



GOVERNMENT OF GUJARAT

Establishment of Organic milk and milk product manufacturing and processing unit

Agro and Food Processing

Government of Gujarat



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Project Concept

What is organic dairy?

- ▶ Organic dairy production is a system of farm design and management practices for producing milk, yogurt, cheese, cream and other dairy products without the use of pesticides, synthetic fertilizers or antibiotics
- ▶ Organic milk is produced by rearing cattle in a thoroughly natural environment – cattle that are raised on pastures that comply with organic standards.
- ▶ The cattle is given only natural grass/ fodder and pesticide/ insecticide-sprayed grass, other synthetic feed and antibiotics are completely avoided.
- ▶ Additionally, milk is piped from the udders to the chilling and pasteurization units directly by automated systems. This ensures no hand contact that might lead to contamination.

Organic dairy product market comprises of -



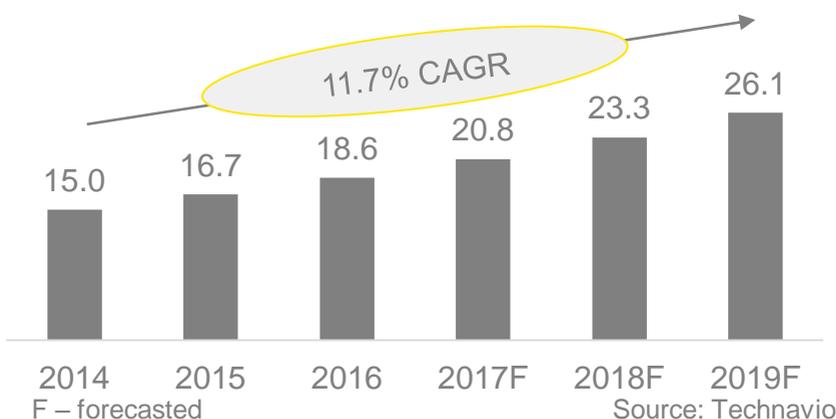
* Others includes organic butter/ghee, organic cream, and organic flavoured milk products

Project concept

- ▶ The proposed project envisages setting up of a manufacturing unit for organic milk and milk products in Gujarat.
- ▶ The project aims to establish integrated modern animal husbandry with a modern milk processing unit, to manufacture range of organic milk products under strict hygienic condition so that the milk is untouched by human hands and air. The entire process will be automated and carried out in a vacuum-sealed environment.



Global organic dairy market

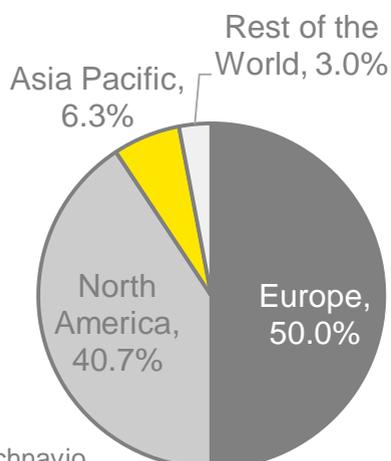


- ▶ The global organic dairy market was valued at US\$15.0 billion in 2014 and is expected to reach US\$ 26.1 billion by 2019, growing at a CAGR of 11.7%.

- ▶ Going forward, the growing focus of consumers toward the consumption of organic food and beverages will compel manufacturers to launch innovative and exotic organic dairy products.
- ▶ In the last few years, some innovative organic dairy products such as organic yogurt with granola and fruit toppings, Greek yogurt and organic milk containing anti-oxidants and healthy fatty acids such as DHA, and omega 3 have been introduced into the market.

Europe and North America accounts for over 90% of the total market

Global organic dairy products market by geography 2014



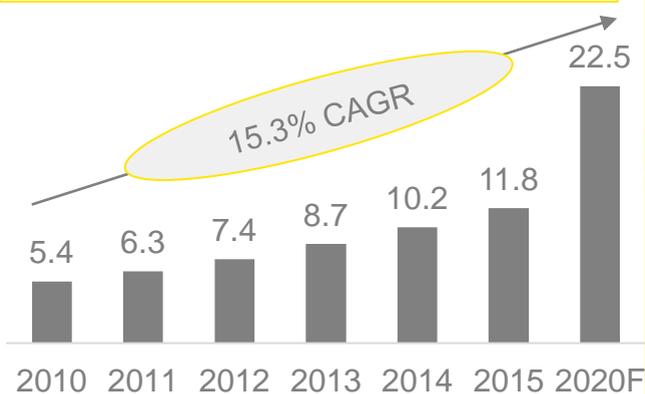
Source: Technavio

- ▶ Europe occupies ~50% of the organic dairy market globally followed by North America and Asia Pacific with 40.7% and 6.3% share respectively.
- ▶ The organic dairy products market in Asia Pacific region was valued at US\$0.9 billion in 2014 and is expected to reach US\$1.7 billion by 2019, growing at a CAGR of ~12.3%.

With the rise in disposable incomes and more awareness about organic food options in emerging markets such as China, South Korea and India, consumers are increasingly demanding high-quality and nutrient-rich dairy products

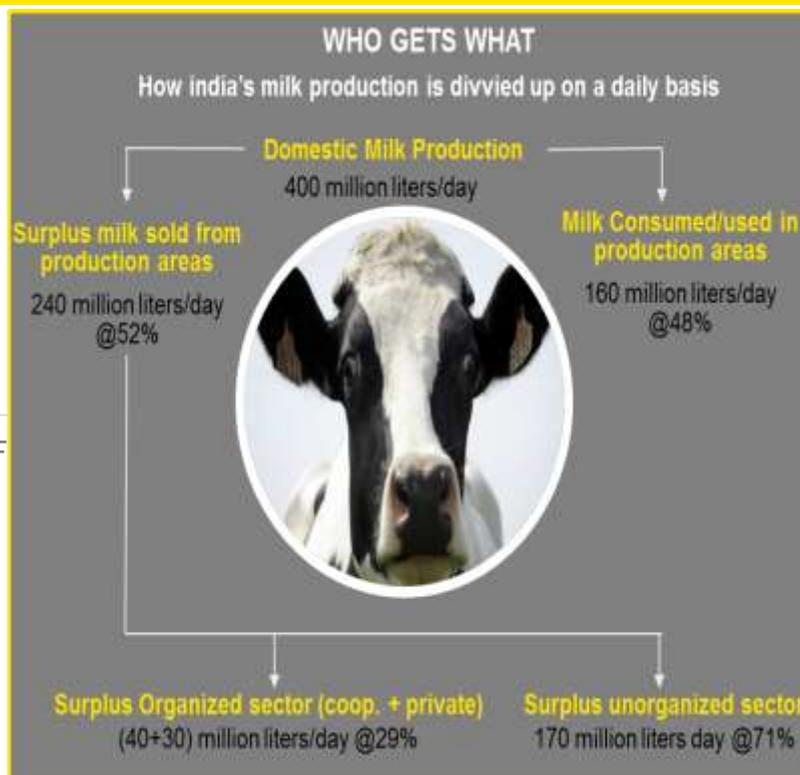
Indian dairy market

Indian dairy market (US\$ billion)



Source: Euromonitor

- ▶ The rising demand for fresh and packaged dairy products and ethnic dairy specialties is broadening the base of India's modern dairy sector, which accounts for almost 17 % of India's expenditure on food.
- ▶ India's dairy products market is projected to reach US\$22.5 billion by 2020, growing at a CAGR of 15.3% during 2010-2020.



Source: National Dairy Development Board

The organic dairy market is less than 1% of the total dairy market in India

- ▶ **In India, there is increasing consumption of organic milk and milk products, especially organic ghee.** Niche players such as Organic India, Vedic Cow and Holy Cow Foundation have entered the fast growing niche category - organic cow ghee.
- ▶ Lucknow-based Organic India has seen demand for its organic ghee grow 400% in the past four years since it launched, and this is when organic ghee costs at least 40-50% more than conventional ghee.

- ▶ The unorganized sector comprising of small farmers and cooperatives contribute primarily to the dairy market. However, over the last few years, the organized sector has been growing rapidly by offering customized and innovative products (such as organic milk, organic paneer) to the end consumers, thereby causing a rise in the organized market share.
- ▶ There is increasing shift of consumers from unpackaged to packaged milk and milk products, mainly because of its assurance of consistent quality, safety and hygiene.
- ▶ Additionally, organic dairy players have tied up with modern trade outlets such as e-commerce websites and gourmet food retail stores (Nature's basket, Le Marche) to boost sales and increase visibility.

Organic dairy products market is predicted to grow at 15% per annum in the near future as customers become more conscious and aware about its health benefits

- ▶ With the Food Safety and Standards Authority of India (FSSAI) finding in 2012 that ~70% of all milk in the country was diluted with water, milk powder or contained impurities such as urea, liquid formaldehyde and detergent solution.

- ▶ Consumers are increasingly becoming sceptical about tetra Pak milk brands where there is no transparency regarding where the milk comes from or how the cows are treated.

Entrepreneurs are investing in offering healthy alternatives to store-bought milk through organic farms



Happy Moo

- ▶ The company allows the cows to graze freely on organic grass, rest on individual day beds, drink fresh clean water, be treated to daily beer massages, swim on a hot summer's day and listen to relaxing sounds all day long.

1

Pride of Cows

- ▶ The company places extra emphasis on quality milk production by guaranteeing that the milk arrives at consumer's doorstep within three hours and strictly maintaining a cold supply chain of 4^o Celsius to ensure that no bacteria can contaminate the bottling or milking premises

3

2

Sarda Farms

- ▶ Fans and fresh water is available throughout the farm, there is no restraint imposed on any cow and they even have access to motion- sensitive massage brushes.
- ▶ Sarda Farms not only has automatic milking machines with zero human intervention, but also employs GPS trackers on all their delivery trucks to ensure that the milk is delivered straight to consumers with no deviation

4

Astra Dairy farms

- ▶ At Astra Farms, 100 cows are fed nearly 35 kg of organic corn, grass and alfalfa everyday. They believe in feeding the cows the right food and giving the best care

1 Increasing health awareness

- ▶ Rising awareness regarding nutritional values of organic products, along with growing willingness of consumers to spend on non-conventional dairy products such as yogurts, probiotic drinks, etc., has resulted in an increasing adoption of organic food.
- ▶ Additionally Consumers are also becoming aware of the ill-effects from the use of pesticides in conventional dairy farming.

2 Favorable macro-economic factors

- ▶ India's urban population is expected to reach 527 million by 2025 from 420 million in 2015, which in turn will increase the demand for healthy and nutritious food. The urban consumers are open to pay increased prices for organic food products.
- ▶ The Indian middle class (approximately 270 million people with incomes US\$4,000–US\$20,000) is likely to double over the next 10 years.

3 Innovative offerings from dairy players

- ▶ Domestic dairy players are increasing their focus on offering products for health conscious consumers and introducing packaging innovations to strengthen their market position.
- ▶ MILMA, the Kerala Co-operative Milk Marketing Federation Ltd, is partnering with the Netherlands to produce nutritious, high-quality 'organic milk' - without using synthetic feed or antibiotics while rearing the cattle.

4 Increasing support from Government of India

- ▶ The Government of India (GoI) is promoting organic farming and the consumption of organic food in the country. Financial assistance is provided to farmers who are adopting organic farming under various central sector schemes such as National Mission for Sustainable Agriculture (NMSA), Mission for Integrated Development of Horticulture (MIDH), National Food Security Mission (NFSM) and Rashtriya Krishi Vikas Yojana (RKVY).

5 Growing penetration of organized retail

- ▶ Organized retail is currently at a nascent stage in India, currently accounts for ~8% share of the retail market and is expected to grow to ~10% of total retail share by 2019.
- ▶ The presence of retail players such as Big Bazar, Easyday and Reliance Fresh has helped in creating awareness among consumers about the organic food options available in India.
- ▶ Availability of wide array of organic milk and milk products due to growing prominence of organized retail, coupled with increasing global connectivity, has led to easy availability and change in the tastes and preference of domestic consumers.

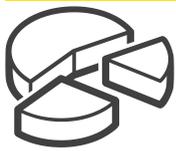
5 Evolution of e-grocery segment in India

- ▶ E-grocery market in India is expected to grow at a CAGR of 26% during 2015-2019, driven by increasing penetration of internet connectivity, growing popularity of mobile shopping and internet banking without any time and location constraints.
- ▶ Apart from online grocery start-ups such as Grofers and Big Basket, existing horizontal marketplaces also see grocery as a viable space. In 2015, Snapdeal tied up with Godrej Nature Basket while Paytm launched a dedicated app for grocery ordering.

Gujarat - Competitive Advantage



Gujarat is leading milk production state in India



The Animal Husbandry and Dairy sector contributed about 5.08 % share to the Gross State Domestic Product in 2014-15



NABARD outlined a credit potential of INR1358.9 in 2014-15 for dairy development in Gujarat.

Gujarat is equipped with –

18 District Milk Producers' Union

17,828 Milk Cooperative Societies

150 lakh litre/day Milk Production

34.27 lakh Members of Milk Cooperative

- ▶ Gujarat is the leading milk producer in the country with a well established cooperative dairy sector.
- ▶ Apart from concessional finance from Dairy Entrepreneurship Development Scheme, Agriculture Marketing Infrastructure scheme also provides subsidy for liquid milk handling / marketing schemes.
- ▶ Gujarat also has high yielding indigenous breed of cattle and buffaloes such as Gir & Kankrej, breed of cattle and Jafarabadi, Mehsani, Surti, and Banni breed of buffaloes.
- ▶ Due to limited irrigation facilities available in many pockets of Gujarat, there is limited use of chemical pesticides and fertilizer – this offers good potential for converting these areas into Organic milk and milk products manufacturing units.

Raw material supply



Source: NABARD

Source: Livestock Census 2012

- ▶ Against the requirement of 11.91 million tonnes of green fodder, the supply is 14.48 million tonnes (in terms of dry matter). Conservation of the surplus green fodder during favourable season by hay or silage making, helps in reducing the gap in dry fodder supply.

Technical training centers

- ▶ Gujarat Livestock Development Board (GLDB) has two training centers - State Frozen Semen Production and Training Institute, Patan and Technical Training Center, Rajkot for manpower development under National Project for Cattle and Buffalo Breeding: Both these training centers train professionals on treatment of infertility, frozen semen technology, breeding soundness of bulls.
- ▶ Apart from the above, the state has other training centers - Sheth M C college of Dairy Science, Gujarat Agriculture University, College of Veterinary Science and Animal Husbandry, A.A.U., Anand, College of Veterinary Science and Animal Husbandry, Sardar Krishinagar, Dantiwada, and Vanbandhu College of Veterinary Science and Animal Husbandry, NAU, Navsari.

Other advantages



Ease of doing business

- ▶ Only state which comply 100% with the environmental procedures. Gujarat fares highly when it comes to setting up a business, allotment of land and obtaining a construction permit.

Gujarat leads in ease of doing business in India (2015)

| | |
|--|---|
| Overall ranking | 1 |
| Land allotment and obtaining construction permit | 2 |
| Complying with environment procedures | 1 |
| Complying with Labour regulations | 2 |
| Obtaining infrastructure related utilities | 2 |
| Carrying out inspections | 2 |
| Enforcing contracts | 3 |

Source: World Bank



Flourishing economy

Gujarat contributes 7.2% of the Nation's GDP and shows leadership in many areas of manufacturing and infrastructure sectors. Gujarat's SDP (State Domestic Product) at current price registered a growth of 11% during the year 2014-15.

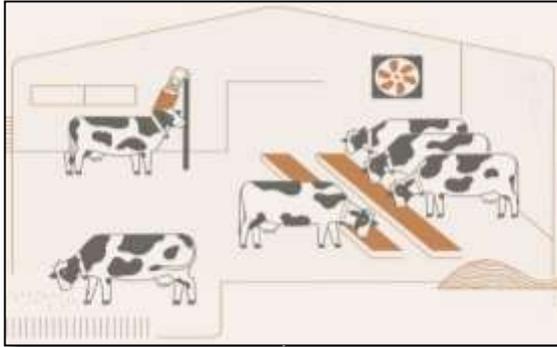


Strategic location and better infrastructure

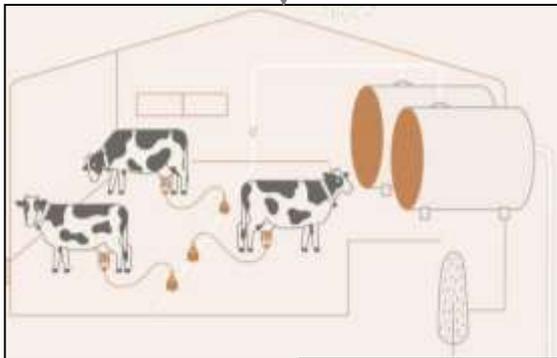
Located on the west coast of India, Gujarat is well connected to the major cities of the world by air and sea routes. The state has 45 ports, 12 domestic airports and 1 international airport in addition to an extensive rail and road network.

- ▶ This project has two distinct activities; a) organic milk production by rearing of healthy, local breed of milch cattles, by completely adopting organic procedures, so that milk produced can be certified as organic milk, even by accredited international agencies. b) Producing range of milk products from organic milk available from farm, using complete manufacturing process and ingredients for meeting organic standards and specifications.

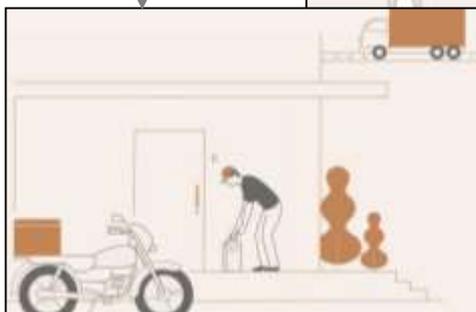
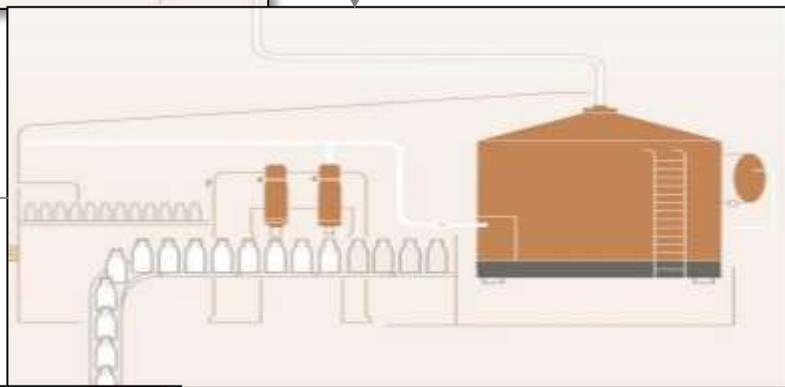
Organic Milk – from farm to table



- ▶ Each cow is carefully picked after checking its antecedents, to ensure only the finest make the grade.
- ▶ They are then quarantined in an external environment for three-four weeks before being inducted in a dairy farm.



- ▶ Cows are milked by machines in automated milking parlors and the milk is sent to a bulk cooler through hermetically sealed pipelines.
- ▶ The bulk cooler then cools the milk down to 4 degree Celsius – at which milk is preserved without any degradation.
- ▶ From here, it is transported to a processing unit in insulated tankers.



- ▶ Cold chain delivery is driven by stringent measures that ensure organic milk reaches consumers untouched by hands and chilled to maintain quality standards and flavor.

Project Information



Location suggested: Anand, Gujarat



- ▶ Anand is known as 'Milk Capital of India', located in the South western corner of Gujarat.
- ▶ Anand is an industrial base for chemical, engineering and food & agricultural products, especially production of milk and milk products.
- ▶ Proximity with other major industrial hubs of the State, such as Ahmedabad, Vadodara and Vapi has made the district a thriving region for further investment in the various sectors of the district.
- ▶ The emergence of Khambhat port with a cargo handling capacity and ship building yards would be considered as a major diver of the economy.

- ▶ The city hosts the head office of Gujarat Cooperative Milk Marketing Federation Ltd (AMUL) – largest dairy co-operative in India
- ▶ The National Dairy Development Board (NDDB), which provides strategic and financial support to producer-owned and controlled dairy farms is also based in Anand
- ▶ Availability of a large pool of skilled and qualified manpower due to the presence of educational and research institutes such as:



Anand Agricultural University



Institute of Rural Management Anand

Infrastructure availability

Logistics & connectivity



Rail

- ▶ In total there are 40 railway lines in Anand.
- ▶ It is well connected with Godhra, Ahmedabad, Kheda, Khambhat, Vasad and Mumbai through a broad gauge rail line of 147 km.
- ▶ With an estimated cost of INR15 Crore (USD 3.65 million), a rail project, linking Khambhat port with Anand to Ahmedabad has been initiated.



Road

- ▶ National highway (NH) 8 passes through Anand and connects it to Vadodara (38 km) and Kheda (21 km).
- ▶ Distance with major industrial centers in Gujarat: Ahmedabad (73 km), Rajkot (255 km), Jamnagar (343 km), Ankleshwar (122 km), Bhavnagar (242 km), Mehsana (147 km), Surat (205 km)



Air

- ▶ Nearest airports are Ahmedabad (73 km) and Vadodara (42 km).



Port

- ▶ Nearest ports are Dahej and Hajira ports.
- ▶ A port based project is proposed near Khambhat, which includes Ship building yards, envisaging the cargo handling capacity of 7 MMTPA.

Utilities



Water

- ▶ Gujarat Industrial Development Corporation (GIDC) is responsible for ensuring consistent water supply in industrial areas.
- ▶ For the improvement of water supply and sewerage system in Anand, Urban Development has commissioned a project along with Urban Housing Department



Power

- ▶ Anand has two power stations, connected to Ahmedabad and Vadodara
- ▶ Gujarat State Electricity Corporation Limited (GSECL) has signed an MoU for 360 MW power plant project in Anand.



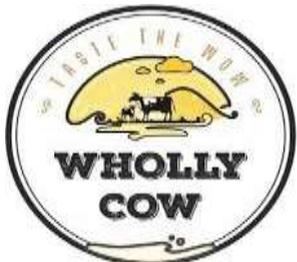
Gas

- ▶ There are four pipeline sections in the district of which the Anand-Rajkot section is the longest segment with 53.32 km.
- ▶ The existing gas grid in the district is 151.68 km long and the proposed length of the gas grid is 66.709 km.

Project Information

Key players

A number of social enterprises and businesses today in India are engaged in manufacturing organic milk and milk products in India:

| Brand Name | Key products | Price of organic milk per liter | Location and website |
|--|---|---------------------------------|--|
| Wholly Cow  | <ul style="list-style-type: none"> Brand – Wholly Cow Organic milk and milk products such as organic ghee, paneer, and dahi | INR 70 | Haryana http://whollycowmilk.com/# |
| Parag Milk Foods  | <ul style="list-style-type: none"> Brand – Pride of Cows Organic milk | NA | Pune http://www.prideofcows.com/ |
| Flourish Purefoods  | <ul style="list-style-type: none"> Brand – Flourish Organic milk | NA | Ahmedabad http://www.flourishpurefoods.com/ |
| Sarda Farms  | <ul style="list-style-type: none"> Brand – Sarda Organic milk, Ghee and Dahi | INR 65-80 | Nashik http://www.sardafarms.com/home/ |



Amul, India's largest dairy player is contemplating to enter into organic foods and other new segments in the entire food spectrum. For this, the company planned to invest INR30 billions in five years (as announced in September 2012)

Key raw material/ machinery suppliers

- ▶ Fodder for cows will be produced and preserved in the dairy farm itself. However, the unit can source technology for the organic milk processing and manufacturing of the related dairy products -

| Vendor | Description |
|------------------------|---|
| Stellapps Technologies | <ul style="list-style-type: none"> ▶ Stellapps is India's first dairy technology solutions company, building automation tools integrated with cloud, mobility, and data analytics for dairy farms, cooperatives, and private dairies. ▶ Website: http://www.stellapps.com/ |
| Rockwell Automation | <ul style="list-style-type: none"> ▶ An industry automation solutions provider is providing equipment such as evaporators, spray dryers, pasteurizers, boilers, chillers, refrigerators and packaging machines to dairies. ▶ Website: http://www.rockwellautomation.com/ |

Potential collaboration opportunities

- ▶ Technical collaboration for supply of machinery, technical know-how for manufacture and marketing of organic milk and milk products.
 - ▶ National Institute of Dairy Farming, Ahmedabad – provides technical supports for setting up dairy farm, development of standard quality practices and opportunity to conduct joint research on various components of dairy farming such as eco-friendly dairy farming, cattle nutrition, cattle breeding, fodder farming, milk processing
- ▶ Relevant trade fairs and conferences –
 - ▶ Food Processing, Agribusiness & Dairy International Summit: International summit organized by The Associated Chambers of Commerce and Industry of India (ASSOCHAM) with a view to highlight business opportunities in food and dairy sector.
 - ▶ Food Tech Asia (FTA): India's leading exhibition for processed food, dairy equipment, bakery equipment, beverages, food processing machineries / technologies, cold storages, catering, tour and travel & hospitality



- ▶ Pride of cows, is one of the largest players in the growing business of farm-to-table milk, part of India's new crop of organic, fair-trade and artisanal food products.
- ▶ The company regularly attends food exhibitions and invites potential or existing customers to the farm for guided tours.
- ▶ It has expanded its outreach into private schools, hosting workshops on nutrition and enrolling students for a planned 45-days internship.

Key consideration

High infrastructure and feeding cost

- ▶ Maintaining organic farmland and ensuring wholly organic feed for the cattle is an expensive proposition given the low demand for organic milk in India.

High cost of organic milk and milk products

- ▶ The cost of organic milk is higher than the conventional milk. Wholly Cow organic milk costs INR70 a litre, while full cream milk from Amul or Mother Dairy costs INR44.
- ▶ Specialized farmer training cost, processing and inventory holding cost (without chemical additives), and increased packaging, logistics and distribution cost (due to low volumes) contributes to high price of organic milk products.
- ▶ The purchase of organic milk products is restricted to the affluent classes of consumers residing in large cities such as Delhi, Mumbai and Gujarat.

Managing the supply chain

- ▶ Dairy farmers are apprehensive about organic farming, since it involves high production costs. Due to relatively small volumes, the marketing and distribution chain of organic dairy products is quite inefficient and costs involved are also very high.

Estimated Manpower Requirement

- ▶ Manpower requirement at the site – 60 persons, that will include 3 managerial level people, 12 supervisors, an accountant, 2 office assistant, 3 skilled, 4 semi skilled and 30 unskilled workers and 5 security cum drivers

Assumptions

- ▶ **Land Requirement:** 26 acres for setting up a small dairy unit in Anand. Land rate has been calculated as per Gujarat Industrial Development Corporation (GIDC) rates
- ▶ **Fodder Production:** Work on clearing, levelling, contouring and demarcating the plots of suitable size and development of irrigation will be completed before fodder cultivation. Fodder crops such as maize and jowar, legumes such as cowpea, subabul and stylo, corn, alfalfa, and hay will be grown in the farm itself. Adequate fodder availability will be ensured through proper fodder production and preservation.
- ▶ **Cattle: 20 Gir cows with a provision to expand to 50 cows**
 - ▶ An average the yields from a indigenous Gir cows are about 3,000-3,600 litres in a 10 month lactation cycle.
 - ▶ A Gir calf takes three years to mature and start producing milk,
- ▶ **Production Capacity:** Total Organic Milk Production – 80,000 liters per annum, Total Organic milk products – ~16,000 Kgs

| Project cost components | Cost (INR Millions) |
|--|---------------------|
| Land cost (Area: 26 acres= 1,132,560 sq. mt.) Land rate: (INR692 per sq. mt. in Anand, w.e.f. April 2016) | 783.73 |
| Cost of 20 Gir cows @ INR1,00,000/- per 2 animals (NABARD unit cost) | 1 |
| Building & Civil works | 4.89 |
| Plant & Machinery Milk 1000 Litres /day processing | 13.05 |
| Miscellaneous Fixed Assets | 2.72 |
| Preliminary & preoperative | 2.18 |
| Provision for contingencies | 5.00 |
| Total project cost | 812.57 |



Common organic dairy production requirements at the site

- ▶ Efficient organic dairy farming requires a different production strategy that includes pasture, a high forage diet and a limited role for grains and others concentrates. Most purchased feeds must be certified organic. For this reason, managing an organic operation can require more labour and a certain level of commitment to the operation and to organic principles.

1



Pastures

- ▶ In an organic dairy operation, all cows will have free access to pasture, paddocks or runways daily. At least 30% of their dry matter requirement must come from pasture.

2



Housing conditions

- ▶ Housing for cows will be made in a manner that provide minimal stress to the cattle and meets their normal socialization, feeding and living behaviours.
- ▶ The housing system will consist of a comfortably equipped stall with soft floors, sufficient space, adequate floor traction, proper ventilation and access to the outdoors.

3



Healthcare

- ▶ As with conventional milk production, organic dairy cows receive proper health care to maintain animal health and prevent disease. If preventive health measures fail and cows become sick or injured, chemical treatments are allowed, subject to the standards and approval of a certifying body.
- ▶ Antibiotics and other chemical therapies can be used for treatment, but the milk from the treated cows will require a minimum withdrawal period equivalent to double the label requirement or 14 days, whichever is longer, before the milk from the treated cows can be considered organic again.

Approvals

- ▶ **Registration:** Required for Dairy units including milk chilling units equipped to handle or process
 - ▶ Central licensing: Food Safety & standards (Licensing & Registration of Food Businesses) Regulations 2011 (FSSAI); Schedule I, Regulation 2.1.2(3) – More than 50,000 liters of liquid milk/day or 2500 MT of milk solid per annum
 - ▶ State Licensing : for more than 500 liters milk upto 50,000 liters
- ▶ Foreign investment in dairying requires prior approval from the Secretariat of industrial approvals, Ministry of Industry, as dairying is not included in the list of high priority industries. Automatic approval is provided for up to 51% foreign investment in high priority industries.
- ▶ Subsequent to de-channelization, exports of some milk based products is freely allowed provided these units comply with the compulsory inspection requirements of concerned agencies such as National Dairy Development Board and Export Inspection Council.
- ▶ **Prevention of Food Adulteration Act, 1954:** The act protects consumers from adulterated food by specifying minimum quality standards for various foods. Adhering to the act is mandatory for all dairy manufacturers and processors.
- ▶ **Standards of weights and measures (packaged commodities) Rules:** The rule outlines guidelines for declarations of contents of packaged foods. These rules are operated by the Directorate of weights and measures, under the Ministry of Food and Civil Supplies.

Incentives from Government of Gujarat (GoG)

- ▶ The GoG provides capital investment subsidy for construction/ modernization/ expansion of cold storage and other storages for horticulture produce. In collaboration with NABARD & NCDC projects up-to 5000 MT capacity and not exceeding INR2 crore with 25% promoter's contribution, 50% term loan & 25% capital investment subsidy.
- ▶ **Krishi Mahotsav and Animal Husbandry:** The Krishi Mahotsav aims to promote scientific farming techniques and has truly revolutionized the agriculture and animal husbandry sectors in Gujarat. During Krishi Mahotsavs, 'Krishi Rathes' which, incorporate a multi-disciplinary team of scientists, horticulturists & agriculturists visit Gujarat's villages to train and educate the farmers. This initiative has substantially benefitted the Animal Husbandry sector.
- ▶ The Government of Gujarat has focussed on providing adequate cattle-care facilities to the people of Gujarat. India's first animal hostel was inaugurated in Akodara village of Sabarkantha district. The animal hostel aims to provide shelter to the animals in villages and is based on a public-private partnership model. Additionally, the GoG has created 185 new veterinary clinics to facilitate door-step animal healthcare.

Incentives from Government of India

- ▶ The GoI launched the National Dairy Plan, Phase 1 in April 2012, with an aim to enhance milk production by 65% over the next 15 years, till 2027.
- ▶ **Union Budget 2016-17:** The budget has provided for INR8.5 billion in next few years for spending on the 'Pashudhan Sanjivani', an animal wellness programme and provision of Animal Health Cards ('Nakul Swasthya Patra'). An Advanced breeding technology to be introduced and creation of 'E-Pashudhan Haat', an e market portal for connecting breeders and farmers. Also, a National Genomic Centre for indigenous breeds.
- ▶ **Intensive Dairy Development Programme:** To improve milk production in backward regions and hilly areas the government introduced the Integrated Dairy Development Plan in 1993-94. The project was on a 100% grant-in-aid basis and envisages construction of processing plants, formation of village level dairy cooperative societies and their affiliation to the District Co-operative Milk Unions & State Co-operative Milk Federations. In 2005, the scheme was renamed as Intensive Dairy Development Programme.
- ▶ **Dairy Entrepreneur-ship Development Scheme (DEDS):** DEDS is being implemented by NABARD for the following objectives:
 - ▶ To generate self employment and provide infrastructure for dairy sector
 - ▶ To set up modern dairy farms and infrastructure for production of clean milk
 - ▶ To bring structural changes in the unorganized sector
 - ▶ To upgrade traditional technology to handle milk on a commercial scale
 - ▶ To provide value addition to milk through processing and production of milk productsThere is a budget provision of INR140crore during the year 2016-17.
- ▶ **Fiscal incentives:**
 - ▶ All dairy products have been exempted from the excise duty except condensed milk not containing sugar.
 - ▶ In 2014, GoI reduced custom duty on food processing machinery from 10% to 6%. Additionally, customs duty on refrigerated vans has been reduced from 20% to 10%.
 - ▶ Excise Duty on Reefer Vans (refrigerated motor vehicles) has been reduced from 16% to 8%.
 - ▶ In order to promote the dairy industry and attract more investment in this sector, the Government has also reduced the excise duty of 16% to zero on dairy processing machineries in 2008.
- ▶ **Banking policies:**
 - ▶ Dairy products have been included in the list of priority sectors for providing loans by banks. According to the revised guidelines, the RBI will allow banks to include direct finance to companies for agriculture and allied activity of up to INR10 million (US\$0.16 million) priority sector lending (PSL) exposure as compared to the earlier exposure of INR2 million (US\$0.032 million).

Department of Animal Husbandry, Dairying and Fisheries

<http://dahd.nic.in/>

National Bank for Agriculture and Rural Development

<https://www.nabard.org/english/home.aspx>

Gujarat Livestock Development Board

<https://gldb.gujarat.gov.in/index.htm>

Food Safety and Standards Authority of India

<http://www.fssai.gov.in/>

Agriculture and Co-operation Department

www.agri.gujarat.gov.in/index.htm

Gujarat Industrial Development Corporation

www.gidc.gov.in/

Industries Commissionerate

www.ic.gujarat.gov.in

This project profile is based on preliminary study to facilitate prospective entrepreneurs to assess a prima facie scope. It is, however, advisable to get a detailed feasibility study prepared before taking a final investment decision.

For further details:

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