

Krishi Bhawan, New Delhi-110001
Dated the 28th April, 2016

OFFICE MEMORANDUM

Subject: - Administrative Approval of Central Sector Scheme "National Dairy Plan Phase-I (NDP-I)" during 2016-17.

In continuation to this Department's OM of even no. dated 19.05.2015 and subsequent addendum vide Department's OM of even no. dated 03.08.2015, the undersigned is directed to convey the administrative approval of Government of India for continuation of Central Sector Scheme "National Dairy Plan" phase I during the year 2016-17. The objectives of the scheme are as follows:-

- a) To help increase productivity of milch animals and thereby increase milk production to meet the rapidly growing demand for milk.
- b) To help provide rural milk producers with greater access to the organised milk-processing sector.

These objectives would be pursued through the adoption of focused scientific and systematic processes in provision of technical inputs supported by appropriate policy and regulatory measures.

2. NDP-I will be implemented with a total investment of about Rs.2,242 crore comprising Rs.1584 crore as International Development Association (IDA) credit, Rs.176 crore as Gol share, Rs.282 crore as share of End Implementing Agencies (EIAs) that will carry out the projects in participating States and Rs.200 crore by National Dairy Development Board (NDDB) and its subsidiaries for providing technical and implementation support to the project.

3. Pattern of funding under the scheme will be 100% grant-in-aid for nutrition and breeding activities. In the case of new semen station, 25% of the project cost of the capital expenditure and in the case of village based milk procurement systems, 50% of the cost of capital items will be shared by the End Implementing Agencies. Administrative expenses including training expenses under the scheme would be kept within the admissible 6% ceiling of total expenditure proposed under the scheme.

4. The key components of NDP-Phase I are:

[A]. Productivity Enhancement

- a). Production of high genetic merit (HGM) cattle and buffalo bulls and import of Jersey/ HF Bulls for semen production



- i) Progeny testing
 - ii) Pedigree Selection
 - iii) Import of bulls (equivalent embryos)
- b). Strengthening existing semen stations / starting new stations for producing high quality disease free semen doses
 - i) Strengthening existing semen stations -(A & B graded semen stations only)
 - ii) New Semen stations
- c). Setting up a pilot model for viable doorstep AI delivery services (based on Standard Operating Procedures [SOPs]) through a professional service provider including animal tagging and performance record
- d). Improving nutrition of milch animals to produce milk commensurate with their genetic potential and for reducing methane emission
 - i) Ration Balancing Program
 - ii) Fodder Development

[B]. Village based milk procurement systems for weighing, testing quality of milk received and making payment to milk producers

- a) Milk weighing, testing and collection
- b) Milk cooling
- c) Support for creating institutional structure
- d) Training

[C] Project Management and Learning

- a) ICT Based MIS
- b) Learning & Evaluation

5. NDP-I would now focus on 18 major milk producing States (*after Andhra Pradesh was bifurcated into Andhra Pradesh and Telangana*) viz; Uttar Pradesh, Punjab, Haryana, Gujarat, Rajasthan, Madhya Pradesh, Bihar, West Bengal, Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Uttarakhand, Jharkhand, Chhattisgarh, Odisha and Kerala which account for over 90% of the country's milk production. Coverage of NDP I will however be across the country in terms of benefits accruing from the scheme.

6. The scheme will be implemented by NDDB through end implementing agencies (EIAs) comprising State Livestock Boards, State Cooperative Dairy Federations, District Cooperative Milk Producer Unions, cooperative forms of enterprises such as Producer Companies, Trusts (NGO's, Section 25 companies), subsidiaries of statutory bodies, ICAR institutes and Veterinary/Dairy Institutes/Universities and any other entity as may be decided by the National Steering Committee to be set up under the NDP-I. The EIAs will be eligible for funding of various components based on the eligibility criteria which will comprise geographical, technical, financial and governance parameters.



7. NDP-I is to be implemented in States where the respective state governments commit to undertake the necessary regulatory/ policy support to prepare an environment for successfully implementing the scheme. The regulatory / policy support to be provided by the state governments are:

- a) Having in place an appropriate breeding policy;
- b) AI delivery services not being notified as a Minor Veterinary Service (MVS);
- c) Charges for AI delivery being raised gradually to cover full cost;
- d) Semen for AI delivery in the state being sourced only from semen stations graded A or B;
- e) Adoption of common protocols and SOPs issued by DADF for all breeding activities; and
- f) Notification of State Rules under the Prevention and Control of the Infectious Diseases in Animals Act.

8. **Projects under the scheme will be approved and monitored by the Committees as indicated below.**

(a) National Steering Committee (NSC) chaired by Secretary, DADF, GoI would approve State Plans, Annual Action Plans, sanction release of funds to NDDDB as well as re-appropriation of funds, and generally oversee and review implementation of NDP I. The NSC would have the authority to consider and approve changes in eligibility criteria with reference to implementing agency, project area, norms of unit cost of components/items, composition of National & Project Steering Committees, component structure and re-appropriation proposals. The composition of the NSC will be as below:

- i) Secretary, DADF, GOI – Chairman,
- ii) Chairman, NDDDB,
- iii) Animal Husbandry Commissioner, GoI,
- iv) Additional Secretary & Financial Adviser, DADF,
- v) Joint Secretary (Dairy Development), DADF,
- vi) Principal Secretary/Secretary (AH & Dairying) (from two States on rotation basis)
- vii) Managing Director, NDDDB as Mission Director, NDP I

(b) Project Steering Committee (PSC) to be headed by Mission Director (NDP I) will have representatives of DADF and NDDDB. The Secretary (AH & Dairying) of the concerned State Government or his representative would be an invitee while discussing proposals pertaining to that particular state. The project proposals received from EIAs are to be examined and recommended by Project Management Unit (PMU), NDDDB and will be placed before the PSC for approval and sanction of funds for disbursement. The PSC will sanction project proposals and have project oversight. PSC will meet as frequently as necessary to ensure that sub project proposals are considered/ sanctioned within one month of submission by the PMU. The PSC will have powers to authorize the re-

