**	242	12	**254**
WAYANAD	55	1	**56**	0	0	**0**	55	1	**56**
KANNUR	168	54	**222**	2	1	**3**	166	53	**219**
KASARGOD	148	5	**153**	2	0	**2**	146	5	**151**
TOTAL	**3269**	**341**	**3610**	**191**	**55**	**246**	**3078**	**286**	**3364**

02. BUGDET PROVISION 2024-25 & APPROVED PLAN WRITE UP

As per the Budget Outlay 2024-25 as intimated by the State Planning Board, Rs 700.00 lakh has been earmarked for implementation of scheme components under **CATTLE FEED SUBSIDY** with **H.O.A – 2404-00-102-79-33.** As per proceedings No. DDDKER/1372/2024-D3 dated 11.04.2024 of The Director, DDD, a provision for Rs 65.11919 lakh is made for meeting the expenditure pertaining to those scheme components physically achieved during 2023-24 and financially not met due to lack of permitted balance, bills moved to queue of treasury, WAMS / BDS need to be funded during 2024-25 from the budgeted state plan provisions of FY : 2024-25.

In tune with the Plan Fund provisions and PLAN WRITE UP approved by G.O.K, 3 Scheme Components of FY 2024-25 are on-going in nature. The Head of Department (Director, Dairy Development Department) is delegated with the power to accord administrative sanction for implementation of on-going scheme components.

03. FINANCIAL OUTLAY: CATTLE FEED SUBSIDY SCHEME

CATTLE FEEDING SUBSIDY SCHEME : 2024-25						
SCHEME COMPONENTS	**Units**	**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)	No. of DCS	**480**	330000	100000	1,584.00	**480.00**
Distribution of cattle feeding supplement / mineral mixture at subsidized rates	Keramin Organic & Gouvit Chelated	**163000**			211.9	**154.85**
Gouvit Chelated	Mineral Mixture	**81500**	150	110	122.25	**89.65**
Keramin	Minerals & Vitamins	**81500**	110	80	89.65	**65.20**
Implementation, Monitoring and Documentation Charges					0.03	0.03
Provision for meeting expenditure pertaining to Plan Scheme 2023-24-Queue Bills of 2023-24, Bills moved to WAMS/BDS and financially not met due to restriction in release of permitted balance					65.12	**65.12**
GRAND TOTAL					**1861.05**	**700.00**

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.480.00 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 1350 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 87 LMT per annum whereas the availability is only 40 LMT per annum. The Gap is around 47 LMT per annum

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 a 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 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, GoI.

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

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 480.00 lakh is benchmarked for this scheme component.

04.01.02. 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	480	480

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

- 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 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

04.01.03. Expected Benefits

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

PLAN OUTLAY - Rs. 154.85 Lakhs

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 (Govit 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.

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 2024

04.02.02. Financial Details

CATTLE FEEDING SUBSIDY SCHEME : 2023-24						
SCHEME COMPONENTS	**Units**	**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	Keramin Organic & Gouvit Chelated	**163000**			211.9	**154.85**
Keramin Organic	Mineral Mixture	**81500**	110	80	89.65	**65.20**
Gouvit Chelated	Minerals & Vitamins	**81500**	150	110	122.25	**89.65**

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

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. 3364 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.

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

04.02.04. Expected Benefits 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. DOCUMENTATION, MONITORING, EVALUATION AND IMPLEMENTATION

PLAN OUTLAY – Rs 0.03 Lakh

Rs 0.03 Lakh is set apart for meeting documentation, monitoring, evaluation and implementation charges for above mentioned schemes.

04.04. PROVISION FOR MEETING EXPENDITURE PERTAINING TO PLAN SCHEME 2023-24-QUEUE BILLS OF 2023-24, BILLS MOVED TO WAMS/BDS AND FINANCIALLY NOT MET DUE TO RESTRICTION IN RELEASE OF PERMITTED BALANCE

PLAN OUTLAY – Rs 65.12 lakh

Administrative sanction orders vide proceedings No. DDDKER/1372/2024-D3 dated 11.04.2024 of The Director, DDD, a provision for Rs 65.11919 lakh is made for meeting the expenditure pertaining to those scheme components physically achieved during 2023-24 and financially not met due to lack of permitted balance, bills moved to queue of treasury, WAMS / BDS need to be funded during 2024-25 from the budgeted state plan provisions of FY : 2024-25

05. ROAD MAP

SI.NO	ACTIVITY	TIME FRAME
1	Administrative Sanction	Before 30.04.2024
2	Propaganda for the programme	Before 06.06.2024
3	Selection of Beneficiary DCS	Before 25.06.2024
4	Distribution of cattle feed (compounded CF, Green Grass, Dried Fodder) & Mineral Mixture	Before 15.08.2024
6	Release of subsidy to beneficiary DCS / CF firms	Before 15.09.2024
7	Evaluation of the programme	Before 10.10.2024

06. 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 periodically with the assistance of the planning wing at Directorate.

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.