

F. No.4-9/2021-DP (E-19690)
Government of India
Ministry of Fisheries, Animal Husbandry and Dairying
Department of Animal Husbandry and Dairying

Krishi Bhawan, New Delhi
Dated: 3rd August 2021

Subject: Administrative approval for implementation of Central Sector Scheme "National Programme for Dairy Development" from 2021-22

The undersigned is directed to convey the Administrative Approval towards implementation of restructured Central Sector Scheme "National Programme for Dairy Development (NPDD)" with an allocation of Rs 1790.00 crore from 2021-22 to 2025-26.

2. National Programme for Dairy Development (NPDD) aims to enhance quality of milk and milk products and increase share of organised procurement, processing, value addition and marketing. This scheme has two (2) components:-

(i) The **Component 'A'** focuses towards creating/strengthening of infrastructure for quality milk testing equipment as well as primary chilling facilities for State Cooperative Dairy Federations/ District Cooperative Milk Producers' Union/SHG run private dairy/Milk Producer Companies/Farmer Producer Organisations.

The committed liabilities of ongoing NPDD scheme approved till 31.03.2021 shall be met under the revised scheme during first two years i.e. 2021-22 & 2022-23 as per administrative approval issued at the time of approval of respective projects.

(ii) The **Component 'B'** provides financial assistance from Japan International Cooperation Agency (JICA) as per project agreement already signed with them. The central Government share in this project is proposed to be funded through NPDD.

2. A copy of the operational guidelines of NPDD (Component A & B) and brief description of activities to be taken up is **enclosed** herewith. The proposal may be prepared by furnishing requisite information as per prescribed factsheet and Annexure of the guideline. The project proposal of SIA duly recommended by State Government/SLTMC should be submitted to DAHD for consideration.

3. Implementation Mechanism:

3.1 At the apex level, there will be a Central Project Steering Committee (CPSC), headed by Secretary (AHD), GoI, which will provide policy and strategic support to the project, monitor the progress of approved projects of NPDD, consider annual action plans, give policy directions and shall have the authority to re-appropriate component-wise fund requirement in approved programmes, change the eligibility conditions and other terms and conditions of the agreements between stakeholders, implementation

arrangement and can change the composition of committees viz. CPSC and PSC.

3.2 Project Sanctioning Committee (PSC) headed by Secretary AHD, GoI will have the authority to sanction projects after appraisal by Dairy division of DAHD. PSC will have power for re-appropriation of funds within the components/within the approved sub projects, change norms and change unit cost of items of the project. PSC will be responsible for consideration of proposals received from/recommended by SLTMC.

3.3 At the State level, there will be a State Level Technical Management Committee (SLTMC), which will be headed by Additional Chief Secretary/Principal Secretary/Secretary/Commissioner of the State, comprising representative of DAHD, SRLM, State Dairy Federation and NDDDB as members for effective implementation and to have synergy among the similar dairy development programmes implemented in the State. SLTMC must ensure that there is no duplication of activities and project area in the States.

4. Participating States/State Implementing Agencies will submit quarterly progress reports (QPR), annual report, audit reports etc along with utilization certificate dully signed by Administrative Secretary of the concerned Department of the State Government in the prescribed formats. In case of release of last instalment under the project, consolidated utilization certificate, Quarterly progress Report, audit expenditure statement may be submitted. State Level Technical Monitoring Committee (SLTMC) meetings shall be held regularly to review the progress of project under intimation to this Department. The funds released under the project will be subjected to AG Audit of the concerned State.

5. This issues with the approval of Secretary (AHD) vide Note#16 diary No.E-19690 dated 29.07.2021.

Yours faithfully,

Encl.: a/a



(Deepak Sethi)

Under Secretary to the Government of India

DEEPAK SETHI
Under Secretary
DAHD

Distribution:

1. Principal Secretary/Secretary, Department of Animal Husbandry/Dairy Development, All States and UT's
2. Advisor (PAMD), NITI Ayog, Agriculture Division, Yojana Bhawan, New Delhi
3. Chairman, National Dairy Development Board, Anand, Gujarat
4. Managing Director, Milk Federation, All States
5. Director, National Dairy Research Institute, Karnal, Haryana- 132001
6. Principal Accounts Officer, Ministry of Fisheries, Animal Husbandry & Dairying, Department of Animal Husbandry and Dairying, Jeevan Tara Building, Parliament Street, New Delhi-110001.

7. Chief Controller of Accounts Department of Animal Husbandry and Dairying, Krishi Bhawan, New Delhi-110001.
8. The Accountant General, Commerce, Works and Miscellaneous, AGCR Building, Near ITO, New Delhi-110 002.
9. Deputy Director General (Animal Sciences), ICAR, Krishi, Krishi Bhawan, New Delhi
10. Chief Representative, JICA India Office, Japan International Cooperation Agency (JICA), 16th Floor, Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi - 110 001, India
11. Director, National Rural Livelihoods Mission (NRLM), Ministry of Rural Development, Krishi Bhawan, New Delhi

Copy for kind information to:

1. PS to Hon'ble Minister, FAHD
2. PS to Hon'ble MOS (SKB), FAHD
3. PS to Hon'ble MOS (LM), FAHD
4. Sr.PPS to Secretary (AHD)
5. PPS to AHC
6. PPS to AS &FA
7. PS to JS(C&DD)/Dir (Budget)/DC(CS)/AC(DS)
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Government of India

Department of Animal Husbandry and Dairying

(Ministry of Fisheries, Animal Husbandry and Dairying)

Operational Guidelines

of

National Programme for Dairy Development

July 2021

OPERATIONAL GUIDELINES FOR IMPLEMENTATION OF NATIONAL PROGRAMME FOR DAIRY DEVELOPMENT (NPDD)

National Programme for Dairy Development (NPDD) aims to enhance quality of milk and milk products and increase share of organised procurement, processing, value addition and marketing. This scheme has two (2) components.

1.1 The **Component 'A'** focuses towards creating/strengthening of infrastructure for quality milk testing equipment as well as primary chilling facilities for State Cooperative Dairy Federations/ District Cooperative Milk Producers' Union/SHG run private dairy/Milk Producer Companies/Farmer Producer Organisations

1.2 The **Component 'B'** provides financial assistance from Japan International Cooperation Agency (JICA) as per project agreement already signed with them. The central Government share in this project is proposed to be funded through NPDD.

1.3 The operational guidelines of Component 'A' and 'B' are given at **Appendix-I & II** respectively.

COMPONENT A

2. AREA OF OPERATION:

2.1 Component A will be implemented throughout the country.

2.2 Component A will finance all components in States where Component B- Dairying through Cooperatives (DTC) under JICA assistance is not implemented.

2.3 In the case of States covered under Component B- DTC under JICA assistance, namely, Bihar and Uttar Pradesh, any addition of state shall be in compliance to the loan agreement between Government of India and Government of Japan. The Component A will cover those components that are not covered by DTC under JICA assistance.

3. DURATION OF THE PROJECT:

National Programme for Dairy Development (NPDD) will be implemented throughout the country from 2021-22 to 2025-26 and will continue till 2027-28.

The committed liabilities of ongoing NPDD scheme approved till 31.03.2021 shall be met under the revised scheme during first two years i.e. 2021-22 & 2022-23 as per administrative approval issued at the time of approval of respective projects. Further, the committed liability to be created under above sub-schemes during the implementation period from 2021-22 to 2025-26, will be met through budgetary support during next two years i.e. 2026-27 & 2027-28.

4. OBJECTIVE

- a) To create and strengthen infrastructure for quality milk including cold chain infrastructure linking the farmer to the consumer;
- b) To provide training to dairy farmers for clean milk production;
- c) To create awareness on Quality & Clean Milk Production;
- d) To support research and development on Quality milk and milk products

5 INSTITUTIONAL ARRANGEMENT, IMPLEMENTING AGENCIES AND PROCESS FLOW CHARTS

NPDD	Component A		
	Cooperative Sector	SHG run private dairy (registered under NRLM/SRLM)	MPC and FPOs

NPDD	Component A		
	Cooperative Sector	SHG run private dairy (registered under NRLM/SRLM)	MPC and FPOs
Recommending authority (for submission of proposals)	State Level Technical Management Committee/ Additional Chief Secretary/Principal Secretary/Secretary/Commissioner of the State (Dairy Development & Animal Husbandry Department) – Shall screen and recommend proposals to avoid duplication.		
State Implementing Agencies	All State Dairy Federations in States where Milk Federation is operating. For States where there is no State Level Milk Federation, Cooperative Milk Union covering major area of operation shall be the State Implementing Agency	State Rural Livelihood Mission (SRLM), a registered society established by respective Department of Rural Development in States	National Dairy Development Board through State/Regional offices
End implementing Agencies	All State Dairy Federations and their constituent District/Taluka Level Milk Unions and farmer producer organisations, Government dairy/other registered Cooperative Unions (like dairy cooperatives registered under Multi State Coop. Act and Mutually Aided Cooperative Society Act etc.).	District Rural Development Authorities (DRDAs) operating at district level	Milk Producer Companies/ Farmer Producer organisations

NPDD	Component A		
	Cooperative Sector	SHG run private dairy (registered under NRLM/SRLM)	MPC and FPOs
Village level Participating Agencies	All dairy cooperative societies and other agencies associated or affiliated to above SIAs or EIAs like village level NGOs, SHGs, Universities, Colleges, ICAR Institutes etc.	All dairy processors and their feeder milk collection/cooling/chilling centres shall be eligible to receive assistance subject to the norms of the scheme	Milk Producer Institutions (MPIs)

5.1 Cooperative Sector:

State Dairy Federations for States viz Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Nagaland, Orissa, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand, West Bengal; and Milk Unions in remaining States and UTs will be the State Implementing Agency and shall be responsible for implementation of the approved projects. However, above SIAs may make necessary arrangement to ensure implementation of specific activities under approved projects through concerned End Implementing Agencies (EIAs) operating at district/taluka level.

In case of Government dairy/other registered Cooperative Unions (like dairy cooperatives registered under Multi State Coop. Act and Mutually Aided Cooperative Society Act etc.), not affiliated/recognized by SIAs may directly forward their proposal through State Level Technical Management Committee (SLTMC) under the programme. However, central assistance for admissible components in such cases shall be released to the concerned State Implementing Agencies directly by GoI.

5.2 SHG run private dairy (registered under NRLM/SRLM)

State Rural Livelihood Mission (SRLM), a registered society established by respective Department of Rural Development in States will be the State Implementing Agency and District Rural Development Authorities (DRDAs) operating at district level shall be the End Implementing Agency for SHG run private dairies. Government of India shall release financial assistance to respective SRLM, which in turn will release fund to District Level Rural Development authorities in respect of approved projects for SHG run private

dairies.

5.3 Village level Participating Agencies (VPAs):

5.3.1 In Cooperative Dairy Sector, all dairy cooperative societies and other agencies associated or affiliated to above SIAs or EIAs like NGOs, SHGs, village level affiliated agencies of Universities, Colleges and ICAR institutions etc. shall be eligible to participate and receive assistance under the scheme.

5.3.2 In SHG run private dairy, all dairy processors and their feeder milk collection/cooling/ chilling centres shall be eligible to receive assistance subject to the norms of the scheme

6. ACTIVITY COMPONENTS TO BE FUNDED

The list of the activities which will be funded under NPDD are as follows:

6.1 Milk Chilling facilities (including BMC) at primary level

6.1.1 Civil Work

6.1.2 Equipment for Bulk Milk Coolers & Accessories

6.2 Establishment of milk testing laboratories

6.2.1 At DCS/Village Level Laboratories/ at Bulk Milk Cooler (BMC) centers/At District Level Laboratories/At State Level Laboratories including purchase of laboratory equipments as per FSS Act/Codex

6.2.2 Purchase of laboratory equipments (for chemical/ microbial (for district/union/state level) analysis of milk and milk products)

6.2.3 Purchase of laboratory furniture

6.2.4 System for quality assurance (HACCP/ISO) including equipment/computer hardware and software etc

6.3 Certification and accreditation

6.3.1 Certification for ISO/HACCP/Quality Mark etc.

6.3.2 Certifications as per Food Safety and Standards Regulation 2011

6.4 Information and Communication Technology Networking

Strengthening of all the cooperative dairies 30 TLPD and above in cooperative sector with the software systems like block chain, SAP, ERP for developing traceability, quality network etc.

6.5 Training & Farmer Awareness Programme

Under the training component of the scheme, focus will be on the following:-

6.5.1 Training of farmers in good hygienic practices/ good manufacturing practices

6.5.2 Training of Dairy Personnel/milk tester (including Plant and Marketing staff)

6.5.3 Training on Quality management systems.

6.5.4 Training of DCS staff/ BMC/ chilling centre/ AMCU/ DPMCU on operations and quality management

6.6 Planning and Monitoring

Under the planning and monitoring components, 2% (maximum) will be earmarked to meet the cost of preparation of project proposal, monitoring including field level inspections, review meetings, documentations (success stories, outcomes, concurrent evaluations, impact evaluation etc.).

6.7 Research & Development

6.7.1 Assistance to dairies of 1 Lakh Litre capacity and above

6.7.2 For development on new products, process automation, cost effective technology in processing, bio-degradable packaging technology, A2-Milk route scheduling, traceability system development, milk situation for casting model, resource management including innovators and start-ups so that new innovation and research come up the sector.

7. FUNDING PATTERN AND FUND FLOW:

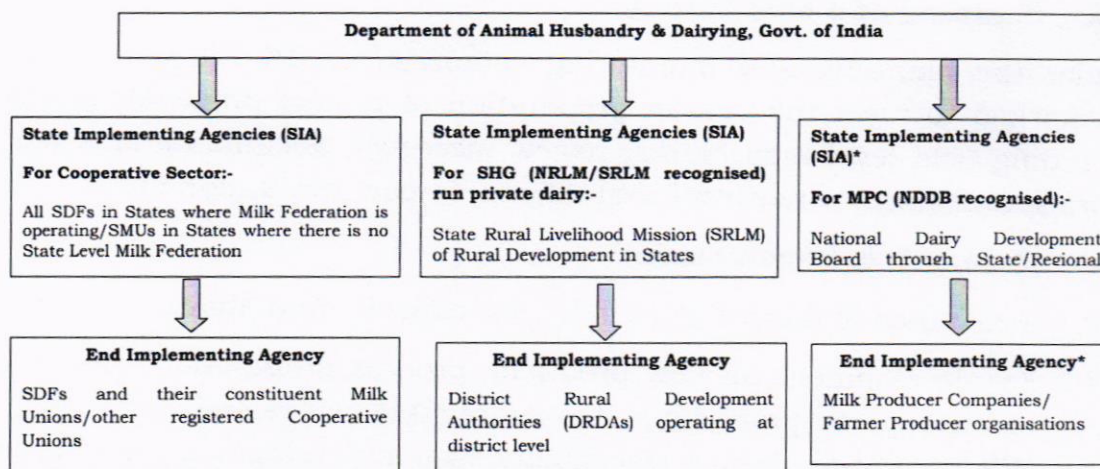
7.1 FUNDING PATTERN

- a) 60:40 cost sharing basis between GOI and State/State Implementing Agency (SIA)/End Implementing Agency(EIA)
- b) 90:10 cost sharing basis between GOI and State/SIA/EIA for NER States and Hilly States.
- c) The Central assistance for UTs will be 100%.
- d) In case of SIAs/EIAs, wherever applicable, is unable to provide its matching share, the concern SIA/EIA may source its matching share from State Government or any other loaning agency subject to fulfillment of the norms of the concerned assisting/loaning organizations. Such loaning organisations/institutions include State Government, NCDC, and Commercial banks etc.
- e) As regard funding support for Research & Development, ICT networking, training, awareness and planning & monitoring the assistance would be 100%.

7.2 FUND FLOW of Component-A of NPDD:

Under Component A of NPDD scheme instead of one State Nodal Agency, there will be three State Implementing Agencies for three different End Implementing Agencies. DAHD will release the fund to these SIAs based on the project approved by PSC and subsequent progress reported by State/SIA.

Fund Flow - Component A (Flow Chart)



State Nodal Agency-State Milk Federation/Unions for Cooperatives, SRLM for SHG run private dairies and State/Regional Office of NDDB for MPC/FPOs

8. IMPLEMENTATION MECHANISM

8.1 Central Project Steering Committee (CPSC)-

At the apex level, there will be a Central Project Steering Committee (CPSC), headed by Secretary (AHD), GoI, which will provide policy and strategic support to the project, monitor the progress of approved projects of NPDD, consider annual action plans, give policy directions and shall have the authority to re-appropriate component-wise fund requirement in approved programmes, change the eligibility conditions and other terms and conditions of the agreements between stakeholders, implementation arrangement and can change the composition of committees viz CPSC and PSC.

Secretary, DAHD	Chairperson
Financial Advisor, DAHD	Member
Animal Husbandry Commissioner, DAHD	Member
Deputy Director General (Animal Sciences), ICAR	Member
Principal Secretary/ Secretary, Department of Animal Husbandry and Dairy of States (one each from North, South, East and West)	Member
MDs of State Dairy Federations (one each from North, South, East and West)	Member
Chairman, NDDB or his nominee	Member
Managing Director/ Executive Director, NDDB	Member
Group Head (FPS), NDDB	Member
Director NDRI Karnal	Member
NRLM-Representative	Member
Representative from JICA as an observer	Member
Joint Secretary (CDD), DAHD	Member Secretary

8.2 Project Sanctioning Committee (PSC)

Project Sanctioning Committee (PSC) will be headed by Secretary AHD, GoI and will have the authority to sanction projects after appraisal by Dairy division of DAHD. PSC will have power for re-appropriation of funds within the components/within the approved sub projects, change norms and change unit cost of items of the project. PSC will be responsible for consideration of proposals received from/recommended by SLTMC. The PSC will meet quarterly or as frequently as necessary to ensure that proposals received through SLTMC are considered without unreasonable delay. The composition of PSC will be as under:

- I. Secretary, AHD, GoI –Chairman of the Committee
- II. Financial Advisor, DAHD
- III. Joint Secretary (Dairy Development), DAHD
- IV. Chairman, NDDB or his nominee not below the rank of Executive Director (ED)
- V. Executive Director / Group Head (FPS), NDDB
- VI. A representative from the concerned State Government and the State Dairy Federation would be an invitee while discussing the proposals pertaining to that particular state.
- VII. Representative from ICAR
- VIII. Representative from Rural Development
- IX. Representative from NRLM/concerned SRLM
- X. Deputy Commissioner (DD) / Assistant Commissioner(DD) , GoI – Member Convener

8.3 Programme Coordination Management Cell (PCMC)

A Programme Coordination Management Cell (PCMC) shall be created to provide Secretariat support to CPSC and PSC. Dairy Division (support by PCMC & PMA) will be responsible for analysis and timely placement of project proposals to PSC as well as for providing inputs to CPSC for successful implementation of the scheme as per the project objectives and deliverables.

8.4 State Level Technical Management Committee (SLTMC)

At the State level, there will be a State Level Technical Management Committee (SLTMC), which will be headed by Additional Chief Secretary/Principal Secretary/Secretary/Commissioner of the State, comprising representative of DAHD, SRLM, State Dairy Federation and NDDB as members for effective implementation and to have synergy among the similar dairy development programmes implemented in the State. SLTMC shall oversee state-level monitoring of the projects, the land

availability for village level institutions like, primary dairy societies and primary level cold chain infrastructure statutory requirements, co-ordination among SIAs/EIAs, policy support etc. SLTMC must ensure that there is no duplication of activities and project area in the States. The composition of SLTMC will be as follows:

- i. Additional Chief Secretary/ Principal Secretary/Secretary/Commissioner of DADF of the State Government – Chairman of the Committee
- ii. Representatives from Dairy Development/ Animal Husbandry Department of the State Government.
- iii. Representatives from Department of Animal Husbandry and Dairying, Government of India.
- iv. Representative from Department of Finance and Planning of the State Government
- v. District Magistrate of Scheme Districts or his representative.
- vi. CEO, State Livestock Board
- vii. Representative of SRLM
- viii. Managing Director, State Dairy Federation/Milk Producer Company – Member convener (for projects under Component A)
- ix. Representative of NDDDB (nominated by Chairman, NDDDB), Member convener (for projects under Component B)

9. PROJECT PREPARATION AND SUBMISSION OF PROPOSAL

- a. A Situation Analysis shall be undertaken and shall include: a) Pre project Base line Survey by an independent Agency; b) funding under earlier programmes, c) role and capabilities of different players ; and d) area of operation etc.
- b. The Project/subproject Proposals under NPDD shall ensure optimal resource utilization and shall discourage avoidable expenditure and duplication/ overlap of activities.
- c. Special efforts must be made to re-commission idle equipment and equipment that is damaged but repairable. Proposal for fresh procurement shall be made only after making a realistic need assessment.
- d. The proposal may be prepared by furnishing requisite information as per prescribed factsheet and Annexure of the guideline. Guideline/ procedure for preparing a new project proposal along with prescribed annexure I to VI is **enclosed**.