

GOVERNMENT OF INDIA  
MINISTRY OF FISHERIES, ANIMAL HUSBANDRY AND DAIRYING  
DEPARTMENT OF ANIMAL HUSBANDRY AND DAIRYING  
LOK SABHA

STARRED QUESTION No. \* 433

TO BE ANSWERED ON 1<sup>st</sup> APRIL 2025

**DAIRY COOPERATIVES IN TELANGANA**

\* 433. SHRI VAMSI KRISHNA GADDAM:

Will the Minister of **Fisheries, Animal Husbandry and Dairying**

**मत्स्यपालन, पशुपालन और डेयरी मंत्री**

be pleased to state:

- (a) the details of funds allocated and the percentage utilised by dairy cooperatives in Telangana during the last three years;
- (b) whether the Government has assessed reasons for the decline in cooperative milk production in districts like Nizamabad and Warangal;
- (c) the steps taken to revive ailing cooperatives; and
- (d) whether any request has been received from the State of Telangana for increasing central funds under cooperative development schemes, if so, the steps taken in this regard?

**THE MINISTER OF FISHERIES, ANIMAL HUSBANDRY AND DAIRYING**

**(SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH)**

(a) to (d) A statement is laid on the Table of the House

**STATEMENT REFERRED TO IN REPLY OF LOK SABHA STARRED QUESTION NO. 433 PART (A) TO (D) ON “DAIRY COOPERATIVES IN TELANGANA” ANSWERED ON 01.04.2025.**

- (a) The details of funds released by the Department of Animal Husbandry and Dairying (DAHD), Government of India (GoI) under dairy development Schemes to Dairy Cooperatives in Telangana during the last three years (2021-22, 22-23 and 23-24) and the percentage utilized is as under:

Name of the Scheme	(Rs in Cr)		percentage utilized
	Funds released during last three years (2021-22, 22-23 and 23-24)	Funds utilized during last three years (2021-22, 22-23 and 23-24)	
National Programme for Dairy Development (NPDD)- Grant/Loan	34.63	27.64	80%
Animal Husbandry Infrastructure Development Fund (AHIDF)* - Loan	120.94	120.94	100%
Supporting Dairy Cooperatives & Farmer Producer Organisations engaged in dairy activities (SDCFPO) -Interest subvention	0.4	0.4	100%
Total	155.97	148.98	96%
<i>*Erstwhile Dairy Processing and Infrastructure Development Fund (DIDF)- Interest subvention @ 2.5%. Now merged in AHIDF - Interest subvention @3% to Pvt as well as Cooperatives on loan disbursed</i>			

- (b) The milk production in the Telangana increased to 5840 thousand tonnes in 2023-24 from 4207 thousand tonnes in 2014-15 with significant increase of 38.81 % in milk production over the past decade. However, the Government of Telangana has recognized and assessed the several factors that have contributed for decline in cooperative milk production in districts like Nizamabad and Warangal. Some of the factors are as under:

1. Inadequate green fodder facilities
2. Increased feeding costs- High costs of Feed ingredients and Concentrates
3. Low productivity from milch animals due to inadequate green fodder facilities

In order to strengthen fodder seed production chain to improve availability of certified fodder seed required for fodder production and encouraging entrepreneurs for establishment of fodder Block/ Hay Bailing/ Silage Making Units through incentivization, DAHD, GoI is implementing sub-Mission for feed and fodder development under National Livestock Mission (NLM). An amount of Rs 592 lakh has been released to Telangana for quality fodder seed production.

- (c) DAHD, GoI is implementing the following Dairy Development schemes across the country to supplement the efforts made by the State Government for strengthening/ upgradation of milk processing infrastructure of Dairy Cooperatives:

- (i) **National Programme for Dairy Development (NPDD):** NPDD is implemented with following 2 components:
- a. **Component 'A'** of NPDD focuses on creating and strengthening infrastructure for quality milk testing and primary chilling facilities. It benefits State Cooperative Dairy Federations, District Cooperative Milk Producers' Unions, Self Help Groups (SHGs), Milk Producer Companies, and Farmer Producer Organizations. This component aims to improve milk quality and safety from production to storage.
  - b. **Component 'B'** of NPDD ("Dairying through Cooperatives") enhances the sale of milk and milk products by increasing farmers' access to organized market. It upgrades milk processing and marketing infrastructure, boosting the capacity of producer-owned institutions. This component ensures better market linkage and processing efficiency.
- (ii) **Supporting Dairy Cooperatives & Farmer Producer Organisations engaged in dairy activities (SDCFPO):** This initiative aims to aid State Dairy Cooperative Federations by offering soft working capital loans to help them navigate crises caused by severely adverse market conditions or natural calamities.
- (iii) **Animal Husbandry Infrastructure Development Fund (AHIDF):** The primary objectives also include enhancing milk processing capacity and encouraging product diversification. These measures aim to provide better access for unorganized rural milk producers to organized market, thereby fostering growth and inclusivity in the sector.

In addition to above, with support of Government of India the Government of Telangana has initiated several measures to revive dairy cooperatives like Vijaya Dairy, which includes:

- i. **Incentive Payments to Dairy Farmers:** The Telangana Government introduced Rs.4 per litre incentive to dairy farmers to offset production cost.
- ii. **Increased milk procurement prices** to support small and marginal farmers.
- iii. **Subsidized feed concentrates programs** to reduce feeding cost and improve livestock health.
- iv. **Training programs** for dairy farmers to enhance management skills and increase productivity.
- v. **Financial support** through loan (e.g., Mudra, PMEGP (Prime Minister's Employment Generation Programme), Stree Nidhi, and Kisan Credit Cards (KCC)) for cattle purchase and working capital.
- vi. **Interest subvention** on working capital loan to ease financial pressure on dairy cooperatives.
- vii. **Artificial Insemination (AI) services** provided to farmers to improve cattle genetics and milk yields.

Further, the Government of Telangana informed that support from the Ministry of Rural Development (MoRD), Under Shyama Prasad Mukharjee RURBAN Scheme An amount of Rs.12.30 Cr was allotted under the RURBAN scheme by the District Collectors of Sangareddy, Rangareddy, Warangal,

Nagrkurnool, Mahbubnagar, Medak, Jangaon and Kamareddy Districts of Telangana towards establishment of Milk chilling and processing infrastructure.

- (d) No Sir, there is no request from Telangana for increased Central funds. However, the schemes are demand-driven, and projects submitted by the State Government are considered as per the norms of the scheme guidelines. The details of project sanctioned under dairy development schemes for Cooperatives in Telangana is as under:

**i. NPDD Scheme:**

- a. Under Component A of NPDD Scheme, 8 projects have been sanctioned in Telangana with total project cost of Rs. 8916.24 lakh, out of which Central share is Rs. 6967.31 lakh and out of this, an amount of Rs. 3770.88 lakh has been released and Rs. 3120.25 lakh has been utilized so far.
  - b. Under Component B of the NPDD Scheme, one project has been sanctioned in Telangana with a total project cost of Rs. 9070.94 lakh, comprising a loan of Rs. 7152.61 lakh, a grant of Rs. 1246.30 lakh, and a producer institution contribution of Rs. 672.03 lakh. So far, Rs. 4522.19 lakh has been released, which includes a loan amount of Rs. 4161.71 lakh and a grant amount of Rs. 360.48 lakh to support the project's implementation.
- ii. **SDCFPO:** As on 16.03.2025, Rs 65.15 lakh (Rs 39 lakh regular interest subsidy and Rs 26.15 lakh additional interest subsidy amount) has been released against the working capital loan amount of Rs 150 crore @ 2% per annum to 2 Milk Unions/Federations.
- iii. **AHIDF:** 3 proposals have been approved under the erstwhile Dairy Processing and Infrastructure Development Fund (DIDF) Scheme with a total cost of Rs. 261 crore including loan of Rs. 156.70 crore, out of which Rs 134.22 Cr has been released under the scheme on which interest subvention has been provided.

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