



**ANIMAL HUSBANDRY, DAIRYING AND
FISHERIES DEPARTMENT**

DAIRY DEVELOPMENT

**POLICY NOTE
2014-2015**

Demand No. 8

**V. MOORTHY
MINISTER FOR MILK AND DAIRY DEVELOPMENT**

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Government of Tamil Nadu
2014

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DAIRY DEVELOPMENT DEPARTMENT

POLICY NOTE 2014-15

“Second white revolution will soon be ushered in Tamil Nadu through sustained efforts by the Government “

-Hon'ble CM on 17.04.2013

Introduction

Milk among all commodities, is the largest contributor to the rural economy in India. At an all India level, the value of milk produced per annum is higher than the combined production of rice and wheat. Milk accounts for more than 18% of the total value of output from agriculture and allied sector activities. Today India is home to the largest cattle population in the world and is number one in milk production in the world with a total milk production of 138 Million Tonnes annually.

What is true for India holds true for Tamil Nadu which produced a record 70 lakh Metric

Tonnes of milk in 2012-13 (as per Integrated Sample Survey, Department of Animal Husbandry, Government of Tamil Nadu, 2012-13). The value of milk produced annually in Tamil Nadu is more than one and a half times of value of paddy annually produced in the State. In Tamil Nadu, milk group contributes more than 43% share in value of output from Livestock sector. Milk has additional advantage in terms of being a reasonably steady and daily source of income to rural households.

In line with the important role played by the dairy sector, the Hon'ble Chief Minister of Tamil Nadu is ushering the state towards a second white revolution which will not only increase rural household income, but also further improve per capita availability of milk in the state. To achieve this objective, Hon'ble Chief Minister has implemented the priceless milch cow scheme, under which 60,000 cows will be distributed over a period of five years

from 2011-12 to 2015-16. Already, by the end of third year 36,000 cows have been distributed to poor families. The habitations where these cows are provided are covered by milk routes by Aavin and milk is being procured daily from these beneficiaries thereby providing them with a steady source of income. In order to incentivize milk production Hon'ble Chief Minister has increased the procurement price of milk by Rs.5/- per litre in last three years.

2. DAIRY DEVELOPMENT DEPARTMENT

2.1. Objectives of the Dairy Development Department

- 1) To increase the milk procurement by providing remunerative price to the milk producers based on milk quality, and providing veterinary inputs and health care.

- 2) To supply qualitative processed milk to the consumers at reasonable rates following hygienic and food safety measures.
- 3) To work towards bringing the un-organized dairy sector into an organized structure.
- 4) To monitor, supervise and regulate dairy activities of Co-operatives.
- 5) To update and introduce modern technology in various dairy activities.
- 6) To ensure sustained availability of quality milk and milk products as per the statutory specifications.
- 7) To ensure consistent growth of the dairy sector in consonance with other industrial sectors.
- 8) To ensure the supply of feed and fodder to milch animals throughout the year.

2.2. Strategies adopted to achieve the above objectives

The following activities are being undertaken to achieve the objectives of the Dairy Development Department:

1. Strengthening clean milk production activities at village level through milk testing and necessary extension education.
2. Implementation of State Plan Schemes, Central Government Schemes, Centre-State shared Schemes and all sponsored Schemes for the growth of dairy sector.
3. Strengthening and capacity expansion of Dairy Plants functioning under Cooperative sector.
4. Enabling supply of clean, hygienic milk and milk products to consumers.
5. Providing free veterinary health cover, implementation of Artificial

Insemination program, supply of balanced cattle feed, arranging inputs like fodder seeds and cuttings for fodder cultivation and insurance cover to animals owned by the milk producers in co-operative sector.

6. Computerization of dairy activities at various levels to ensure transparency.

2.3. Structure of the Department

The Dairy Development Department formed in the year 1958, is headed by the Commissioner for Milk Production and Dairy Development whose office is located at Madhavaram Milk Colony, Chennai. The Commissioner is also the Functional Registrar of all the Dairy Co-operatives across the State. In this capacity, various statutory functions like registration of societies, revival of dormant societies, inspection of societies, settlement of disputes, conduct of elections for constitution of Boards, issue of directions to societies in the

interest of public etc., are exercised by the Commissioner for Milk Production and Dairy Development Department under the relevant provisions of the Tamil Nadu Co-operative Societies Act, 1983 and Tamil Nadu Co-operative Societies Rules, 1988. The Deputy Milk Commissioner (Cooperation) at the state level and 25 Deputy Registrars (Dairying) at the district level assist the Commissioner for Milk Production and Dairy Development in discharging the above legal responsibilities. In order to utilize the wide experience gained by the officers of the Department, the post of Deputy Milk Commissioner which was till then occupied by officers on deputation from Cooperation Department was filled up by promoting the senior most Deputy Registrar (Dairying) of the Department on 16.11.2013.

Deputy Registrars (Dairying)

25 Deputy Registrars (Dairying) are functioning across Tamil Nadu and they discharge the statutory and administrative functions of dairy cooperatives. In accordance with the announcement made by the Hon'ble Chief Minister in the Collectors' Conference, Office of the Deputy Registrar (Dairying) was established at Tiruppur from 1.4.2013.

Though the Office of the Deputy Registrar (Dairying) Ariyalur was formed in 2009, the post of Deputy Registrar (Dairying) was sanctioned by the Government on 10.10.2013. In order to strengthen manpower availability for Deputy Registrar offices, the Government ordered direct recruitment of 137 Senior Inspectors and process of their selection through Tamil Nadu Public Service Commission is under way.

Milk Procurement Teams

In order to supplement the procurement work of District Cooperative Milk Producers' Unions, 11 milk procurement teams headed by Government Veterinary Doctors on deputation to Dairy Development Department are functioning at Salem, Dharmapuri, Sankarankoil, Coimbatore, Thanjavur, Vellore, Thiruvallur, Karaikudi, Perambalur, Virudhunagar and Tiruchirapalli. These teams survey the milk potential of villages to form new societies so as to bring more villages under the cooperative ambit. They also visit village level primary milk cooperative societies in their jurisdiction to increase milk production.

Mobile Veterinary Units

13 mobile veterinary units are functioning at Nagercoil, Tirunelveli, Kovilpatti, Valliyur, Sathankulam, Sankarankoil, Tiruppathur, Karaikudi, Ramnad, Virudhunagar, Rajapalayam, Chennai and Madurai. These

units visit primary dairy cooperative societies following a schedule and render free veterinary service to the cattle of the society members.

2.4. Elections to Dairy Co-operatives

Elected boards in cooperative institutions encourage participation of their members in functioning thereby improving effectiveness and representative character. Participation of members, especially women and of those from weaker sections of society demonstrates the empowerment and democratic character of the Board ensuring that decisions are taken in larger public interest.

In order to strengthen the cooperative institutions in the state and make them more vibrant, the Hon'ble Chief Minister of Tamil Nadu ordered for the formation of State Cooperative Election Commission for conducting elections of the boards to manage the co-operatives. This Commission conducted elections for Board of Directors at all the three

levels of dairy cooperatives in 2013 and these boards have started discharging their responsibilities.

Table 1:-
Number of elected Board of Directors
(as on 31.03.2014)

Sl. No	Category	No. of Societies	Election conducted societies	Number of elected Board of Directors				Election not conducted
				SC/ ST	Women	General	Total	
1	Primary Dairy Cooperative societies	11,503	9,562	13,072	28,685	56,180	97,938	* 1,941
2	District Cooperative Milk Producers' Unions	17	17	51	85	153	289	-
3	Tamilnadu Cooperative Milk Producers' Federation	1	1	4	6	11	21	-
	Total	11,521	9,580	13,127	28,776	56,344	98,248	1,941

** Out of 11,503 Primary dairy cooperative societies, election was conducted for 9,562 and for balance will be conducted in a phased manner after completion of statutory requirement period of 6 months.*

**Table 2:-
Number of elected Presidents of Boards
(as on 31.03.2014)**

Sl. No.	Category	No. of Societies	Election conducted societies	Number of elected Presidents of Boards				President not selected due to non conduction of election
				SC/ST	Women	General	Total	
1	Primary Dairy Cooperative societies	11,503	9,562	713 *	1,943*	6,906	9,562	1,941
2	District Cooperative Milk Producers' Unions	17	17	1	0	1	17	-
3	Tamilnadu Cooperative Milk Producers' Federation	1	1	0	0	0	1	-
	Total	11,521	9,580	714	1,943	6,907	9,580	1,941

** In each society, 3 posts reserved for women and 2 posts for SC/ST out of 11 Board of Directors, but no reservation for women and SC&ST in the post of President.*

Now, as and when new societies are formed or vacancies arise, the State Election Commission is conducting elections for the same.

2.5. Quality Control Laboratory

A Quality Control Laboratory is functioning under the control of the Commissioner for Milk Production and Dairy Development (CMPDD) at Madhavaram, Chennai. Frequent quality tests of milk and milk products are conducted by this laboratory to ensure quality of milk and milk products supplied to the consumers. A mobile Quality Control laboratory is also operating in Chennai for speedy action wherever required.

During the year 2013-14, a total of 1,334 samples of milk and milk products were tested in the laboratory to ensure supply of quality milk and milk products to the consumers.

Table 3:-

Institution	No. of samples tested
Cooperative(aavin)	720
Private dairies	614
Total	1,334

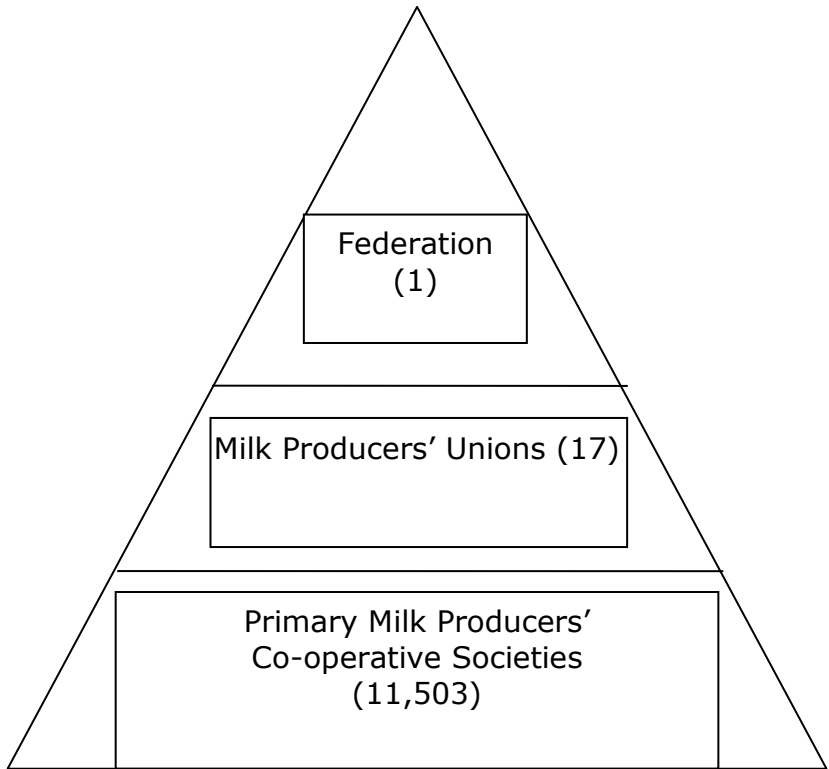
Each dairy of District Unions and Federation is also equipped with an internal Quality Control Laboratory manned by qualified personnel, which ensures the quality of milk and milk products at receipt and despatch points.

2.6. Food Safety and Standards Act 2006 (FSSA 2006)

The FSSA 2006 which came into effect from 05.08.2011 enables the Food Safety Commissioner to enforce the Act regarding all food items including Milk and Milk Products.

3. Three Tier Structure of Milk Cooperatives

- Tier-1- Village level - Primary Dairy Cooperatives are formed at village level as "Anand Model". It forms the base level of the 3 tier system which has direct contact with milk producers at villages.
- Tier-2- District level - District level Milk Producers Cooperative Union (DCMPU) comprises of all the village level Primary Dairy Cooperatives in a district. It procures surplus milk from the societies, processes it and sells it to milk consumers.
- Tier-3- State level - The Tamil Nadu Cooperative Milk Producers Federation (TCMPF) is the apex level society in which all the District Unions are members. Federation is arranging for marketing of own liquid milk and products produced by all DCMPUs in the brand name of "Aavin"



3.1. TAMILNADU CO-OPERATIVE MILK PRODUCERS' FEDERATION LIMITED

Consequent to the introduction of 'Anand pattern' in the State of Tamil Nadu, Tamilnadu Co-operative Milk Producers' Federation Limited (TCMPF) was started on 01.02.1981 which took over the commercial activities such as milk procurement, processing, packing and sale of milk and milk products to the consumers etc.

from the Dairy Development Corporation which was till then handling the above functions. TCMPF is having its administrative office at Aavin Illam, Madhavaram Milk Colony, Chennai. The elected board of Directors of the Federation, and its chairman assumed office on 9.7.2013. Executive functions of the Federation are looked after by its Managing Director.

The Federation procures and processes milk from various District Unions and supplies liquid milk in sachets and various milk products to consumers in Chennai city and its suburbs. Apart from this a major role of the Federation is to arrange for marketing of milk products produced by the District Co-operative Milk Producers' Unions both within and outside the State. Milk and milk products sold by the Federation and the Unions are sold under the brand name of '*aavin*'.

The Federation also directs and coordinates the activities of the Unions and

provides technical expertise as and when required. It undertakes and executes, either on its own or through National Dairy Development Board, projects such as erection and commissioning of dairies, chilling centres, new equipments, etc. for the Unions. Further, Federation also assists the Commissioner for Milk Production and Dairy Development in preparation of proposals to obtain funds under various schemes.

3 Liquid Milk Dairies with total capacity of 10 lakh litres per day and one Product Dairy with capacity of 10,000 litres per day are functioning under the control of the Federation. All these Metro Dairies are certified under International Organization for Standardization (ISO) and Hazard Analysis and Critical Control Point (HACCP). Day to day operations of these metro dairies are looked after by the Joint Managing Director.

Details of these metro dairies and other units of Federation are furnished below:

3.2. Madhavaram Dairy

Madhavaram Dairy with a capacity of 50,000 litres per day was established in 1962 under Colombo Plan with assistance from the Government of New Zealand. It is located in an area of 5.5 acres of land at Madhavaram Milk Colony in North Chennai. Later, the capacity of the Dairy was increased to 2 lakh litres per day during the year 2000. This dairy distributes milk to consumers in North Chennai through 41 hired route vehicles, 15 Private Agency vehicles and 5 Milk Consumers' Co-operative society routes. Apart from this, it also supplies milk to AVMs (Automatic Vending Machines) through 5 milk tankers of the Federation.

Infrastructure of Madhavaram dairy has been enhanced during the last two years, to store an additional quantity of 1.2 lakh litres in milk silos and 80,000 litres of sachet milk, in

milk cold room. Additional infrastructure such as butter deep freezer of 30 MT capacity and 500 KVA power back-up have also been established. Packing and refrigeration facilities have been strengthened to ensure timely supply of quality milk, and as a result the Madhavaram dairy handled an average of 3.21 Lakh Litres Per Day (LLPD) of milk during 2013-14.

3.3. Ambattur Dairy

Ambattur Dairy was established in April 1976 in an area of 45 acres at Korattur Village, Ambattur Industrial Estate, Chennai, under the World Food Programme with a handling capacity of 2 lakh litre per day. The capacity of this dairy was increased to 4 lakh litre per day during 1998. This dairy distributes milk to consumers in Central Chennai through 39 hired route vehicles, 12 vehicles engaged by Milk consumers' cooperative Societies, 27 Private

Agency vehicles and 5 milk tankers for supply to AVM units.

During last two years, infrastructure has been created for an additional storage of one lakh litres of raw milk and 80,000 litres of packed milk by installing silos and cold room respectively. Moreover, a fully automated double circuit new CIP (Cleaning In Place) system, strengthening of packing and refrigeration facilities, installation of solar water heating system to feed hot water for boiler were also carried out. Ambattur dairy has handled an average of 3.50 LLPD of milk during 2013-14.

3.4. Sholinganallur Dairy

Sholinganallur Dairy was established in an area of 32.99 acres as an automated dairy during the year 1996 with a handling capacity of 4 lakh litres per day to distribute milk to consumers in South Chennai.

This is the first automated dairy to be established in South India.

The Federation has also established additional facilities viz. cold room, packing machines and tub washer to meet the increased demand for milk supply in sachets.

The Dairy is now handling on an average 4.50 lakh litres of milk per day and operating 34 Milk supply Routes, 36 WSD (Wholesale Dealers) routes and 7 Milk Consumers' Cooperative Society routes, for the supply of sachet Milk and 7 road milk tankers for supply of bulk milk to AVM units.

During the last 2 years, in this dairy, the infrastructure has been enhanced for storage of one lakh litres of milk and 30 MT of butter, besides provision of machineries for processing, packing and refrigeration facilities.

3.5. Sale of Milk

In Chennai Metro, on an average **11.28 Lakh Litres per day** of milk is being marketed through 781 Milk Depots / Delivery Points and 93 Milk Parlours. Monthly milk cards are issued to the consumers after obtaining advance payment for sustained supply. Sale of liquidmilk in Chennai is increasing steadily. Milk and milk products of aavin are popular among the consumers.

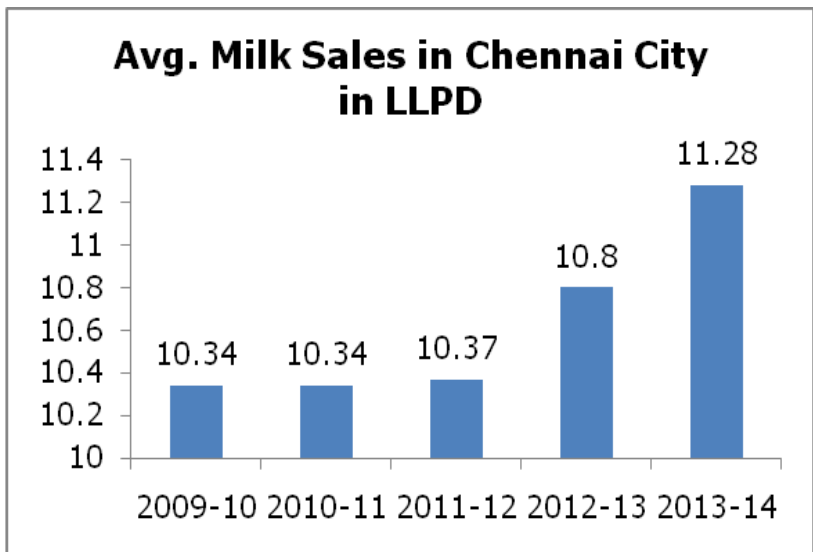


Table 4:- Selling Price of Milk

Sl. No	Type of Milk	Sachet colour	Specification		(Rate per 500 ml pack – In Rs.)	
			FAT %	SNF %	Card	Max. retail price
1	Double Toned Milk	Magenta	1.5	9.0	11.50	12.00
2	Toned Milk	Blue	3.0	8.5	12.00	13.50
3	Standardized Milk	Green	4.5	8.5	14.50	15.50
4	Full Cream Milk	Orange	6.0	9.0	16.50	17.50

Table 5:-**Infrastructure available for Marketing in Metro:**

S. No.	Infrastructure	2012-13	2013-14
1	Distribution Routes	101	113
2	Zonal Offices	16	16
3	Milk depots	443	470
4	Delivery Points	263	311
5	Parlours	69	93
6	Milk Whole Sale Distributors	47	47

7	Milk Consumers Cooperative Societies	49	49
8	FROs	179	184
9	AVM Units	216	215
10	FRP Units	63	54
11	Bulk Vending Milk Routes	18	17
12	Products Distribution Routes	12	14

3.6. Customer care and support cell

A 24 hour 'Consumer Care and Support Cell' equipped with a **Toll Free No. 1800 425 3300** functions at the Corporate Office, Nandanam, in order to obtain feedback from consumers and to redress their grievances then and there. During 2013-14, 526 complaints were received & settled through appropriate action.

3.7. Ambattur Product Dairy

The Product Dairy was established in the year 1976 at Ayanavaram as a separate unit within the premises of erstwhile Ayanavaram milk supply union. Since the union building and

the plant & machineries were very old and for want of effluent treatment facilities, the product dairy was shifted to Ambattur dairy complex in the year 2003.

The following products are manufactured at Ambattur Product Dairy and sold to Chennai consumers:-

Table 6:-

Sweets	Ice cream varieties	Fermented Products	Coagulated products and others
<ul style="list-style-type: none"> • Sugared Khoa • Dates khoa • Mysorepa • Gulabjamun • Milk Peda 	<ul style="list-style-type: none"> • Ice cream cups • Family packs in bricks • Cassata • Ball Ice cream • Chocobar • Mango duet • Pineapple duet • Classic cone • Kulfi Bar 	<ul style="list-style-type: none"> • Sweetened Yoghurt • Curd in sachets • Spl.Curd in cups • Lassi sachets • Probiotic Curd • Probiotic Lassi • Plain butter milk • Spl.Butter milk 	<ul style="list-style-type: none"> • Paneer <p>Others</p> <ul style="list-style-type: none"> • Unsugared Khoa • Flavoured milk • Nutties • Chocolate • Milk Chocolate

Milk products produced in product dairy are despatched through hired vehicles in 14

routes for sales through retail outlets and also through 3 Own mobile vehicles. Butter, Ghee, Badam Powder and other Tetra pack products, received from District Unions are also supplied through these vehicles. Three 4.5 ton own refrigerated vehicles exclusively to carry ice cream to all the city parlours are being engaged. A hardening chamber of 3,000 litres capacity has also been commissioned during 2013-14 for storage of ice creams. In order to address the increasing demand for Aavin milk products, a new facility for production of 15,000 litres of ice cream and 1,000 kgs of paneer per day is being established near the existing premises. Civil works, undertaken by the Federation, is under progress and procurement and installation of plant and machinery has been entrusted with National Dairy Development Board (NDDB). The work is expected to be completed by June, 2015.

**Table 7:-
Products Marketing**

Sale of Products for the year 2013-14				
S. No.	Particulars	Unit	Total	
			Quantity	Value (Rs.in Lakh)
I	<u>Ambattur Products:</u>			
1	Ice Cream	Ltrs.	2,80,602	517.92
2	Gulabjamun	Kgs.	12,438	40.11
3	Khoa	Kgs.	3,10,121	919.15
4	Milk peda	Kgs.	13,979	42.71
5	Paneer	Kgs	38,235	87.66
6	Butter Milk	Ltrs.	5,01,492	107.45
7	Mysore Pak	Kgs.	51,300	164.72
8	Yoghurt	Nos.	93,592	10.88
9	Lassi	Ltrs	2,22,784	176.01
10	Curd 200 MI	Ltrs.	3,54,193	203.91
11	Hot Milk	Ltrs.	5,20,788	296.74
12	FM "N" Rich Bottle	Nos.	3,68,750	53.84
13	Milk Shakes	Nos.	8,410	2.73
14	FM - Badam / Chocolate / Pista	Lts.	10,982	5.49
15	Pizza / Sandwich	Nos.	5,769	1.04
16	Milk Bread	Nos.	16,298	3.26
17	Milk Chocolates	Nos.	1,05,037	30.15
18	Spl.Sweets	Kgs.	14,128	72.48
	Sub-Total (I)			2,736.25

II	<u>Union Products:</u>			
1	Butter (Cooking)	Kgs.	8,51,631	2,236.81
2	Butter (T)	Kgs.	9,145	27.60
3	Cheese	Kgs.	543	2.26
4	Ghee	Ltrs	12,51,080	3,702.18
5	Std.Milk (Tp)- 1000 MI	Nos.	48,734	19.19
6	Toned Milk(Tp) - 1000 MI	Nos.	11,417	4.33
7	Skimmed Milk (Diet)	Nos.	8,353	2.20
8	Flavoured Milk 200 MI	Nos.	13,00,346	195.64
9	Mango Drinks 200ml	Nos.	1,69,596	24.63
10	Mango Milk Shake	Nos	99,289	15.47
11	Milk Shakes In Tetrapack	Nos	10,55,409	198.57
12	Aavin Delite(T.Fino)	Lts	46,104	18.87
13	Skim Milk Powder	Kgs.	20,445	50.68
14	Badam Mix Powder	Kgs.	61,521	187.06
15	Butter Milk In Tetra Pack	Nos	1,77,688	16.63
16	Ooty Tea	Nos	16,103	2.43
	Sub-Total (II)			6,704.55
	Grand Total (I) + (II)			9,440.80

3.8. Buffalo Frozen Semen Station(BFSS), Erode

The Buffalo Frozen Semen Station was established during November 1983 at Erode. The following activities are being carried out in the unit:-

1. Distribution of Frozen Semen Straws to District Cooperative Milk Producers' Union.
2. Rearing of breeding bulls

On an average, 8,000 straws of buffalo frozen semen are distributed, apart from distribution of approximately 1.42 lakh cattle frozen semen straws per month.

Further, Dairy Herd Improvement Programme Actions (DIPA) unit is also functioning at this station. The activities of DIPA unit are as follows:

1. Progeny Testing Scheme (PTS)

2. Field Performance Recording Programme (Crossbred Jersey and Kangeyam)

Under the Field Performance Recording Programme for Crossbred Jersey, so far more than 200 bull calves have been provided for frozen semen production to the four frozen semen stations in Tamil Nadu (one in cooperative sector and three with Animal Husbandry Department). Similarly, around 20 Kangeyam bull calves have been provided to the Department for production of frozen semen with an objective of conservation of native breeds.

3.9. Nucleus Jersey and Stud Farm (NJ&SF), Udhagamandalam

This farm is located near Udhagamandalam in an area of 37.725 acres of land leased from the Forest Department. It maintains bulls of Jersey, crossbred Jersey, Holstein Friesian and crossbred Holstein

Friesian for frozen semen production. The farm produces 18.00 Lakh doses of frozen semen straws per year on an average which are sold to the District Cooperative Milk Producers' Unions. A subsidy of Rs.5 is being provided for each Frozen Semen Straw for which a sum of Rs. 85 lakhs has been provided by the Government.

The farm has been strengthened with financial assistance of Rs.2.12 crore through Tamil Nadu Livestock Development Agency (TNLDA) under National Project for Cattle and Buffalo Breeding (NPCBB).

Apart from these units, the Federation is also establishing a Dairy with a capacity to process 2 lakh litres of milk per day and a powder plant with capacity to produce 20 MT powder per day at Ammapalayam in Tiruvannamalai district. Once functional, this will be operated as an unit of the Federation.

4. DISTRICT COOPERATIVE MILK PRODUCERS' UNION LIMITED

The 17 District Cooperative Milk Producers Unions in Tamil Nadu covers all the revenue districts except Chennai district which is totally urban in character. Affairs of each District Union are managed by an elected Board, headed by its Chairman. These District Unions procure milk from member Milk Producers' Cooperative Societies and transport it through milk collection route vehicles to the nearest Bulk Milk Cooler (BMC) / Chilling Centre / Dairy.

4.1. Unions provide animal health services at the doorstep of the producers through mobile veterinary routes and impart training to producer members on best practices in Animal Husbandry. Veterinarians of the Unions work in coordination with Animal

Husbandry Department officials for disease control, vaccination drives, etc. Unions also give training to secretaries of Milk Producers Cooperative Societies on functioning of societies and to village level workers on first aid, artificial insemination, etc.

4.2. The surplus milk, after meeting the requirement of the District Union, is sent to Federation dairies at Chennai for liquid milk sales and to Feeder Balancing Dairies (FBDs) for conversion to butter, ghee and skimmed milk powder. Powder plants are available at the Feeder Balancing Dairies located at Madurai, Erode, Salem and Krishnagiri. The District Unions also assist in organization and registration of village level societies by the Deputy Registrars (Dairying).

Table 8:-

Union wise societies and milk pouring members

S. No	Name of the Union	No. of societies	No. of milk pouring members
1	Kancheepuram –Tiruvallur	612	23,222
2	Villupuram	1,221	52,586
3	Vellore	1,165	57,165
4	Dharmapuri	898	27,592
5	Salem	1,208	59,536
6	Erode	538	27,114
7	Coimbatore	913	30,031
8	The Nilgiris	105	3,547
9	Madurai	1,002	19,663
10	Dindigul	224	8,605
11	Tiruchirapalli	907	55,365
12	Thanjavur	634	20,336
13	Pudukottai	230	4,977
14	Sivagangai	539	15,023
15	Virudhunagar	399	5,023
16	Tirunelveli	844	14,183
17	Kanyakumari	64	5,112
	Total	11,503	4,29,080

**Table 9:-
Union-wise milk handling capacity in LLPD
(Lakh Litres Per Day)**

S.No.	Name of the Union	Processing capacity of Dairies		Chilling capacity				
		No.	Capacity	CC		BMC		Total
				No	Capacity	No.	Capacity	
1	Kancheepuram-Thiruvallur	1	50,000	2	60,000	10	40,000	1,00,000
2	Villupuram	1	1,00,000	2	1,40,000	20	80,000	220,000
3	Vellore	1	1,50,000	4	2,30,000	32	1,46,000	3,76,000
4	Dharmapuri	1	2,00,000	2	60,000	15	63,000	1,23,000
5	Salem	1	3,00,000	3	2,10,000	38	1,42,000	3,52,000
6	Erode	1	3,00,000	3	1,35,000	17	79,000	2,14,000
7	Coimbatore	1	2,00,000	4	1,30,000	21	1,02,000	2,32,000
8	Nilgiris	1	50,000	1	10,000	7	13,000	23,000
9	Madurai	1	3,00,000	1	1,00,000	18	78,000	1,78,000
10	Dindigul	1	30,000	2	40,000	12	50,000	90,000
11	Tiruchirapalli	1	1,50,000	3	2,30,000	35	1,65,000	3,95,000
12	Thanjavur	1	26,000	1	10,000	12	46,000	56,000
13	Pudukkottai	1	35,000	-	-	1	5,000	5,000
14	Sivagangai	1	50,000	2	20,000	12	52,000	72,000
15	Virudhunagar	1	50,000	1	10,000	-	-	10,000
16	Tirunelveli	1	1,00,000	4	90,000	12	58,000	1,48,000
17	Kanniyakumari	1	16,000	-	-	-	-	-
	Total	17	21,07,000	35	14,75,000	262	11,19,000	25,94,000

4.3. Milk procurement

The milk procurement during 2013-14 was 23.22 LLPD on an average as against 24.36 lakh litres during 2012-13. This slight reduction in procurement of milk during 2013-14 was due to the drought that prevailed in the state. The details of milk procurement are as follows:

Table 10:-

S. No.	Year	Average milk procurement per day (in lakh litres)
1	2010-2011	20.67
2	2011-2012	21.40
3	2012-2013	24.36
4	2013-2014	23.22

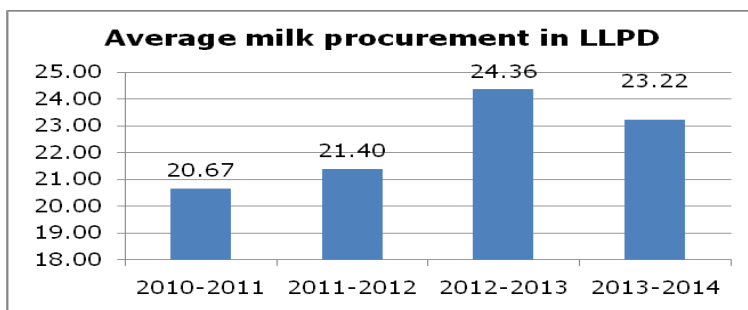
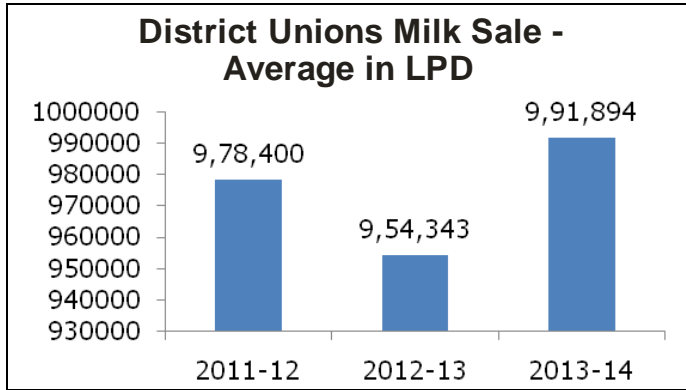


Table 11:-**District Union-wise Milk procurement**

S. No	Name of the Union	2011-12	2012-13	2013-14
1	Kancheepuram-Thiruvallur	56,000	75,000	82,000
2	Villupuram	1,52,000	1,78,000	1,73,000
3	Vellore	2,52,000	2,97,000	2,81,000
4	Dharmapuri	1,09,000	1,46,000	1,28,000
5	Salem	4,24,000	4,67,000	4,50,000
6	Erode	2,31,000	2,51,000	2,34,000
7	Coimbatore	2,30,000	2,40,000	2,34,000
8	The Nilgiris	17,000	18,000	16,000
9	Madurai	1,68,000	1,93,000	1,76,000
10	Dindigul	40,000	46,000	41,000
11	Tiruchirapalli	2,94,000	3,14,000	3,04,000
12	Thanjavur	42,000	53,000	51,000
13	Pudukottai	14,000	18,000	15,000
14	Sivagangai	33,000	44,000	47,000
15	Virudhunagar	12,000	17,000	15,000
16	Tirunelveli	58,000	69,000	67,000
17	Kanniyakumari	9,000	10,000	8,000
	Total	21,40,000	24,36,000	23,22,000

**Table 12:-
District Union-wise Milk Sales**

Sl. No.	Name of the District Union	Avg. Milk Sales Litres Per Day		
		2011-12	2012-13	2013-14
1	KT Union	7,560	6,103	6,161
2	Villupuram	30,086	26,435	24,718
3	Vellore	87,847	79,164	79,896
4	Dharmapuri	21,690	20,888	25,060
5	Salem	1,76,854	1,75,746	1,86,777
6	Erode	79,371	72,483	71,867
7	Coimbatore	1,58,175	1,48,606	1,49,880
8	Nilgiris	16,543	16,226	17,955
9	Madurai	1,46,605	1,57,789	1,64,767
10	Dindigul	15,155	13,668	14,756
11	Tiruchirapalli	1,11,284	1,12,991	1,20,382
12	Thanjavur	19,529	18,766	20,556
13	Pudukottai	6,830	6,819	8,336
14	Sivagangai	27,605	27,807	30,274
15	Virudunagar	10,623	8,768	7,378
16	Tirunelveli	48,818	47,508	47,063
17	Kanyakumari	13,825	14,576	16,068
	TOTAL	9,78,400	9,54,343	9,91,894



4.4. Feeder Balancing Dairies (FBDs)

Four FBDs are functioning at Dharmapuri, Salem, Erode and Madurai District Cooperative Milk Producers' Unions. Surplus milk is converted into products like Skimmed Milk Powder (SMP) and Butter in the FBDs.

Table 13:-

Sl. No.	Name of the Feeder Balancing Dairies	Capacity	
		Dairy in LLPD	Powder plant in MT per day
1	Krishnagiri	2.00	10
2	Salem	3.00	10
3	Erode	3.00	40
4	Madurai	3.00	10

4.5. Erode Cattle Feed Plant

Erode Milk Union is operating a cattle feed plant since 1982. This plant has a production capacity of 100 MT per day. Various types of feed are produced here which are supplied to District Unions and to Animal Husbandry Department. Recently, the storage capacity for raw material and cattle feed have been increased by 3,350 MT at an investment of Rs 3.50 crore.

4.6. Mineral Mixture Plant

Four mineral mixture plants are functioning at Villupuram, Tiruchirapalli, Tirunelveli and Erode District Co-operative Milk Producers' Unions. Each plant has a production capacity of 12 MT per day.

5. VILLAGE MILK CO-OPERATIVE SOCIETIES

At the village level, 11,503 Milk Producers' Co-operative Societies are

functioning in the State. This includes 1,793 Women Milk Producers' Co-operative Societies also. Moreover, 62 Milk Consumer Co-operative Societies which cater to the needs of the milk consumers are also functioning.

The milk produced by the farmers is collected twice a day throughout the year. The producers are paid a remunerative price based on the quality of milk. At present, the procurement price for cow milk and buffalo milk is Rs.23/- and Rs.31/- per litre respectively. In addition, 4.29 lakh milk pouring members of the Societies are paid dividend for their share capital, bonus and patronage rebate when the Society earns profit.

During the year 2013-14, 977 new Milk Producers Co-operative Societies were registered.

**Table 14:-
Number of societies registered from 2010**

S. No	Year	No. of societies registered
1	2010 - 11	143
2	2011 - 12	867
3	2012 - 13	1,491
4	2013 - 14	977

The Dairy Co-operative Societies procure around 25 to 30 lakh litres per day. After local sales of 4 to 5 LLPD at village level, the District Unions procure around 21 to 25 LLPD.

5.1. Services of Primary Dairy Cooperative Society to its members

- a) At the Village level, Primary Milk Producers' Cooperative Society procures milk from the milk pouring members and makes payment on the basis of quality at the rate fixed by the Government. Trained staff of the society perform

Artificial Insemination for the milch animals belonging to the members. The Society also makes cattle feed available to the members. Society provides Animal Health services to the animals belonging to the milk producers through the veterinarians of milk Unions.

Milk Producers Cooperative Society shares 50% of the net profit as bonus under section 72 of Tamilnadu Cooperative Society Act 1983 which is unique. Under Rule 83 of TNCS Rules 1988 society provides additional procurement price as “plough-back” to the producers based on the quantity of milk poured.

- b) Primary Milk Consumer Cooperative Society is receiving milk in sachets from Federation / District Cooperative Milk Producers’ Union and distributes to

consumers at the rates fixed by the Government by issuing monthly cards. This ensures prompt and regular supply of good quality milk at reasonable rates to the consumers. Society also undertakes sale of aavin milk products to the consumers.

6. SCHEMES

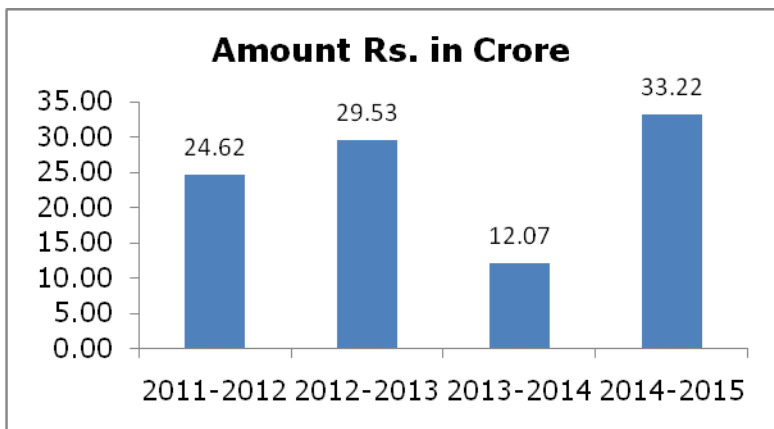
6.1. National Agriculture Development Programme (NADP)

The Dairy Sector has been accorded importance with a sanction of Rs.66.22 crore under NADP during the period from 2011-12 to 2013-14. The projects cover a wide range of activities including improvement of livestock health, establishment of cold storages, enhancement of milk production, improvement in procurement infrastructure, etc. Some of the major projects that have been taken up during the last three years are:

- Establishment of Dairy with capacity to handle 1 LLPD at Kakkalur
- Doorstep delivery of veterinary service to milk producers through 155 mobile units
- Strengthening of infrastructure in Dharmapuri, Vellore, Salem, Erode, Villupuram, Tiruchirapalli, Sivagangai and Dindigul Milk Unions
- Installation of 20 Bulk Milk Coolers (BMCs)
- Purchase of two refrigerated vehicles and three insulated vans
- Establishment of additional Milk Cold room facility for storing one lakh litres of milk and Butter Deep Freezer facility with 800 MT capacity.
- Formation of 1,534 new milk producers' Cooperative societies

Seven projects at a total outlay of Rs.33.22 crore have been approved by the State Level Sanctioning Committee for the year 2014-15. These projects include door step veterinary and emergency health services, organization of milk producers by forming new societies in uncovered areas, strengthening of processing infrastructure at all the three metro liquid milk dairies and Pudukottai, Sivagangai, Kacheepuram, Virudhunagar, The Nilgiris and Tiruchirapalli District Cooperative Milk Producers' Unions.

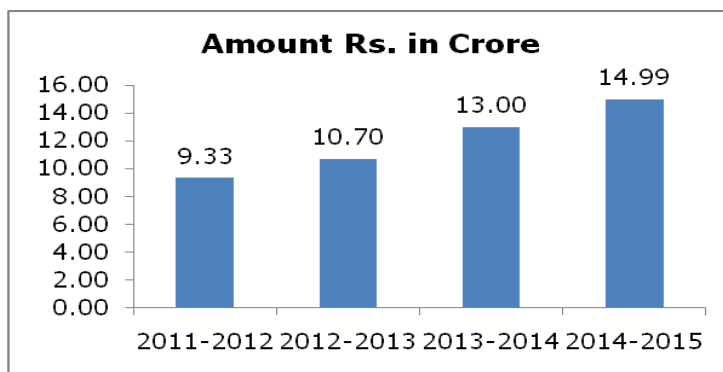
6.2. Project Sanction



6.3. National Mission for Protein Supplements (NMPS)

NMPS is implemented as a sub-scheme under NADP from the year 2011-12. Under the scheme, projects involving expansion of animal health services and dairy development activities are being taken up. Priority is given for productivity improvement of milch animals through measures such as improving nutritional balance of animal feed concentrate, fodder development activities and improving milk procurement, processing and marketing infrastructure, etc.

6.4. Project Sanction



Under NMPS, from 2011-12 to 2013-14, a sum of Rs.33.03 crore has been sanctioned. The major projects that have been taken up under this scheme are as follows:

- Enhancement of Milk cold room storage capacity by two lakh litres at Madhavaram and Ambattur metro dairies
- Additional 62 MT of butter cold storage facility in Sholinganallur and Madhavaram metro dairies
- Additional packing capacity of 8,000 – 10,000 litre per hour in all metro dairies
- Additional 2 lakh litres milk storage capacity in Sholinganallur and Ambattur Dairies
- Replacement of third stage Milk powder dryer at Erode Dairy to maintain production quality of Skimmed Milk Powder (SMP)

- Installation of imported retail butter packing machine to pack butter in 100 and 500 gram packs at Erode dairy
- New product dairy at Ambattur for manufacturing 15,000 litres of Ice Cream and 1,000 Kgs. of Paneer per day.

For the year 2014-15, under this scheme, a sum of Rs.14.99 crore has been approved by the State Level Sanctioning Committee for strengthening of infrastructure to produce Ultra High Temperature Treated (UHT) milk and related products at Salem Dairy.

6.5. Strengthening Infrastructure for Quality and Clean Milk Production (SIQ&CMP)

The scheme was started during the year 2004-05 in Tamilnadu.

The objective of the scheme is to impart training to farmers on clean milk production activities, provision of antiseptic chemicals and

utensils, strengthening of laboratories at Union dairies and chilling centres and installation of Bulk Milk Coolers (BMC) at societies to improve initial quality of milk at village level. As per revised guidelines for 2012-13, Grants-in-aid of 75% is provided (for all the components) to profit making Unions (those having accumulated profit of above Rs.1.00 crore during the previous financial year) and Grants in aid of 100% for all other milk Unions.

So far, 14 projects have been sanctioned for Vellore, Villupuram, Tiruchirapalli, Dharmapuri, Salem, Kancheepuram-Thiruvallur, Erode (twice), The Nilgiris, Madurai, Dindigul, Coimbatore, Tirunelveli-Sivagangai, Tiruchirapalli-Vellore Milk Unions. 10 Projects have been completed and 4 projects are in progress at Dindigul, Tiruchirapalli- Vellore, Tirunelveli-Sivagangai and Erode District Cooperative Milk Producers Union's in which the major component of

installation of BMC has been completed. Other components like training on Clean Milk Production, purchase of antiseptic chemicals, and utensils are in progress. The total project outlay for above projects is Rs.2842.21 lakh.

The details of the four projects (implemented in 6 Unions) that are under progress are:

Table 15:-

S. No.	Name of the Union	Amount (Rs. in lakh)			
		Sanctioned	Released	Balance Fund *	Achd.
1	Dindigul	127.17	127.17	-	120.07
2	Tiruchirapalli	277.56	225.00	52.56	216.91
3	Vellore	172.44	172.44	-	163.36
4	Sivagangai	64.37	41.22	23.15	41.22
5	Tirunelveli	156.07	120.20	35.87	120.20
6	Erode	499.94	327.91	172.03	135.02

* Balance fund to be released by GOI

6.6. Intensive Dairy Development Programme (IDDP)

The objective of the scheme is to improve milk procurement, increase milk sales, creation of infrastructure required for milk processing

and marketing, provision of necessary inputs and development of human resources in the districts. The entire fund is sanctioned as 100% grant spread over a period of five years.

The scheme is being implemented in four District Unions covering seven (7) revenue districts at a cost of Rs.17.80 crore which is provided as grant.

The progress of the scheme is as follows:

Table 16:-

S. No.	Name of the Union	Amount (Rs. in lakh)			
		Sanctioned	Released	Balance Fund *	Ach.
1	Sivagangai	312.150	312.150	0	293.10
2	Thanjavur	867.624	725.000	142.624	725.425
3	Pudukkottai	299.260	240.605	59.055	210.040
4	Virudhunagar	299.999	239.585	60.414	207.490

**Balance Fund to be released by GOI*

Some important works taken up are

- Converting the defunct chilling centre in Pudukkottai to a full-fledged dairy of 35,000 lpd capacity.

- Strengthening infrastructure in Thanjavur, Sivagangai and Virudhunagar milk unions
- Increasing the packing capacity of Sirivilliputhur dairy from 4,000 to 5,000 litre /day.
- Increasing the capacity of milk cold room storage in Karaikudi Dairy to 10,000 litres from 4000 litres.

6.7. Assistance to Co-operatives – Rehabilitation of Unions (ACS)

This scheme is designed to rehabilitate those District Cooperative Milk Producers Unions that are incurring losses. The objective of the scheme is to wipe off cash losses incurred by the District Unions and makes them viable over a period of seven years for which funds are provided as subsidy on a 50:50 sharing basis by the Central and State Governments. The rehabilitation proposals of District Cooperative Unions are prepared by

National Dairy Development Board in co-ordination with the State Government and sent to Government of India for sanction.

The scheme is implemented in three District Unions covering 6 revenue districts.

Table 17:-

S. No.	Name of the union	Amount (Rs.in Lakh)				Ach.
		Sancti oned	Releas ed	Balance Fund *		
				GOTN	GOI	
1	Dindigul	133.00	133.00	0	0	82.60
2	KPM-TVLR	387.90	115.18	173.86	98.86	40.18
3	Thanjavur	760.00	235.86	262.07	262.07	43.14
	Total	1,280.90	484.04	435.93	360.93	165.92

**Balance fund of Rs.360.93 lakh and matching fund of Rs.435.93 lakh has to be released by Government of India and Government of Tamil Nadu respectively*

6.8. National Programme for Bovine Breeding and Dairy Development

The Intensive Dairy Development Programme (IDDP), Assistance to Cooperatives(ACS) – Rehabilitation of Unions and Strengthening Infrastructure for Quality

and Clean Milk Production (SIQ&CMP) have now been restructured under a single nomenclature, (i.e) National Programme for Bovine Breeding and Dairy Development.

6.9. Part-II Schemes - 2014-2015

A sum of Rs.2.74 crore has been approved for development of infrastructure under Part-II Scheme for the year 2014-15. The following are the components:

- Supply of 73 Milk Analyzers to Milk Producers' Cooperative Societies (MPCS) at a cost of Rs. 44.24 lakhs
- Supply of 500 Stainless steel Milk Cans to MPCS at a cost of Rs.20.00 lakhs (Societies own contribution Rs.10.00 Lakhs)
- Provision of 5 Laptop computers to the office of Commissioner for Milk Production and Dairy Development at a cost of Rs.2.00 lakhs

- Construction of protection wall around the orchard at Madhavaram Milk Colony at a cost of Rs.30.76 lakhs
- Provision of 20 KVA Un-interrupted Power Supply for the MMPO Lab at the office of the Commissioner for Milk Production and Dairy Development at a cost of Rs.5.00 lakhs
- Provision for three light motor vehicles for the use of Deputy Registrars (Dairying) as replacement to the condemned vehicles at a cost of Rs.19.50 lakhs
- Establishing rain water harvesting structures in the orchard at Madhavaram Milk Colony, Chennai by creating farm ponds at a total cost of Rs.5.00 lakhs
- Green Dairying Initiatives :
 - a. 2 solar concentrators for providing solar energy for milk processing at a cost of Rs.100.00 lakhs

- b. One 500 litre capacity solar heater each for 50 Bulk Milk Coolers at a cost of Rs.57.50 lakhs

6.10. National Mission on Food Processing (NMFP)

A sum of Rs 18.42 crore was sanctioned under this scheme for strengthening of refrigeration and cold room infrastructure facilities at Tiruchirapalli, Salem and Madurai Dairies and at the three metro dairies of Ambattur, Madhavaram and Sholinganallur during November 2013. Out of the allocation, a sum of Rs.8.70 crore is provided as grant under the scheme and remaining Rs 9.72 crore will be raised from the own funds of Federation / District Unions. By the end of project, the capacity of milk cold storage in the District Unions would increase by 3.80 lakh litres and in Metro Dairies by 3.00 lakh litres additionally.

6.11. Integrated Cooperative Development Project (ICDP)

A sum of Rs.514.26 lakhs has been sanctioned for Madurai District Cooperative Milk Producers' Union under Integrated Cooperative Development Project for providing dairy infrastructure facilities like plate chiller, Homogenizer, Cream pasteurizer, Cream storage tank, High speed pouch packing machines, Generator, energy efficient centralized refrigeration system with latest technologies besides modernization of Theni Chilling Centre. The works are under progress and expected to be completed by August, 2015.

6.12. Infrastructure development with own fund

Salem District Cooperative Milk Producers' Union has upgraded its infrastructure facilities with 20 Kilo Litre Per Hour (KLPH) processing equipment for pasteurization, separation and homogenization.

Packing facilities with high speed machines have also been established at a total cost of Rs.4.00 crore. Apart from this other District unions and Federation have also improved their plant & machineries with funds from own sources to the tune of Rs.16.03 crore.

7. SPECIAL SCHEMES

7.1. Tiruvannamalai Dairy cum Powder Plant

A new Dairy cum Powder Plant with a handling capacity of 2 Lakh Litres of milk per day and spray drying capacity of 20 MT is being established at Ammapalayam Village in Tiruvannamalai district at a total cost of Rs.60.18 crore. Of the total cost of the project, 95% is being funded through NABARD loan and the remaining 5% is provided as grant by the State Government.

The project is being implemented through National Dairy Development Board and is likely to be commissioned soon. In order to ensure

regular supply of water for the plant, a water supply scheme for providing 5.50 lakh litres of water per day from the Sathanur dam is being implemented through Tamil Nadu Water supply and Drainage Board at a cost of Rs.7.60 crore.

7.2. New Dairy at Perambalur

In order to cater to the needs of the milk producers of Perambalur and Ariyalur districts, the Hon'ble Chief Minister had announced that a new dairy will be established in Perambalur district. Accordingly, G.O. (Ms) No.316, dated: 30.11.2013, A.H.D.& F Dept., has been issued for establishing a dairy with a capacity to process 1 Lakh Litres of milk Per Day at a cost of Rs.36.28 crore. Out of this, a sum of Rs.18.14 crore is being provided by the State Government as an interest free loan to Tiruchirapalli District Union. The Union will mobilize the balance amount of Rs 18.14 crore either from their own funds or through a loan from financial institutions. An extent of

23.62 acres of land has been identified in Padalur village of Alathur taluk of Perambalur district and the work has been entrusted to National Dairy Development Board (NDDB).The work will be completed by June,2016.

7.3. Product Dairy

In order to address the increasing demand for Aavin milk products in Chennai, the Government had announced the expansion of the existing product dairy at Ambattur. This new facility will be exclusively used to manufacture 15,000 litres of Ice Cream and 1,000 Kgs. of Paneer per day. Manufacture of other milk products will continue from the existing facility. The total estimated cost of the project is Rs.18.35 crore, out of which Rs.13 crore is being provided under National Mission for Protein Supplement (NMPS) and remaining Rs 5.35 crore will be sourced from the Federation's own funds.

Civil works have been initiated by the Federation and are under progress. The mechanical and electrical works including services of refrigeration, steam, electricity and water requirement have been entrusted on turnkey basis to NDDB, Anand. The work will be completed by June, 2015.

7.4. Pudukottai Dairy

The chilling centre which was established at Pudukottai under Operation Flood was closed on 16.10.1993 as it could not be operated to its full capacity. Since then, milk collected from the societies in Pudukottai district was sent to Tiruchirapalli Union and packed milk after processing was sent back to Pudukottai for selling to consumers.

In order to strengthen dairying activities and to provide good quality milk to consumers in Pudukottai district, a new dairy, in an area of 3.50 acres has been established in Pudukottai with a processing capacity of 35,000 litres per

day at a cost of Rs.2.99 crore under Intensive Dairy Development Programme. This dairy was inaugurated by the Hon'ble Chief Minister of Tamil Nadu on 18.07.2014.

7.5. Kakkalur Dairy

The Kakkalur dairy of Kancheepuram – Thiruvallur District Cooperative Milk Producers Union located in 5.18 acres in Kakkalur Industrial Estate has been expanded to handle 1 lakh litres of milk per day at a cost of Rs.4.51 crore under the National Agriculture Development Programme. This dairy was inaugurated by the Hon'ble Chief Minister of Tamil Nadu on 18.07.2014. This dairy is functioning as a Satellite Dairy catering to the increasing requirements of consumers in Chennai City.

7.6. Integrated Dairy Management System (IDMS)

An Integrated Dairy management System is being established in the Federation and four Feeder Balancing Dairies of Salem, Madurai, Erode and Krishnagiri at a total outlay of

Rs.18.34 crore, which is provided as 100% grant by Government of India.

Administrative approval of Ministry of Communication and Information Technology, Government of India has been obtained for implementing the project.

Steps have been taken for appointment of consultant through ELCOT.

7.7. National Dairy Plan-I (NDP)

Increasing the productivity of cows is essential to maintain India's status of being the highest milk producer in the world. To achieve this goal, selection of bulls possessing superior milk production traits is very important. With this objective, Progeny Testing Programme has been included in the National Dairy Plan-I which is being funded by the World Bank. As Tamil Nadu has a high population of Crossbred Jersey Cows, the State has been chosen for this programme at a total outlay of Rs.39.28 crore.

The duration of the project is from 2012-13 to 2017-18 and it is being implemented in five District Unions, viz. Vellore, Villupuram, Erode, Salem and Tiruchirapalli. Under this programme, good quality bulls will be produced through nominated mating of elite cows with proven semen and bulls will be ranked based on the performance of their daughters. By the end of the project around 247 bulls will be made available, for future semen production.

7.8. Coimbatore Dairy

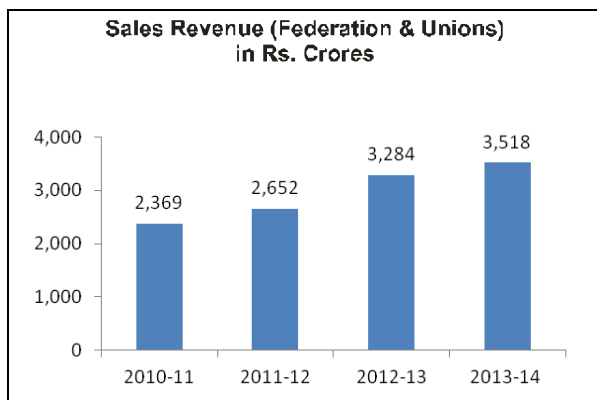
Coimbatore dairy with a capacity of 2 lakh litres per day (LLPD) was commissioned during 1987 in an area of 36 acre at Perurchettypalayam Village, Perur Taluk, Coimbatore District.

Considering the milk production potential of the District, the Dairy at Coimbatore is being modernized and expanded to handle 5 LLPD at a total out lay of Rs.54.80 crore. The works

relating to packing section and refrigeration system are nearing completion. The works related to new processing hall are in progress. All the works will be completed before the end of 2015.

7.9. Sales Revenue (Federation and Unions)

A record sales revenue of Rs.3,518 crore was achieved during the year 2013-14 as against Rs.2,369 crore in 2010-11, Rs.2,652 crore in 2011-12 and Rs.3,284 crore in 2012-13. This was achieved due to increase in sales of milk and products.



8. MILK PRODUCERS' WELFARE MEASURES

All the activities of the dairy cooperatives at all the three levels are taken up with the primary objective of furthering the interests of the most important stakeholders i.e. the milk producers.

8.1. The Restructured Peraringnar Anna Co-operative Milk Producers' Welfare Fund

This fund has been created for the benefit of the milk pouring members of the primary dairy cooperative societies to support them and their families in times of distress and to encourage them to continuously pour milk to the Milk Producers' Cooperative Society and maintain their loyalty to the Milk Producers' Cooperative Society.

The producer member contributes Re. 1 per month to the fund and a matching contribution of Re. 1 is made by the concerned society and the District Union (50 paise by each of them). Financial assistance is provided to the subscriber for loss of organ or death in an accident. Assistance is also given for education and marriage purposes to the legal heir of the deceased. To get the full quantum of financial assistance from this fund, the milk pouring member should have poured a minimum of 120 litres of milk in 180 days in the preceding one year, prior to the date of accident.

The Government has enhanced the assistance provided to milk producers as per G.O.Ms.No.306 Animal Husbandry, Dairying & Fisheries (MP-I) Department, Dated. 20.11.2013.

Table 18:-

S. No.	Assistance	Earlier Benefit	Revised Benefit
1	Death due to fatal accident	Rs.1.00 lakh	Rs.1.75 lakh
2	Loss of more than one organ in accident	Rs.1.00 lakh	Rs.1.75 lakh
3	Loss of any one organ in accident	Rs.50,000/-	Rs.75,000/-
4(a)	In addition to the financial assistance mentioned Sl. No.(1) or (2) or (3), Education assistance to legal heir-two Children below 21 years	Rs.5,000/-	Rs.10,000/-
4(b)	In addition to the financial assistance mentioned Sl. No.(1) or (2) or (3), Marriage assistance to legal heir-one female child of legally permitted marriageable age	Rs.5,000/-	Rs.10,000/-

So far 35 applications have been received under this scheme and they are under process. 35 families will be benefited.

8.2. Enhancement of milk procurement price

In order to ensure remunerative prices to milk producers, Government **increased the milk procurement price per litre from Rs.18/- to Rs.20/- for cow milk & Rs.26/- to Rs.28/- for buffalo milk** on 18.11.2011. The Government effected another **increase of procurement price from Rs.20/- to Rs.23/-per litre for cow milk and Rs.28/- to Rs.31/- per litre for buffalo milk on 1.1.2014** which is the highest ever single increase in milk procurement price. Though the procurement price was increased by Rs.3/- per litre from 1.1.2014, the **selling price by Unions/Federation was not increased**. Thus, over the last three years, milk procurement price has been increased by Rs.5/- per litre both for cow milk and buffalo milk.

The Government sanctioned a sum of Rs.43.36 crore as Ways and Means Advance so

as to ensure that payment to the milk producers is not delayed due to non increase of selling price of milk.

8.3. Payment of Incentive to Milk Producers

The District Unions that have earned surplus income over their expenditure share the surplus income with the milk producers by provision of incentives. This incentive amount normally ranges from 60 paise per litre to Rs.1.60 per litre depending on the surplus generated by the particular district union. Over the last three years an amount of Rs.100.69 crore has been paid as incentive to the milk producers. The Hon'ble Chief Minister of Tamil Nadu disbursed an amount of Rs.39.17 crore as incentive to 2,11,742 milk producers on 09.12.2013.

8.4. Payment of bonus to cooperative Milk Producers

Members of the milk producers' co-operative societies are stakeholders of the society. Whenever the society earns profits, the member producers are paid dividend on share capital, patronage rebate and 50% of the profit as bonus for the value of milk supplied by them to the society.

This ploughing back of 50% of profit to the member milk producers, as provided in the by-laws of Milk Producers' Cooperative Societies (MPCS), is unique to the dairy co-operative sector and this has created a close bond between the producers and the co-operative societies.

During the year 2013-14 a sum of Rs.19.64 crore has been paid as bonus, dividend and patronage rebate by 1,047 Milk Producers Cooperative Societies benefiting 1.05 lakh members.

8.5. Supply of subsidized Cattle Feed, Mineral mixture and Green fodder

Drought causes distress to animals as it adversely affects the availability of green fodder thereby impacting animal health and yield. With a view to provide succour to the milk producers, the Government made available subsidized cattle feed, mineral mixture and green fodder in all the 31 drought affected revenue districts outside Chennai. Subsidy of Rs 4 per kg of cattle feed, Rs 25 per kg of mineral mixture and 50% subsidy for green fodder was provided.

Details of the benefits provided to milk producers for 2013-14

Table 19:-

S. No	Component	Physical (in MTs)	Financial (Rs. in lakh)	Number of Beneficiaries
1	Subsidized cattle feed	59,886	2,395.50	2,02,537
2	Subsidized mineral mixture	260.641	65.03	70,328
3	Subsidized green fodder	42,085	1,071.54	48,656
	Total	1,02,231.641	3,532.07	3,21,521

8.6. Artificial Insemination

Artificial Insemination (AI) is carried out by trained Village Level Workers (VLWs) and Veterinarians of Milk Unions at the doorstep of the milk producers. Totally 18.15 lakh AIs were performed in 2013-14.

8.7. Star Status to Members

The milk producers' are the backbone of dairy cooperative movement. To honour the loyalty of milk producers within the cooperative ambit, the Hon'ble Chief Minister had announced on the floor of the Assembly on 17.4.2013 that star status will be conferred to 300 best milk producers of each union at a total cost of Rs. 1.02 crore.

In continuation to the announcement, the Hon'ble Chief Minister inaugurated the distribution of star status and prize money to the milk producers' on 9.12.2013.

Accordingly, 300 best milk producers' were selected from each District Union. Certificates for star status and cash prize of Rs.3, 000/- each for first 100 milk producers, Rs.2, 000/- each for second 100 milk producers and Rs.1,000/- each for third 100 milk producers' were awarded. Overall, 5,100 best milk producers' were given star status and cash prize. This scheme will be continued for the year 2014-15.

8.8. Star Status to Societies

The role of primary societies in the rural economy is very important as it provides sustainable income to the member milk producers. In order to recognize the societies that are functioning well, Hon'ble Chief Minister had announced on the floor of the assembly on 17.04.2013 that star status will be accorded to 10 best milk supplying MPCS in each union at a total cost of Rs. 14.45 lakh.

In continuation to the announcements, The Hon'ble Chief Minister inaugurated the distribution of star status & prize money to Milk Producers' Cooperative Societies on 9.12.2013. Accordingly certificates for Star status and first prize of Rs. 25,000/-, second prize of Rs. 15,000/-, third prize of Rs. 10,000/- and 7 prizes of Rs 5,000/- each for 10 Milk Producers' Cooperative Societies in each District Union were given. Over all 170 Societies were given star status and cash prizes. This scheme will be continued for the year 2014-15.

8.9. Installation of Bulk Milk Coolers

To maintain the initial quality and improve the shelf life of milk, Bulk Milk Coolers (BMC) have been established at the village level with financial assistance under National Agriculture Development Programme (NADP), Strengthening Infrastructure for Quality and Clean Milk Production (SIQ&CMP), Intensive

Dairy Development Program (IDDP) and other Government schemes. Bulk Milk Coolers of 2,000, 3,000 and 5,000 litres capacities, depending on the procurement level, have been installed.

Bulk Milk Coolers are established in places where:

1. The average total milk procurement of the society (or) cluster societies is more than 2,000 litre per day.
2. Cluster societies should function within a radius of 10 Kms.
3. Bulk Milk Cooler shall be installed only if required land and building are available in the society.

So far, 262 BMCs with Chilling Capacity of 11.19 lakh litre per day have been installed.

8.10. Foot and Mouth Disease Programme (FMD)

Vaccination against Foot and Mouth Disease is regularly carried out in co-ordination with Animal Husbandry Department. More than

17 lakh animals within the cooperative ambit were covered under FMD vaccination programme over a period of 21 days from 1.3.2014 to 21.3.2014 in an intensive manner. Mopping up vaccination was carried out over a period of three weeks so as to cover any leftover animals. The services of more than 250 veterinarians and 2,600 Village Level Workers available within the cooperative fold were also utilized to ensure 100% coverage.

8.11. Cattle Shed

It is proposed to provide cattle shed to the milk producers for a herd size of 2, 3, 6 and 9 milch cattle at free of cost in collaboration with the Rural Development & Panchayat Raj department with funds sanctioned under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). It is also proposed to provide common cattle sheds at milk societies to facilitate milking under the above scheme.

9. STAFF WELFARE MEASURES

- 1) A record number of 444 staff were promoted by the District Unions during the year 2013-14.
- 2) Government as per Ref Lr.No. 20939/12/M.P.II, dated 11.11.2013 had permitted the Commissioner for Milk Production and Dairy Development to instruct the General Managers of District Cooperative Milk Producers Unions concerned to provide pay scale of Rs.3,840-8,000 + GP of Rs.1,040/- and DA applicable, to 155 Casual Labourers in 10 District Milk Unions. This benefit was given with effect from 11.11.2013
- 3) During the year 2013-14, 295 staff of the Tamil Nadu Cooperative Milk Producers' Federation were given promotion.

- 4) Productivity linked incentives were given to employees of Federation and District Cooperative Milk Producers Unions.
- 5) Bonus and ex-gratia were given to the employees of the Federation and Unions.
- 6) Gift packets were given to the employees of Federation / District unions during occasions like Deepavali and Pongal.
- 7) Rectification of defects pointed out in Audit: Many employees of the Federation and District Unions could not get their retirement benefits for many years due to audit objections pending against them. The Audit Review Accounts Committee (ARAC) is empowered to take up replies furnished on the audit paras and decide on their settlement. In the past, meetings of this committee could not be conducted regularly due to various factors like non receipt of replies, non availability of norms, etc. In order to

alleviate the hardship of retiring employees, an Additional Director taken on deputation from Rural Development Department has been entrusted with this task. Meetings of Audit Review Accounts Committee are being conducted regularly and during 2013-14, 30 such meetings were conducted. In order to facilitate decision making on the spot, these meetings are now being conducted at the headquarters of District Unions also. Due to these efforts, 444 audit objections have been settled and 42 retired employees could get their retirement benefits. This measure has also helped in clearing the balance sheets of District Unions by releasing non statutory reserves to the tune of Rs.357.06 crore.

10 DEPARTMENT OF AUDIT FOR MILK CO-OPERATIVES

The Department of Audit for Milk Co-operatives is functioning from 01-10-1987. This Department is entrusted with conducting of statutory audit for Tamil Nadu Co-operative Milk Producers' Federation Limited, 17 District Co-operative Milk Producers' Unions and all Primary Milk Producers'/ Consumers' Co-operative Societies. In addition to the 28 employees of this department, 307 employees are working on deputation from Co-operative Department and Treasuries and Accounts Department.

The audit of Tamil Nadu Co-operative Milk Producers' Federation, 17 District Co-operative Milk Producers' Unions and all eligible Primary Milk Producers' / Consumers' Cooperative Societies was completed up to 31.3.2013.

10.1. AUDIT FEES AND FUNDAMENTAL RULE COST

A sum of Rs.63.36 lakh has been collected towards Audit Fees and remitted to Government Account during the period between 1.4.2013 to 31.3.2014 as against the demand of Rs.65.38 lakh. Fundamental Rule cost of Rs.42.51 lakh was collected and remitted to Government Account as against the demand of Rs.47.39 lakh.

10.2. AUDIT REVIEW (ACCOUNTS) COMMITTEE MEETING

A total of 444 audit defects of 17 District Cooperative Milk Producers Unions amounting to Rs.35,706.34 lakhs and 575 audit defects of 387 MPCS amounting to Rs.422.76 lakh have been rectified during the period from 1.4.2013 to 31.3.2014.

11. Conclusion

The Hon'ble Chief Minister of Tamil Nadu has outlined a clear roadmap for the growth of Dairy Sector in the state for realizing the goal of ushering in a second white revolution. Dairy Development Department is working tirelessly towards this objective by covering the entire value chain starting from the milk producers up to the consumers. In this direction, various steps like formation of new societies, activation of dormant societies, strengthening of procurement infrastructure at village level, improvement and establishment of new processing infrastructure at dairy level, etc., have been taken up.

Dairy Development Department recognizes the increasing importance of dairy sector in rural economy of the state and is also aware of the increasing preference towards milk and milk products among the consumers in view of

their health and nutritional benefits. By implementing various schemes in an effective and efficient manner, in line with the vision of Hon'ble Chief Minister, the Department is working towards the goal of ensuring that Tamil Nadu occupies a place of prominence in the dairy sector.

V.MOORTHY
Minister for Milk and
Dairy Development

Milk Cooperative Sector at a glance

S. No	Items	
1	Total number of functional Milk Producers' Coop. Societies	11,503
2	Milk Producers' Co-operative Societies formed during 2013-14 (in Nos.)	977
3	Total Number of members in Milk Producers' Cooperative Societies (In Lakh)	22.94
4	Total No. of milk pouring members (In lakh)	4.29
5	Milk Production by societies (In llpd)	25 to 30
6	No of District Cooperative Milk Producers Union	17
7	State Level Federation	1
8	No. of Registered private Dairies in the State	42
9	Milk Procurement by Unions on a seasonal average (In llpd)	21 to 25
10	Milk marketing in Chennai City (In llpd)	11.28
11	Milk marketing in District Unions (In llpd)	9.92
12	Number of Union Dairies	17
13	No. of Federation Dairies	4
14	Handling Capacity of Union Dairies (In llpd)	21.07
15	Handling Capacity of Federation Dairies (In llpd)	10.00
16	Number of Chilling Centres	35
17	Handling Capacity of Chilling Centres (In llpd)	14.75

18	Number of Bulk Milk Cooler Units	262
19	Handling Capacity of Bulk Milk Cooler units (In l/lpd)	11.19
20	Number of rural milk collection routes	530
21	Number of milk distribution routes at the level of District Cooperative Milk Producers Union	266
22	Number of milk distribution routes in Chennai Metro	113
23	Number of Powder plants (Erode, Salem, Madurai and Dharmapuri District Unions)	4
24	Capacity of powder plants for drying Milk (MT/day)	70
25	Butter storage capacity (in MT)	1750



Member supplying milk at the society.



Bulk Milk Cooler.



Testing equipments - Milk Analyzer and Milk-o-Tester.



Thiruvannamalai Dairy.



Butter packing in Erode Dairy.



**Salem Dairy - Automatic
Double Decker Sachet Stacking.**



Hon'ble Chief Minister of Tamil Nadu inaugurated the issue of certificates and cheques as incentive for the milk supplied by milk producers to the cooperative society on 09.12.2013.



Kakkalur Dairy.



Range of products.

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