

DAIRY DEVELOPMENT DEPARTMENT

POLICY NOTE 2013-14

1. INTRODUCTION

Dairy sector is important not only as the producer of highly nutritious food products, but also for the sustenance of poor farmers and over all prosperity of the farming community.

Currently, milk production in India is around 12.9 Crore metric tonnes per day with the country being the largest milk producer in the world. It is a matter of great pride that a nation which was deficit in milk has now become the leading milk producer in the world. Tamil Nadu ranks eighth in milk production and is well on the way towards achieving the 'Second White Revolution' as envisioned by the Hon'ble Chief Minister of Tamil Nadu. Milk production in the State during 2012-13 was around 1.82 Crore litres per day.

Solutions to improve the economic status of the milk producers are being arrived at, by the Govt. viz., timely payment to the producers, remunerative price, subsidy schemes and inputs like breeding facilities, cattle feed etc.,

As a result, earlier the preserve of small, marginal, landless farmers dairying is today looked upon as a lucrative alternate means of livelihood.

We salute the far sighted vision of Hon'ble Chief Minister, coupled with the single minded dedication of the producers to the cause of dairying that have made this possible.

2.DAIRY DEVELOPMENT DEPARTMENT

2.1. Department Structure

Established in 1958 the Dairy Development Department is headed by the Commissioner for Milk Production and Dairy Development who is also the Functional Registrar of Dairy Co-operatives and the Managing Director of the Tamil Nadu Co-operative Milk Producers' Federation Limited.

Statutory functions such as registration of societies, revival of dormant societies, inspection of societies, settlement of disputes, conduct of election to the Boards of management, constitution of Boards, issue of direction 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

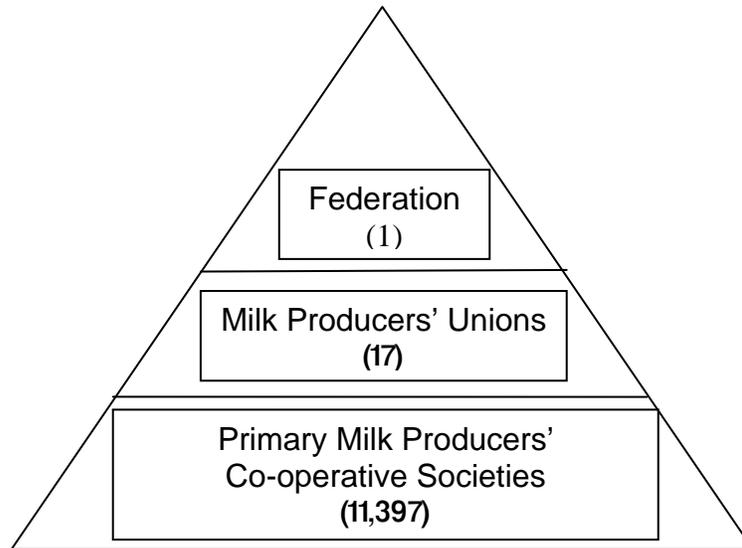
Co-operative Societies Act, 1983 and Tamil Nadu Co-operative Societies Rules, 1988.

24 Deputy Registrars (Dairying) at the regional level discharge the statutory and administrative functions. Now, the Government of Tamil Nadu has ordered to establish a separate office for Deputy Registrar (Dairying) in Tirupur District for the benefit of milk producers of Tirupur District. Accordingly the office started functioning from 01.04.13.

3. THREE TIER STRUCTURE OF THE MILK CO-OPERATIVES

- Tier 1-(Village level) - Primary Milk Producers' Co-operative Societies at the grass roots level.
- Tier 2- (District level) - Milk producers' unions at the middle level.
- Tier 3-(State level) - Federation of District Co-operative Milk Producers' Unions at the apex level.

THREE TIER STRUCTURE OF THE MILK CO-OPERATIVES



3.1 Village Milk Co-operative Societies

11,397 Milk Producers' Co-operative Societies including 1,722 Milk Producers' Women Co-operative Societies function in the State, besides 62 Milk Consumer Co-operative Societies which cater to the needs of the milk consumers. The 4.25 Lakh pouring members of the Societies are paid dividend for their share capital, bonus and patronage rebate when the Society earns profit.

Table 1: Union wise Societies and members

S. No	Name of the Union	No. of Societies	No. of pouring members
1	Kancheepuram – Tiruvallur	510	13,428
2	Villupuram	1,199	39,602
3	Vellore	1,164	91,352
4	Dharmapuri	823	21,207
5	Salem	1,298	48,783
6	Erode	782	38,913
7	Coimbatore	652	21,927
8	The Nilgiris	105	4,821
9	Madurai	1,172	22,911
10	Dindigul	365	7,415
11	Tiruchirapalli	786	53,107
12	Thanjavur	686	22,244
13	Pudukottai	327	4,259
14	Sivagangai	538	8,604
15	Virudhunagar	309	5,084
16	Tirunelveli	566	15,921
17	Kanyakumari	115	5,498
	Total	11,397	4,25,076

3.2 DISTRICT CO-OPERATIVE MILK PRODUCERS' UNIONS

17 District Co-operative Milk Producers' Unions function in the state and the Primary Milk Co-operatives functioning in the area of operation are affiliated to the District Unions concerned. In the absence of an elected Board, the Collector of the District where the Union is located acts as the Special Officer Administrator of the Union.

The main activities of the Unions are the following:

1. Procurement of milk from Primary Societies.
2. Promotion of Clean Milk Production.
3. Quality based milk cost payment.
4. Input Services like animal health coverage, artificial insemination, supply of feed and fodder.
5. Implementation of State and Central Government Schemes at District level.
6. Conversion of surplus milk into skimmed milk powder and milk products and marketing of liquid milk and milk products locally and through metro dairies.

Table 2: Details of Unions with handling capacity

S. No	Name of the Union	Year of commencement	No. of Chilling Centres	Licensed Capacity including Dairy (In LPD)
1	Kancheepuram-Tiruvallur	1979	2	1,10,000
2	Villupuram	1982	2	3,00,000
3	Vellore	1982	4	3,80,000
4	Dharmapuri	1982	2	2,50,000
5	Salem	1978	3	5,00,000
6	Erode	1975	3	4,50,000
7	Coimbatore	1979	4	2,50,000
8	Niligiris	1982	1	50,000
9	Madurai	1983	1	2,00,000
10	Dindigul	1987	2	1,50,000
11	Tiruchirapalli	1980	3	3,30,000
12	Thanjavur	1982	1	50,000
13	Pudukkottai	1985	0	0
14	Sivagangai	1982	2	74,000
15	Virudhunagar	1985	1	60,000
16	Tirunelveli	1982	4	1,00,000
17	Kanniyakumari	1982	0	20,000
	Total		35	32,74,000

3.3. TAMIL NADU COOPERATIVE MILK PRODUCERS' FEDERATION LIMITED

The commercial activities of the Dairy Development Department were handed over to the Tamil Nadu Dairy Development Corporation in July 1972. (The Tamil Nadu Co-operative Milk Producers' Federation was started on 01.02.1981 encompassing all the District unions under its control). Designed on the '*Anand model*' of Gujarat State, the Dairy Development Programmes are being implemented through a network of co-operatives, under the brand name 'Aavin'.

Table 3: Handling Capacity of the Metro Dairies

Name of the Dairy	Activity	Capacity (In lakh litres per day)
Madhavaram Dairy	Milk processing	2.00
Ambattur Dairy	Milk processing	4.00
Sholinganallur Dairy	Milk processing	4.00
Product Dairy, Ambattur	Milk Products	0.10

In Tamil Nadu, the three-tier structure of the Organization functions under the Dairy Development Department, which implements several schemes through the Milk Co-op Societies, the District unions, and the Federation with a view to augment the milk production.

4. The objectives of the Dairy Development Department are:

- 1) To provide remunerative price to the milk producers based on quality to improve milk production and also ensure availability of feed and fodder along with veterinary inputs and health care to increase the milk procurement.
- 2) To encourage liquid milk availability and supply of clean processed milk following hygienic and food safety measures to the consumers at reasonable price.
- 3) To work towards bringing the un-organized dairy sector into organized sector.
- 4) To monitor, supervise and regulate dairy activities of Co-operatives and Private sector.

- 5) To update and infuse 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 take ample efforts to supply fodder cuttings and seeds to meet the fodder requirement of the dairy animals.

4.1 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.
2. Implementation of State Plans, 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 and ensuring of food safety norms in dairy sector.
5. Providing free veterinary health cover, implementation of Artificial Insemination programme, supply of balanced cattle feed, 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.

5. MILK PROCUREMENT

The milk procurement during 2012–2013 has increased to 24.36 lakh litres per day on an average as against 20.67 lakh litres in 2010-2011. An all time high of 27.15 lakh litres was achieved on 20.11.2012.

Table 4: Milk procurement by the District unions

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

Due to the concerted efforts of the Government, the State has witnessed an increase of 5.00 lakh litres of milk per day in 2012, in comparison to that during November 2010.

Table 5: Milk procurement in November month

Sl. No	Month	Average milk procurement per day (in lakh litres)
1	November 2010	21.17
2	November 2011	21.43
3	November 2012	26.31

The procurement price of cow milk was revised to Rs.20.00 per litre and buffalo milk price was revised to Rs.28.00 per litre with effect from 18.11.2011 to benefit the 4.25 milk producers in the state, supplying milk to the societies.

Similarly, the selling price of toned milk was revised to Rs. 24.00 per litre for card holders, which is still lower than the prevailing price in the neighbouring states and of private brands.

6. SCHEMES IMPLEMENTED THROUGH THE DAIRY DEVELOPMENT DEPARTMENT

6.1 State Schemes

6.1.1 Part –II Scheme - 2013-2014

For the development of infrastructure at grass root level, a sum of Rs. 2.18 crore will be sanctioned for the year 2013-14 under Part II Scheme for the following :

- a. For use in the Office of Commissioner for Milk Production and Dairy Development, 10 Computers and Accessories will be purchased at a total cost of Rs.5.00 lakh.
- b. A 571 meter long and 6' high protection wall will be constructed around the orchard at Madhavaram Milk Colony at a financial outlay of Rs.20.00 lakh.
- c. For use in the Office of Commissioner for Milk Production and Dairy Development, a generator 50 KVA (including erection work) will be purchased at a total cost of Rs.5.00 lakh.

- d. Providing light vehicles to the offices of the Circle Deputy Registrar (Dairying) in place of condemned vehicles at a financial outlay of Rs.18.00 lakh.

6.1.2 Tiruvannamalai Dairy cum Powder Plant

The establishment of a Dairy cum Powder Plant at Ammapalayam Village, Tiruvannamalai district with a handling capacity of 2 Lakh Litres of milk per day and drying capacity of 20 MT at a total cost of Rs. 60.18 Crore is in progress.

95% of the project cost Rs.56.93 Crore is met from NABARD loan and the remaining 5% Rs.3.25 Crore is from State Government. The State Government has so far released Rs. 57.25 Crore and the same has been transferred to NDDDB, Anand. The Project is expected to be completed by Dec' 2013. As per the announcement by the Hon'ble Chief Minister of Tamil Nadu at Collectors' Conference this plant is to function as a unit of the Federation after completion of the work and will be improvised with additional infrastructural facilities.

6.1.3 New Dairy at Perambalur

As per the announcement made by the Hon'ble Chief Minister, a new dairy with a handling capacity of 4 lakh litres per day is to be commissioned to benefit the milk producers in the districts of Perambalur and Ariyalur.

6.2 OTHER SCHEMES (Centre-State sponsored schemes)

6.2.1 National Agriculture Development Programme (NADP)

An amount of Rs. 29.53 Crore was sanctioned by the State Level Sanctioning Committee to the Dairy Development Department for the year 2012-13 with a vision to increase milk production, handling capacities of the Dairies, provide focussed animal health coverage to the milk producers using cluster concept, easy accessibility of the veterinarians for timely treatment through frequent visit to the societies and society formation in uncovered village areas under Milk Cooperatives.

The Government have sanctioned a sum of Rs.10.70 Crore towards establishment of butter packing facilities at Erode and for providing milk analyzers to milk producers' cooperative societies.

6.2.1.1 Door Step Veterinary and Emergency Health Services

155 cluster centres initiated under NADP 2012-13 will be continued this year with a financial outlay of Rs.7.71Crore.

6.2.1.2 Grass root level infrastructure creation

During this financial year 1,500 Milk Producers' Cooperative Societies are proposed to be formed. 12 District Coordinators and 120 social workers will be engaged in the formation of the 1500 MPCs in selected taluks of the 12 districts with a financial outlay of Rs. 3.10 Crore.

6.2.1.3 Bulk Milk Coolers

12 Bulk Milk Coolers are under commissioning as follows: Trichy union-4, Dindigul union – 2, Erode union – 2 , Sivagangai union – 2 and truck mounted Bulk Milk Coolers-2 at a total cost of Rs.2.90 Crore.

6.2.1.4 Establishment of butter cold storage at Chennai, Erode and Salem District unions

Butter cold storage facilities of 300 MT at Ambattur dairy, 300 MT at Erode union and 200 MT at Salem union at a total cost of Rs.6.50 Crore are being established.

6.2.1.5 Infrastructure Development by providing Milk analyzer to Milk Producers' Coop. societies

Under NADP, milk analyzers at an estimate of Rs 6.20 crore are being provided to the milk co-op societies. This is an integrated instrument which can determine Fat, SNF and also amount of water in the milk. The advantages in using this instrument are: (a) Saving in the quantity of sample milk, (b) Saving of chemicals and detergents used (c) Saving of expenditure in glassware, (d) Saving in stationery and time and (e) Saving in expenditure on staff.

6.2.1.6 Purchase of refrigerated vehicles and of insulated vans

Purchase of 7 MT refrigerated vehicle – 2 Nos. and 9 MT insulated van-3 Nos. for distribution of milk at a total cost of Rs. 1.21 Crore is under process.

6.2.1.7 Enhancement of Refrigeration and sanitation facilities in Trichy dairy

Equipping Trichy dairy with additional refrigeration facilities and CIP system at a total outlay of Rs.1.90 Crore is under progress.

6.2.2 National Mission on Protein Supplement :-

6.2.2.1 Establishment of butter packing facilities at Erode Dairy

Butter moulding and wrapping machine and Automatic filling and wrapping machine at a total cost of Rs. 9.76 Crore are to be established at Erode.

6.2.2.2 Providing Milk Analyzers to Milk Producers' Cooperative Societies

For testing of milk at members' level, Milk Analyzers are being provided to Milk Producers' Cooperative Societies at a value of Rs.94 Lakh.

6.2.3 Strengthening Infrastructure for Quality and Clean Milk Production

The objective of the scheme is to provide training to farmers on clean milk production activities, provision of chemicals and stainless steel utensils, strengthening of laboratories at District Union dairies / Chilling Centers and installation of Bulk Milk Coolers at societies to improve initial quality of milk at village level, on 100% grant.

The Central Government has sanctioned a sum of Rs 28.42 Crore to implement this in 13 District Cooperative Milk Producers' Unions namely, Vellore, Villupuram, Tiruchirapalli, Dharmapuri, Salem, Erode, Nilgiris, Kancheepuram-Tiruvallur, Madurai, Dindigul, Sivagangai, Coimbatore, and Tirunelveli.

Proposals for Rs.14.35 Crore to Salem union and Rs. 2.19 Crore to Thanjavur Union recommended

by the State Government have been sent to Government of India for consideration.

6.2.4 Intensive Dairy Development Programme

The objective of the scheme is to improve Milk Procurement, Milk Sales, creation of infrastructure required for milk processing and marketing, extension of input activities and manpower development in districts. The entire fund is sanctioned as 100% grant spread over a period of five years.

Government of India has sanctioned a sum of Rs. 2.99 Crore to Pudukkottai District Co-operative Milk Producers' Union and Rs. 2.99 Crore to Virudhunagar District Co-operative Milk Producers' Union for the implementation of Intensive Dairy Development Programme (IDDP) Scheme. The Government of India has so far released Rs.4.79 Crore to the implementing Unions.

6.2.5 "Assistance to Co-operatives"- Rehabilitation of Unions

This scheme is designed to rehabilitate the Federation and district unions operating at a loss. The objective of the scheme is to wipe off cash loss in

District Co-operatives Milk Producers' Unions and make them viable with suitable Rehabilitation Plan on 50:50 sharing basis by the Central and State Governments. The rehabilitation proposal of District Cooperative Milk Producers' Unions will be prepared by National Dairy Development Board in co-ordination with the State Government and proposal sent to Government of India for consideration.

An amount of Rs.1.33 crore to Dindigul, Rs.7.60 crore to Thanjavur and Rs 3.88 crore to Kancheepuram – Tiruvallur district unions have been sanctioned for the year 2011-12 by the Central and State Governments. An amount of Rs.2.56 Crore has been received during this year.

A proposal at an estimate of Rs 7.17 crore approved by the State Govt. has been forwarded by the NDDDB to the Govt of India on behalf of the Nilgiris union.

6.2.6 National Mission on Food Processing

Under this scheme, proposals have been forwarded to NMFP towards strengthening of cold room infrastructure facilities at Trichy, Salem and Madurai Dairies at an estimate of Rs 10.38 Crore and

Ambattur, Madhavaram and Sholinganallur Dairies at Rs 8.05 Crore. These projects are to be implemented under 50% subsidy.

6.3 Self financing Schemes of the District unions from their own funds:

The District unions functioning at a loss for many years have at present managed to produce surplus funds. This has enabled the unions to improve their infrastructure facilities with their own funds. A sum of Rs.30.00 Crore has been envisaged this year for this purpose.

6.4 Smart Card Scheme:

The supply of milk to the consumers of Chennai metro through milk card system is being implemented by Aavin. To provide better service to the consumers of Metro, Aavin has introduced 'Smart Card Scheme' from 11.12.2012. Through this scheme, the consumers can avail themselves of the advantage of getting their milk cards online.

6.5. NATIONAL DAIRY PLAN- I

The National Dairy Plan-I is to be implemented with financial assistance from the World Bank. Under National Dairy Plan-I, Progeny Testing Programme is being implemented in Villupuram, Vellore, Salem, Erode and Trichy unions for the period from 2012-13 to 2017-18.

The main objective of the National Dairy Plan I is to increase the milk production through production of high genetic merit (HGM) crossbred Jersey bulls.

6.6. E-Governance in Dairy Development Department:

The major works like milk procurement, assessment of milk quality, processing, marketing of milk and milk products, milk cost payment to producers, issuance of milk cards to consumers and other works are being carried out by District milk unions and primary milk societies. By computerizing these works under the e-governance scheme, efficiency of operations, savings in cost and manpower as well as access to accurate information will be achieved. Hence it has been proposed to

implement this scheme with World Bank assistance by availing funds under National e-governance scheme. The above will benefit both milk producers and consumers.

7. FINANCIAL ASSISTANCE RECEIVED

Timely funds for the development of various infrastructures have been obtained through the concerted efforts of the department. The details of finance received are as follows:

Table 6: Financial Assistance for various Schemes

(Rupees in Crore)

S. No	Scheme	Fund received in 2011-12	Fund sanctioned in 2012-13
1	Part II	1.25	0.99
2	NADP	24.62	27.63
3	NMPS – NADP	9.33	10.70
4	SIQ & CMP	3.30	4.70
5	IDDP	5.58	2.49
6	Assistance to Cooperatives	0.38	1.39
7	National Dairy Plan I	-	39.22
	Total	44.46	87.12

8. Production and Marketing of Milk Products

The Milk Products of Aavin are popular among consumers. Product manufacturing takes place in Dairies run by District Unions and Federation.

The product range includes Ghee, Cooking butter, Table butter, Skimmed Milk Powder, Badam Mix Powder and UHT (Ultra High Temperature) Milk varieties, Sugared khova, Unsugared khova, Dates khova, Mysorepa, Paneer, Curd, Pro-biotic curd, Yoghurt, Butter milk, Lassi, Ice cream varieties, Gulab jamun and Flavoured Milk. 'Aavin' milk chocolate has

been recently launched. These products are being marketed through Federation and Union parlours.

Table 7: Year wise product production in the District unions:

S. No.	Name of the Union	SMP (in MT)	Butter (in MT)	Ghee (in MT)	Khova (in kg)	Ice cream (in Litres)
1	Kancheepuram-Tiruvallur	-	-	-	-	-
2	Villupuram	-	-	39	2,740	-
3	Vellore	-	-	258	10,713	-
4	Dharmapuri	814	537	161	14,716	-
5	Salem	1,833	2,650	136	26,000	3,000
6	Erode	5,834	2,854	427	83,800	-
7	Coimbatore	-	-	295	29,000	-
8	Nilgiris	-	-	46	6,418	2,100
9	Madurai	1,852	1,038	244	17,320	1,455
10	Dindigul	-	-	10	947	-
11	Tiruchirapalli	-	-	348	19,562	-
12	Thanjavur	-	-	-	-	-
13	Pudukottai	-	-	-	-	-
14	Sivagangai	-	-	5	-	-
15	Virudhunagar	-	-	-	1,415	-
16	Tirunelveli	-	-	207	10,650	-
17	Kanniyakumari	-	-	-	20,130	-
	Total	10,333	7,079	2,196	2,43,411	6,555

Table-8 - Milk By-products production details:

S. No	By- products	Production details		
		2010-11	2011-12	2012-13
District unions				
1	Skimmed Milk Powder (in MT)	4,690.00	5,072.40	10,333.00
2	Butter (in MT)	4,244.00	5,104.00	7,079.00
3	Ghee (in MT)	889.00	1,031.00	2,196.00
Federation				
1	Khova (in MT)	289.42	289.53	314.48
2	Mysorepa(in MT)	63.00	64.55	65.00
3	Gulab jamun (in MT)	14.54	13.00	13.09
4	Paneer(in MT)	20.05	25.13	32.44
5	Curd (in lakh litres)	3.50	2.91	3.17
6	Lassi(in lakh litres)	3.36	3.06	2.59
7	Butter milk (in lakh litres)	6.48	5.42	5.55
8	Ice cream (in lakh litres)	2.26	2.04	2.58
9	Yoghurt (in lakh nos)	1.32	1.06	1.09

9. SERVICE TO MILK CONSUMERS

Liquid Milk and Milk Products are sold throughout the State under the brand 'Aavin'.

Three liquid Milk Dairies and one Product Dairy are functioning in Chennai metro to process and supply milk and milk products .All the Metro Dairies are certified under International Organization for Standardization (ISO) and Hazard Analysis and Critical Control Point (HACCP) for ensuring quality which authenticates the safety and quality of the milk and milk products sold by 'Aavin'.

Metro Dairies have also obtained ISO 14001 (International Organization for Standardization) certification for compliance of environmental management system.

A 24 hour 'Consumer Care and Support Cell' functions at the Corporate Office Nandanam, in order to obtain feedback from consumers and to redress their grievances equipped with a Toll free No.18004253300.

723 milk depots and 69 milk parlours supply quality milk to consumers. Monthly milk cards after

obtaining advance payment are issued to the consumers for sustained supply.

Table 9: Infrastructure available in Metro Marketing

S. No	Infrastructure	Nos.
1	Distribution routes	101
2	Zonal offices	16
3	Milk depots	443
4	Delivery points	263
5	Parlours	69
6	Milk whole sale distributors	47
7	Milk Consumer Cooperative Societies	49
8	FROs	179
9	AVM Units	216
10	FRP Units	63
11	Bulk Vending Milk Routes	18
12	Product Distribution Routes	12

10. SUPPORT TO MILK PRODUCERS

10.1. Welfare measures for milk producers and incentives for milk production enhancement

Several benefits are extended to the 4.25 Lakh producers pouring milk to the Primary Milk Producers' Co-operative Societies viz. remunerative price for their milk , services of Animal Health Care, Artificial Insemination, Insurance, cattle feed and tie

up arrangement for milk for the purchase of milch animals through various Schemes.

Welfare measures provided to producers during 2012- 13:

1. Organization of 1,491 Primary Milk Co-operative Societies.

Table 10: No. of Societies organized from 2010

S. No	Year	No. of Societies organized
1	2010 – 11	143
2	2011 – 12	867
3	2012 - 13	1,491

2. Mineral Mixture production at the plants located at Erode, Tiruchirapalli, Villupuram and Tirunelveli District Cooperative Milk producers' Unions for the benefit of the milch animals of the milk producers.
3. 18.05 Lakh frozen semen straws were produced at the ISO certified Nucleus Jersey and Stud Farm at Udthagamandalam to provide quality Artificial Insemination service.
4. A sum of Rs.10.85 Crore has been paid by the Milk Producers' Co-operative Societies to

members as patronage rebate, dividend and bonus during 2012 – 13.

5. Installation of 68 Bulk Milk Coolers has been carried out.
6. Milk producers are being paid at the rate of Rs.20 per litre for cow milk and Rs. 28 per litre for buffalo milk.

10.2. Subsidized Cattle Feed and Mineral Mixture supply as a drought relief measure to Cauvery Delta farmers:

With a view to overcome the reduction in milk production and overcome fodder scarcity, the milk producers of drought affected Kaveri Delta revenue districts Trichy, Karur, Ariyalur, Pudukottai, Thanjavur, Tiruvarur, Nagapattinam and Cuddalore are being provided a subsidy of Rs. 4/- per kg. for cattle feed and Rs.25/- per kg. for mineral mixture.

10.3 Benefits extended to employees

1,819 Federation employees, 3,652 district union and 20,000 employees in 11,397 Primary Dairy Cooperatives are being provided with the following benefits:

1. Productivity Linked Incentives to Federation and Union employees.
2. Monthly pay enhancement of Rs.200 to Rs.300 with effect from May 2012 to the Primary Co-operative employees.
3. Bonus and ex-gratia to the employees of the Federation and Unions.
4. Gift packets containing milk products on festival occasions.
5. Special By-laws had been formulated for union employees. As per this rules provisions are made to employ employees of primary milk societies at specific proportions of union vacancies.
6. Issuance of Staff card for half a litre of milk free per day.

11. QUALITY CONTROL LABORATORY

The Quality Control Laboratory functioning under the control of the Commissioner for Milk Production and Dairy Development (CMPDD) at Madhavaram, Chennai, tests the samples of milk and milk products, to ensure quality supply to consumers. It is proposed to expand the QC lab to include Research & Development wing, in order to widen the horizon of products and enhance their nutritive value. Each dairy is equipped with an internal Quality Control Laboratory manned by qualified personnel, who ensure the quality of milk and milk products at receipt and despatch points. A mobile Quality Control laboratory operates in Chennai for speedy action wherever required.

12. FOOD SAFETY AND STANDARDS ACT 2006 (FSA 2006)

The FSA 2006 which came into effect from 5.8.11 enables the Food Safety Commissioner to enforce the Act regarding all food items including Milk and Milk Products.

13. ELECTION FOR MILK CO-OPERATIVES

The Government has constituted an Election Commission for Cooperatives. Accordingly, election process is under way to elect Board members of 9,834 milk co-op societies in four phases.

14. PERSPECTIVE PLAN 2011-2016

In order to usher in a Second White Revolution in the State, the following strategies are envisioned by the Department:

- Strengthening grass root level infrastructure by forming 6,000 dairy units over a period of 4 years from 2011-12 to 2014-15. Under this, each year 1,500 dairy units will be formed through NGOs.
- Providing 24 hour animal health service through 155 cluster centres to 11,397 societies.
- Provision of animal insurance under TNLDA assistance.
- Provision of balanced feed to the cattle of milk producers.

- Encouragement of green fodder cultivation among producers.
- Expansion of the chilling facility at village level and dairy handling capacities to handle more milk.
- Creation of new product manufacturing facilities to sell milk products through organized sector.
- Computerization of the Federation and District union activities to speed up milk payment and like works.

15. PLAN FOR THE YEAR 2013-14

15.1 Milk Production through Milk Producers' Co-operative Societies

It is proposed to increase milk production to 30 Lakh litres of milk per day at the primary level by forming new Milk Producers' Cooperative Societies, bringing more producers to cooperative fold by ensuring animal health care and providing cattle feed.

15.2 Increase in Milk and Milk Products sale

Milk from District unions are collected by the four Dairy units in Chennai, processed, packed in sachets and dispatched to consumers in and around Chennai metro.

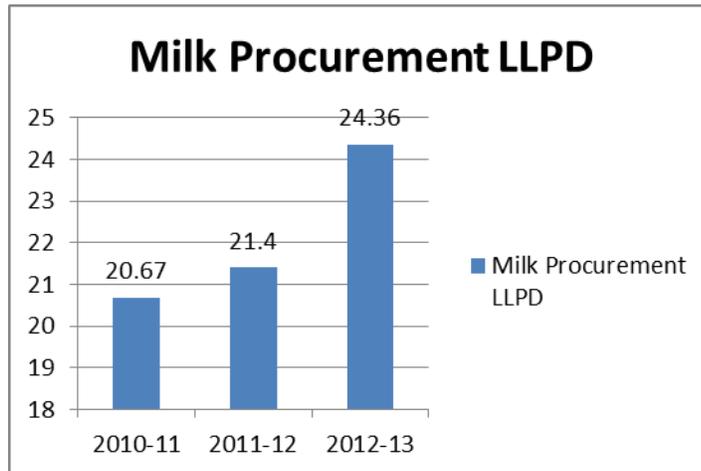
The metro has been witnessing a steady increase in the sale of liquid milk in Chennai and also district unions, now touching 21 lpd.

Chennai metro region has been expanded and its population is growing. In order to fulfill the increasing demand, Tamil Nadu Cooperative Milk Producers' Federation is planning to increase the sale of milk to 12 Lakh litres per day in Chennai metro and 11 lpd in the Districts in various pack size and varieties.

16. PERFORMANCE HIGHLIGHTS 2012 -13

1. Milk procurement

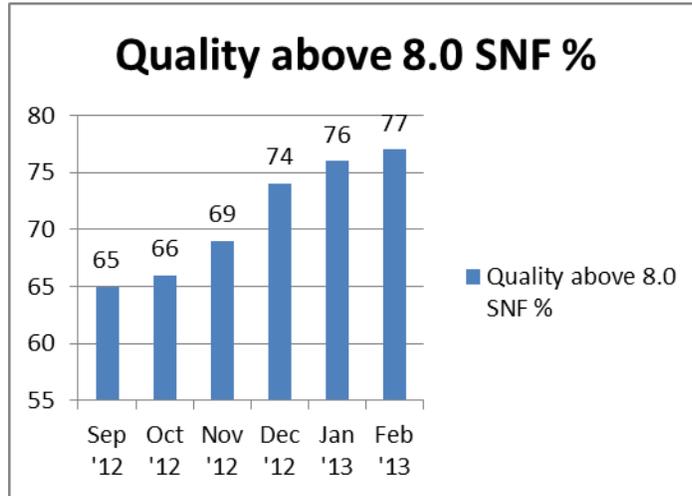
Aavin has achieved a record milk procurement of an average of 24.36 lakh litres per day.



An all time high of 27.15 lakh litre milk procurement was achieved on 20.11.2012

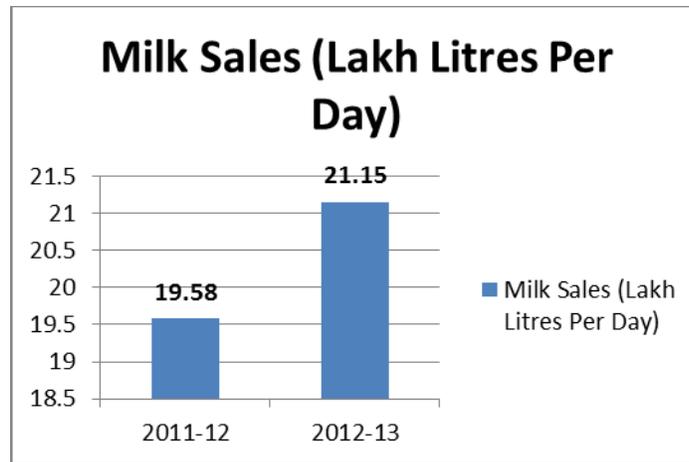
2. Milk procurement - Quality Improvement (Solids Not Fat)

The percentage of milk containing SNF 8% and above has been increased from 65% to 77% through quality control measures.



3. Milk Sales

Aavin has achieved an increase of an average of 2 lakh litres per day this year than last year.



4.

Marketing and Sales effort:

Introduction of various new products, parlours and channels

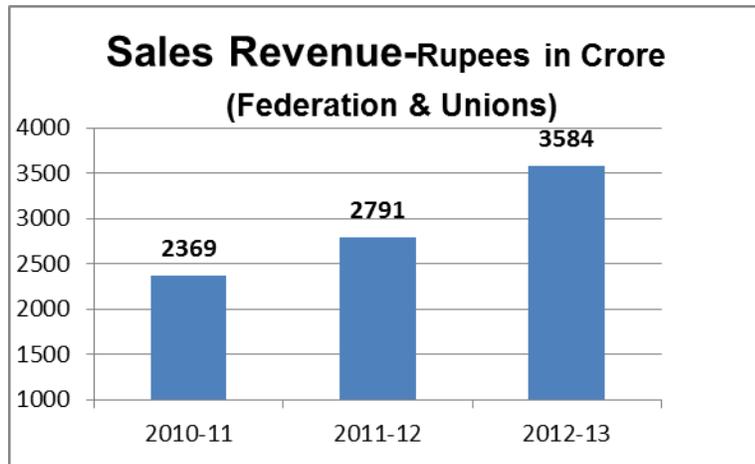
- Aavin milk chocolates 'Milky' and 'Nutty' launched by the Hon'ble Chief Minister on 20.02.13.
- Aavin Milk Bread launched on 10.01.2013.
- Aavin 'Shrikand' and 'Milk Peda' launched on 16.07.12.
- Aavin mango milk shake launched on 30.04.12.
- Issuance of 'Smart' cards and online renewal facilities introduced from 11.12.2012
- Establishment of 190 new parlours in Chennai metro and the District unions during 2012 -13.
- To develop entrepreneurial skills among the students, co-ordinated efforts are

being taken to establish parlours in schools and colleges.

- To increase the sale of ghee , butter, skimmed milk powder, and flavoured milk tetra packs, steps are being taken to establish marketing branches in other states.

5. Sale Revenue (Federation and unions)

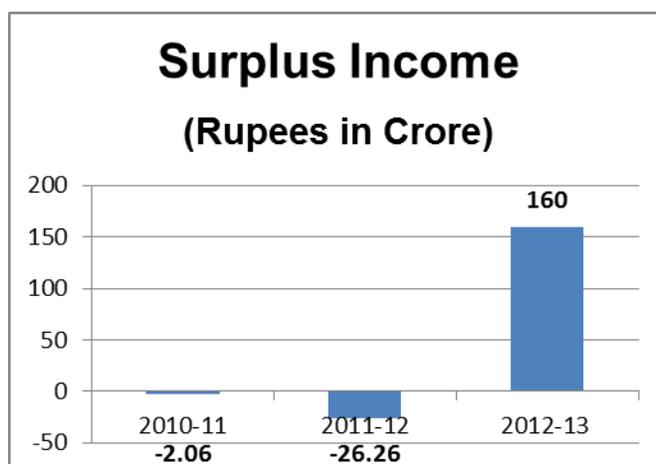
A record sales revenue of Rs.3,584 Crore was achieved during the current year as against Rs. 2,369 Crore during 2010-11 and Rs 2,791 Crore in 2011-12.



6. Surplus income

During 2012 -13, a record surplus income of Rs.160 Crore has been generated through increase in selling price, strengthening of infrastructure, effective administration and increased sale of milk and milk products.

The accumulated loss are, however, Rs.639.36 Crore, which are expected to reduce in the coming years with the continuing focus of the Government on improvement of Dairy Sector.



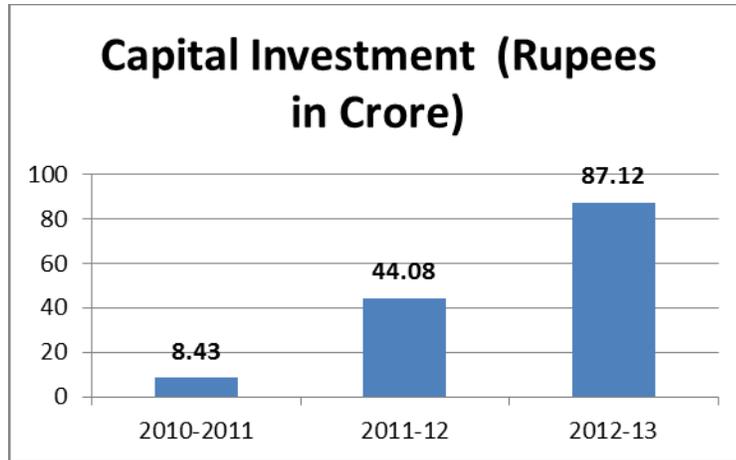
7. Incentives to primary milk producers

An additional amount of Rs 30.84 Crore was paid as incentive to 2,02,173 milk producers of the following unions.

- Coimbatore
- Salem
- Trichy
- Madurai

Further, an additional amount of Rs 24.22 Crore is to be disbursed to 1,23,000 beneficiaries for the last financial year.

8. Capital investment for Strengthening of Dairy infrastructure



9. Capital works: Completed/ Ongoing Projects

- 68 Bulk Milk Coolers commissioned in the State.
- Strengthening of Dairy: Pudukkottai & Kakkalur
- New Dairy at Tiruvannamalai
- Establishment of new dairy at Perambalur with handling capacity of 4 lakh litres per day.
- Installation of additional equipment for Dairies, Pasteurizers, Homogenizers, Chillers, Refrigeration facilities, Butter deep freezers, Milk silos, Cold storage rooms.

17. 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 of Tamil Nadu Co-operative Milk Producers' Federation Limited, 17 District Co-operative Milk Producers' Unions and 10,787 Primary Milk Producers' and Consumers' Co-operative Societies. In addition to 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 Cooperative Milk Producers' Federation was completed up to 31.03.2012. Out of 17 District Co-operative Milk Producers Unions, audit for 14 District Co-operative Milk Producers Unions was completed up to 31.3.2012 as on 28.2.2013 without any pendency. Audit of Sivagangai, Dharmapuri was completed upto 31.03.2010 and Thanjavur District Co-operative Milk Producers' Union up to 31.3.2011. Out of 10,787 Primary Milk Producers' Co-operative Societies audit of 2,709 societies completed for the financial year 2011-12.

Audit fees and Fundamental Rule (F.R) cost

From 01-04-2012 to 28-02-2013, as against the audit fee demand of Rs.215.95 Lakh, a sum of Rs.211.09 Lakh was collected and remitted into Government accounts, and against the F.R. fee demand of Rs.63.21 Lakh, a sum of Rs 55.93 lakh was collected and remitted into Government Account.

18. Conclusion:

A large number of measures for the welfare of the employees and staff were taken this year. Appointment of the legal heirs of the deceased dairy employees was made on compassionate grounds. Amendments have been made in the Federation Special By-laws. Special by-laws have been framed to benefit the District Primary Milk Co-op Society employees.

Speedy action has been initiated on the announcements made last year and majority of the works have been completed. Elections to milk co-operatives are being held.

Under the dynamic and able leadership of the Hon'ble Chief Minister, and the concerted efforts of the Govt., milk production and milk quality have

improved to a great extent. With the impetus given by the Govt., Tamil Nadu is all set to become a pioneer state in the Dairy Industry in the country.

Inspired by the vision of our Hon'ble Chief Minister, the Dairy Development Department is committed to achieving the goal of ushering in the 'Second White Revolution'.

V. MOORTHY

Minister for Milk and Dairy Development

ANNEXURES

Table-11 Important Information

S. No	Items	Particulars
1	Total number of functional Milk Producers' Coop. Societies	11,397
2	New Milk Producers' Co-operative Societies formed during 2012-13	1,491
3	Total Number of members in Milk Producers' Cooperative Societies (In Lakh)	22.86
4	Total No. of pouring members (In lakh)	4.25
5	Milk Production by societies (In lpd)	25 to 30
6	No of District Unions	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 lpd)	21 to 25
10	Milk marketing in Chennai City (In lpd)	10.84
11	Milk marketing in District Unions (In lpd)	9.55
12	Number of Union Dairies	16
13	No. of Federation Dairies	4
14	Handling Capacity of Union Dairies (In lpd)	20.72
15	Handling Capacity of Federation Dairies (In lpd)	10.00
16	Handling Capacity of Registered Private Dairies (In lpd)	62.68
17	Number of Chilling Centres	35
18	Handling Capacity of Chilling Centres (In lpd)	14.75
19	Number of Bulk Milk Cooler Units	247
20	Handling Capacity of Bulk Milk Cooler units (In lpd)	10.21
21	Number of rural milk collection routes	530
22	Number of milk distribution routes at District level	266
23	Number of milk distribution routes Chennai Metro	103
24	Number of Powder plants (Erode, Salem, Madurai and Dharmapuri)	4
25	Capacity of powder plants for drying Milk	70MT/day

Table -12 Union wise Milk Procurement

(Average Ltrs. per day)

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

Table- 13 Milk Sales in Chennai and District Unions

(Average Ltrs.per day)

S.No.	Name of the Union	2012-2013
1	Kancheepuram-Thiruvallur	6,103
2	Villupuram	26,435
3	Vellore	79,164
4	Dharmapuri	20,888
5	Salem	1,75,746
6	Erode	72,483
7	Coimbatore	1,48,606
8	The Nilgiris	16,226
9	Madurai	1,57,789
10	Dindigul	13,668
11	Tiruchirapalli	1,12,991
12	Thanjavur	18,766
13	Pudukottai	6,819
14	Sivagangai	27,807
15	Virudhunagar	8,768
16	Tirunelveli	47,508
17	Kanniyakumari	14,576
	Total	9,54,577
18	Chennai Metro Sales	10,84,000
19	Other Federation	76,607
	Grand Total	21,15,184