



**ANIMAL HUSBANDRY, DAIRYING AND
FISHERIES DEPARTMENT**

DAIRY DEVELOPMENT

**POLICY NOTE
2015-2016**

DEMAND No. 8

BV RAMANAA
MINISTER FOR MILK AND DAIRY DEVELOPMENT

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DAIRY DEVELOPMENT DEPARTMENT

POLICY NOTE 2015-16

1. Introduction

Dairying, as an economic activity provides regular income to millions of rural families in Tamil Nadu throughout the year, especially to rural women thereby improving the quality of their life. Realizing the importance of Dairying activity in alleviating rural poverty, Government of Tamil Nadu has been giving special impetus to Dairy industry for the last 4 years. In order to ensure payment of remunerative price to milk producers for the milk they produce, the Government in the last 4 years has increased the purchase price of Cow milk by Rs.10/- per litre and Buffalo milk by Rs.9/- per litre.

Subsequent to the increase of milk procurement price by Rs.5/- per litre with effect from 1.11.2014, milk procurement by

District Cooperative Milk Producers Unions increased significantly to 23.68 LLPD in the year 2014-15. Further the average procurement in the first four months of 2015-16 (April'15 - July '15) was 29.38 LLPD with never before highest procurement of 30.94 Lakh Litre on 22.6.2015.

Due to the infrastructure development taken up at Primary Dairy Co-operative Societies, Dairies of District Cooperative Milk Producers' Unions and State Milk Federation over the last 4 years, Aavin is able to handle and process the increased quantity of milk without any difficulty.

Tamil Nadu is one among the leading milk producing States and heads the list by having co-operative societies in more than 50% of revenue villages. There are 11,839 Milk Producers Cooperative societies with 22.95 lakh milk producers in Tamil Nadu.

Dairy Cooperatives are being managed by democratically elected Board of Directors. There are 31,863 women Directors among the one lakh Board of directors involved in the management of Dairy Cooperatives.

In order to meet the increasing market demand for Aavin milk, it is proposed to achieve the sales target of 25 LLPD by March 2016, which includes 13.50 LLPD in Chennai metro by Tamil Nadu Cooperative Milk Producers' Federation and 11.50 LLPD in other districts by District Unions in a phased manner.

Realizing the important role played by the Dairy sector, the Government of Tamil Nadu is guiding the state towards a second white revolution which will not only increase the rural household income, but also further improve per capita availability of milk in the state. To achieve this objective, Government

has implemented the priceless milch cow scheme, under which 60,000 cows will be distributed over a period of five years from 2011-12 to 2015-16. Of these, 48,000 cows have been distributed so far to the poor families. The habitations where these cows are provided are covered through milk routes by Aavin and milk is being procured daily from these beneficiaries thereby providing them with a steady source of income.

Since Aavin gives priority to the welfare of the milk producers, in addition to the price hike announced by the Government it has also disbursed an additional amount of Rs.214.51 crore as incentive to 3.48 lakh milk producers during the last 4 years, over and above the regular procurement cost payment.

2. DAIRY DEVELOPMENT DEPARTMENT

2.1. Objectives of the Dairy Development Department

- 1) To work towards bringing the un-organized dairy sector into an organized structure.
- 2) To supervise and regulate the activities of dairy Co-operatives.
- 3) To pay remunerative price to the milk producers based on the quality of milk and provide veterinary inputs and health care to increase the milk yield of milch animals.
- 4) To organize dairy cooperative societies in the remote villages to safeguard the milk producers from the exploitation of the private traders.
- 5) To ensure consistent growth of dairying on par with other enterprises.

- 6) To ensure availability of cattle feed and green fodder to milch animals even in drought season.
- 7) To develop infrastructure for storage, processing and selling of milk to handle surplus milk.
- 8) To ensure availability of quality milk to the consumers at reasonable rates.
- 9) To introduce modern technology in various dairy activities.
- 10) To ensure availability of milk and milk products as per prescribed quality specifications.
- 11) To market the Milk and Milk Products.

2.2. Strategies adopted to achieve the objectives

To achieve the objectives of the Dairy Development Department the following activities are being undertaken:

1. Hygienic and pure milk and milk products are made available to the consumers.

2. Computerization of dairy activities to ensure transparency in administration.
3. Providing free veterinary health cover, Artificial Insemination, service to cattle, insurance of cattle, supply of balanced cattle feed, inputs like fodder seeds and cuttings for fodder cultivation to milk producers in co-operative sector.
4. Strengthening of clean milk production at village level through necessary education and milk testing.
5. Implementation of various State and Central Government Schemes.
6. Strengthening and increasing the handling capacity of Dairies

functioning in Dairy Cooperative sector.

7. Opening of new parlours, sales points, new milk routes, consumer societies and sale of more milk cards.

2.3. Administrative Structure of the Department

The Dairy Development Department was formed in the year 1958. It is headed by the Commissioner for Milk Production and Dairy Development with administrative headquarters at Madhavaram Milk Colony, Chennai. The Commissioner is the Functional Registrar of all the Dairy Co-operatives in the State and is the Managing Director of Tamil Nadu Cooperative Milk Producers Federation. Under various provisions of the Tamil Nadu Co-operative Societies Act, 1983 and Tamil Nadu Co-operative Societies Rules, 1988, the Commissioner for Milk production and Dairy Development discharges statutory functions

like registration of societies, revival of dormant societies, inspection of societies, settlement of disputes, conduct of elections, issue of directions to societies in public interest etc.

In discharging these functions, the Commissioner for Milk production and Dairy Development is assisted by the Deputy Milk Commissioner (Cooperation) at the state headquarters and 25 Deputy Registrars (Dairying) in the field. The post of Deputy Milk Commissioner which was earlier filled by officers on deputation from Cooperative Department is now filled up by promoting the senior most Deputy Registrar (Dairying) of the Dairy Development Department.

Deputy Registrars (Dairying)

There are 25 circle Deputy Registrars (Dairying) across Tamil Nadu to implement administrative and legal works of the milk co-operatives.

In order to strengthen the human resource availability in the offices of the circle Deputy Registrars (Dairying), the Government have permitted for filling up of 137 Senior Inspector posts through Tamil Nadu Public Service Commission by direct recruitment.

Milk Procurement Teams

In Dairy Development Department, 11 milk procurement teams headed by Veterinary Doctors on deputation from Animal Husbandry Department are functioning at Salem, Dharmapuri, Sankarankoil, Coimbatore, Thanjavur, Vellore, Thiruvallur, Karaikudi, Perambalur, Virudhunagar and Tiruchirapalli to assist the procurement work of District Cooperative Milk Producers' Unions. These teams survey the milk potential of villages to form new societies so as to bring more villages under the cooperative ambit. These teams also visit village level primary milk cooperative

societies in their jurisdiction and take action to increase milk production.

Mobile Veterinary Units

13 mobile veterinary units are functioning at Nagercoil, Tirunelveli, Kovilpatti, Valliyur, Sathankulam, Sankarankoil, Tiruppathur, Karaikudi, Ramnad, Virudhunagar, Rajapalayam, Chennai and Madurai. Scheduled visits as per pre communicated programme are undertaken by these units to provide free veterinary service to the cattle of the primary dairy cooperative milk producers.

2.4. Elections to Dairy Co-operatives

With an objective to ensure the administration of dairy cooperatives by democratically elected Board members, and to conduct elections to the cooperative institutions, the Hon'ble Chief Minister of Tamil Nadu ordered to constitute the State

Cooperative Election Commission. This Commission has conducted elections for Board of Directors of dairy cooperatives at all the three levels in 2013.

Reservation to women and weaker sections has been provided at various levels. This has ensured their participation in the decision making process.

There are 1,08,391 board of directors managing the administration of dairy cooperatives, of which 31,863 directors are women.

As and when new societies are formed or vacancies arise, the State Election Commission for Cooperative Societies conducts elections for the same.

2.5. Quality Control Laboratory

A Quality Control Laboratory is functioning under the control of the Commissioner for Milk Production and Dairy

Development at Madhavaram, Chennai. Frequent quality tests of milk and milk products are being conducted by this laboratory to ensure supply of quality milk and milk products to the consumers. A mobile Quality Control laboratory is also operating in Chennai.

To ensure supply of quality milk and milk products, a total of 721 samples were tested during the year 2014-15 in the laboratory.

Further each dairy of District Unions and Federation is also equipped with a Quality Control Laboratory manned by qualified personnel. These laboratories ensure that quality milk is received from the milk producers and quality milk and milk products are supplied to consumers after proper testing.

2.6. Food Safety and Standards Act 2006 (FSSA 2006)

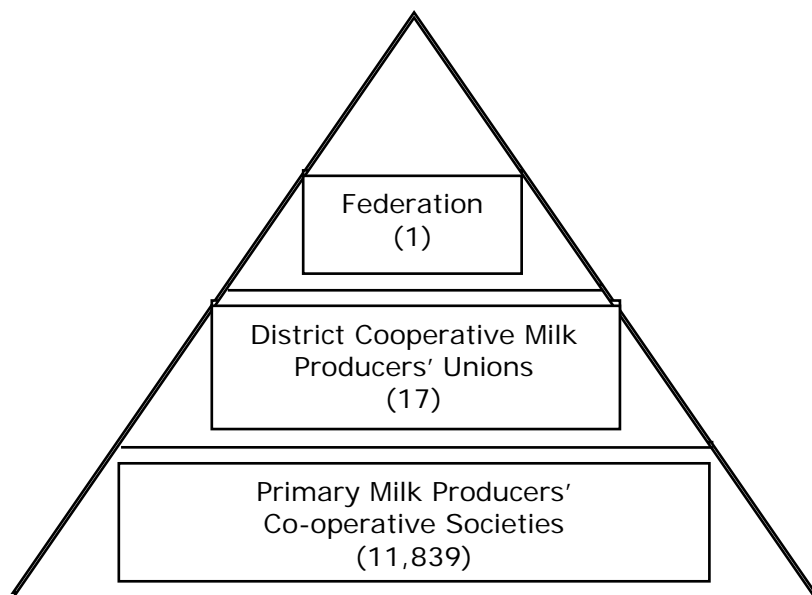
The FSSA 2006 which came into effect from 05.08.2011 empowers the Food Safety Commissioner to enforce the Act regarding all food items including Milk and Milk Products. Previously, the Commissioner for Milk Production and Dairy Development was empowered to enforce the quality of milk and milk products under the Milk and Milk Products order, 1992.

3. Three Tier Structure of Milk Cooperatives

- Tier-1- Village level - Primary Dairy Cooperatives are formed at village level on "Anand Model". It forms the base level of the 3 tier system which has direct contact with milk producers at villages.
- Tier-2- District level - District Milk Producers' Cooperative Unions (DCMPU) are the district level societies in which all the village level Primary Dairy

Cooperatives are members. It procures surplus milk from the Primary dairy cooperative societies, processes it and sells it to milk consumers.

Tier-3- State level - The Tamil Nadu Cooperative Milk Producers' Federation (TCMPF) is the apex level society in which all the District Unions are members. Federation is directly selling milk and milk products in Chennai Metro and also arranges for marketing of milk and milk products produced by all DCMPUs in the brand name of "aavin "



4. TAMIL NADU CO-OPERATIVE MILK PRODUCERS' FEDERATION LIMITED

Consequent to the introduction of 'Anand pattern' in the State of Tamil Nadu, Tamil Nadu Co-operative Milk Producers' Federation Limited (TCMPF) was started on 01.02.1981 which took over all the commercial activities such as milk procurement, processing, packing and sale of milk and milk products to the consumers etc., from the Dairy Development Corporation which was till then handling the above functions. Tamil Nadu Co-operative Milk Producers' Federation Ltd is having its administrative office at Aavin Illam, Madhavaram Milk Colony, Chennai. The present elected board of Directors of the Federation and its President assumed office on 9.7.2013. The day to day administration of the Federation is looked after by the Managing Director.

The Federation procures milk from various District Unions, processes and supplies liquid milk in sachets and various milk products to consumers in Chennai city and its suburbs. Apart from this a major role of the Federation is to arrange for marketing of milk products produced by the District Co-operative Milk Producers' Unions both within and outside the State. Milk and milk products sold by the Federation and the Unions are sold under the brand name of '*aavin*'.

The Federation also directs and coordinates the activities of the Unions and provides technical expertise as and when required. It undertakes and executes, either on its own or through National Dairy Development Board, projects such as erection and commissioning of dairies, chilling centres, new equipments, etc. for the Unions. Further, Federation also assists the

Commissioner for Milk Production and Dairy Development in preparation of proposals to obtain funds under various schemes.

Three Liquid Milk Dairies with total capacity of 11.50 lakh litres per day and one Product Dairy with capacity of 10,000 litres per day are functioning under the control of the Federation. All these Metro Dairies are certified under International Organization for Standardization (ISO) and Hazard Analysis and Critical Control Point (HACCP). Day to day operations of these metro dairies are looked after by the Joint Managing Director.

Details of these metro dairies and other units of Federation are furnished below:

4.1. Madhavaram Dairy

The Madavaram Dairy was setup with the assistance of New Zealand Government under Colombo Plan in 1962 to handle

50,000 Litre of liquid milk per day. Subsequently, to cater to the increase in market demand the dairy was expanded in stages by TCMPF to 3.5 Lakh Litre per day. This dairy distributes milk to consumers in North Chennai through 42 hired route vehicles, 19 Private Agency vehicles and 4 Milk Consumers' Co-operative society milk routes.

Infrastructure of Madhavaram dairy has been enhanced during the last four years, to store an additional quantity of 2.2 lakh litres in milk silos and 80,000 litres of sachet milk in milk cold room. Refrigeration system has been strengthened and new pouch packing machine has been installed. Additional infrastructure such as butter deep freezer of 30 MT capacity, 500 KVA power back-up have also been established. The strengthening of the above infrastructure has

ensured timely supply of milk daily to consumers. Madhavaram dairy handled 3.24 lakh litres per day (LLPD) of milk during 2014-15.

4.2. Ambattur Dairy

The Ambattur Dairy was setup in 1976 as a 2,00,000 LPD Liquid Milk Plant with provision of tanker despatch for bulk vending. Subsequently, the handling capacity was increased to 4 LLPD.

This dairy distributes milk to consumers in Central Chennai through 41 hired route vehicles, 12 vehicles engaged by Milk consumers' cooperative Societies, and 35 Private Agency vehicles.

During the last 4 years, infrastructure has been created for an additional storage of 1,00,000 litres of raw milk and 1,00,000 litres of sachet milk by installing milk silos and cold room respectively. A butter deep

freezer of 300 MT capacity has been commissioned. Moreover, a fully automated double circuit new CIP (Cleaning In Place) system, strengthening of packing and refrigeration facilities, installation of solar water heating system to feed hot water for boilers were also carried out. Ambattur dairy has handled an average of 3.50 Lakh Litres of milk per day during 2014-15.

4.3. Sholinganallur Dairy

The Sholinganallur Dairy was set up in 1996 with an installed capacity of 4 LLPD. This is the first automated dairy to be established in South India. The plant was initially designed for bulk milk despatch in tankers to the tune of 3.50 LLPD for milk vending booths and 50,000 litres as sachet milk. Subsequently, to cater to the changing market scenario and demand, bulk despatch

was switched over to sachet milk in a phased manner.

The Federation has also established additional facilities viz. cold room, packing machines and crate washing machine to meet the increased demand for milk supply in sachets.

The Dairy is now handling 4.50 lakh litres of milk per day on an average and operating 32 hired route vehicles, 47 private agency vehicles and 7 Milk Consumers' Cooperative Society routes, for the supply of sachet milk.

During the last 4 years, infrastructure has been enhanced for storage of one lakh litres in milk silos and 64 MT capacity butter deep freezer, besides provision of machineries for processing, packing and refrigeration facilities. Further, homogenizer

with a capacity of 20,000 litres per hour has been additionally installed.

4.4. Nucleus Jersey and Stud Farm (NJ&SF), Udhagamandalam

This farm is located near Udhagamandalam in an area of 37.725 acres of land leased from the Forest Department. Jersey, Jersey crossbred, Holstein Friesian and Holstein Friesian crossbred bulls are maintained in this place. The farm produces 18.00 Lakh doses of frozen semen straws per year on an average which are sold to the District Cooperative Milk Producers' Unions.

The farm has been strengthened with financial assistance of Rs.3.69 crore under National Project for Cattle and Buffalo Breeding (NPCBB) through Tamil Nadu Livestock Development Agency (TNLDA).

4.5. Buffalo Frozen Semen Station (BFSS), Erode

The Buffalo Frozen Semen Station was established during November 1983 at Erode. The following activities are being carried out in the unit: -

1. Distribution of Frozen Semen Straws to District Cooperative Milk Producers' Unions.
2. Rearing of breeding bulls

On an average, 8,000 straws of buffalo frozen semen are distributed, apart from distribution of 1.42 lakh cattle frozen semen straws per month.

Further, Dairy Herd Improvement Programme Actions (DIPA) unit is also functioning at this station. The activities of DIPA unit are as follows:

1. Progeny Testing Scheme (PTS)

2. Field Performance Recording Programme (Crossbred Jersey and Kangeyam)

Under the Field Performance Recording Programme for Crossbred Jersey, so far 243 bull calves have been provided for frozen semen production to the four frozen semen stations in Tamil Nadu (one in Cooperative sector and three with Animal Husbandry Department). Similarly, 27 Kangeyam bull calves have been provided to the Department for production of frozen semen with an objective of conserving the native breeds.

4.6. Ambattur Product Dairy

The Product Dairy was established in the year 1976 at Ayanavaram as a separate unit within the premises of erstwhile Ayanavaram milk supply union. Since, the union building and the plant & machineries

were very old and for want of effluent treatment facilities, the product dairy was shifted to Ambattur dairy complex in the year 2003.

The following products are manufactured at Ambattur Product Dairy and sold to Chennai consumers:-

Table 1:-

Sweets	Ice cream varieties	Fermented Products	Coagulated products and others
<ul style="list-style-type: none"> • Sugared Khoa • Dates khoa • Mysorepa • Gulabjamun • Milk Peda 	<ul style="list-style-type: none"> • Ice cream cups • Family packs in bricks • Cassata • Ball Ice cream • Chocobar • Mango duet • Pineapple duet • Classic cone • Kulfi Bar 	<ul style="list-style-type: none"> • Sweetened Yoghurt • Curd in sachets • Spl.Curd in cups • Lassi sachets • Probiotic Curd • Probiotic Lassi • Plain butter milk • Spl.Butter milk 	<ul style="list-style-type: none"> • Paneer <p>Others</p> <ul style="list-style-type: none"> • Unsugared Khoa • Flavoured milk • Nutties • Chocolate • Milk • Chocolate

Milk products produced in product dairy are despatched through hired vehicles in 16 routes for sales through retail outlets and also through 3 own mobile vehicles. Butter,

Ghee, Badam Powder and other Tetra pack products, received from District Unions are also supplied through these vehicles. Three own refrigerated vehicles of 4.5 ton capacity are engaged exclusively to supply ice cream to all the parlours in Chennai Metro. A hardening chamber of 3,000 litres capacity has also been commissioned during 2013-14 for storage of ice creams.

Table 2:- Products Marketing

Sale of Products for the year 2014-15				
S. No.	Particulars	Unit	Total	
			Quantity	Value (Rs.in Lakh)
I	<u>Ambattur Products:</u>			
1	Ice Cream	Ltrs.	3,11,906	643.70
2	Gulabjamun	Kgs.	7,638	30.50
3	Khoa	MT	300	1,045.67
4	Milk peda	MT	15	52.18
5	Paneer	MT	35	96.94
6	Butter Milk	Ltrs.	5,36,701	119.39
7	Mysore Pak	MT	48	186.55
8	Yoghurt	Nos.	91,908	12.10
9	Lassi	Ltrs	2,58,551	215.60
10	Curd 200 MI	Ltrs.	3,77,205	226.58

11	Hot Milk	Ltrs.	5,75,658	333.65
12	FM "N" Rich Bottle	Nos.	4,45,943	75.71
13	Milk Shakes	Nos.	6,638	2.18
14	FM - Badam / Chocolate / Pista	Lts.	6,657	4.09
15	Pizza / Sandwich	Nos.	8,134	1.83
16	Milk Bread	Nos.	17,444	3.49
17	Milk Chocolates	Nos.	57,806	16.40
18	Spl.Sweets	MT	11	65.87
	Sub-Total (I)			3,132.43
II	<u>Union Products:</u>			
1	Butter (Cooking)	MT	768	2,472.50
2	Butter (Table)	MT	18	61.58
3	Ghee	MT	994	3,758.97
4	Standardized Milk (Tetra pack)- 1000 MI	Nos.	15,536	7.51
5	Flavoured Milk 200 MI	Nos.	9,06,861	162.10
6	Mango Drinks 200ml	Nos.	1,65,393	23.88
7	Milk Shakes in Tetra pack	Nos	12,88,271	239.40
8	Aavin Delite (T.Fino)	Lts	13,654	4.46
9	Skimmed Milk in Tetra pack	Nos	4,433	0.42
10	Skim Milk Powder	MT	13	36.81
11	Badam Mix Powder	MT	61	215.02
12	Butter Milk in Tetra Pack	Nos	3,88,002	39.93
13	Ooty Tea	MT	4	5.01
	Sub-Total (II)			6,994.59
	Grand Total (I) + (II)			10,127.02

4.7. Milk Sales:-

On an average, 11.70 lakh litres of milk is being marketed per day in Chennai Metro.

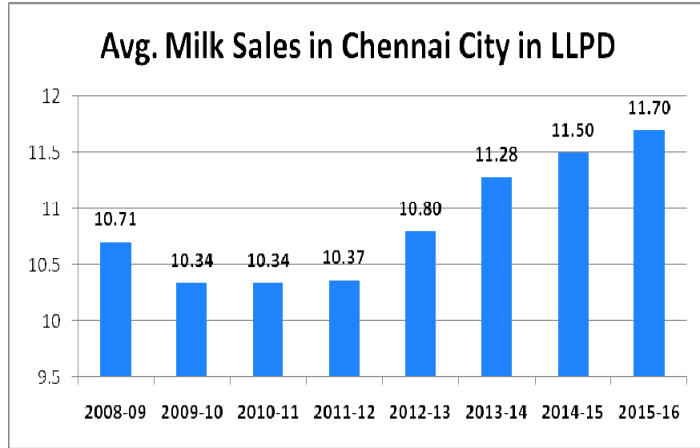


Table 3:- Selling Price of Milk

Sl. No	Type of Milk	Sachet colour	Specification		(Rate per 500 ml pack – In Rs.)	
			FAT %	SNF %	Card	Max. retail price
1	Double Toned Milk	Magenta	1.5	9.0	16.50	17.00
2	Toned Milk	Blue	3.0	8.5	17.00	18.50
3	Standardized Milk	Green	4.5	8.5	19.50	20.50
4	Full Cream Milk	Orange	6.0	9.0	21.50	22.50

Table 4:-

Infrastructure available for Marketing in Metro:

S. No.	Infrastructure	2012-13	2013-14	2014-15
1	Distribution Routes	101	113	117
2	Zonal Offices	16	16	16
3	Milk Depots	443	470	470
4	Delivery Points	263	311	311
5	Parlours	69	93	93
6	Milk Whole Sale Distributors	47	47	71
7	Milk Consumers' Cooperative Societies	49	49	49
8	Franchise Retail Outlets	179	184	202
9	Milk and Milk Products Selling Centres	216	215	215
10	Products Distribution Routes	12	14	16

4.8. Consumer care and support cell

A 24 hour 'Consumer Care and Support Cell' equipped with a **Toll Free No.1800-425-3300** is functioning at the Marketing Office, Nandanam, in order to register complaints from consumers and to redress their grievances then and there. Totally 748 complaints were received during 2014 - 15 and rectified.

5. DISTRICT COOPERATIVE MILK PRODUCERS' UNIONS

The 17 District Cooperative Milk Producers' Unions in Tamil Nadu cover all the revenue districts except Chennai district which is totally urban in nature. Affairs of each District Union are managed by an elected Board, headed by its President. These District Unions procure milk from member Milk Producers' Cooperative Societies and transport it through milk collection route

vehicles to the nearest Bulk Milk Cooler (BMC) / Chilling Centre / Dairy.

5.1 Unions provide animal health services at the doorstep of the producers through mobile veterinary routes and impart training to producer members on best practices of Animal Husbandry. Veterinarians of the Unions work in coordination with Animal Husbandry Department officials for disease control, vaccination drives, etc. Unions also impart training to secretaries of Milk Producers' Cooperative Societies on the functioning of societies and to village level workers on first aid, artificial insemination, etc.

5.2 After meeting the local demand, the district unions send their surplus milk to federation dairies for sale in Chennai. After meeting the entire requirement, surplus milk is being sent to Feeder Balancing Dairies at

Madurai, Erode, Salem and Krishangiri where it is converted to butter and skimmed milk powder.

The District Unions also help to organize village level societies and register them through the Deputy Registrars (Dairying).

**Table 5:-
Union wise number of societies and milk pouring members**

S. No	Name of the Union	No. of societies	No. of milk pouring members
1	Kancheepuram – Tiruvallur	685	24,385
2	Villupuram	1,238	43,970
3	Vellore	1,162	65,164
4	Dharmapuri	842	25,714
5	Salem	1,228	53,456
6	Erode	547	36,563
7	Coimbatore	916	20,875
8	The Nilgiris	106	3,310
9	Madurai	1,023	35,537
10	Dindigul	228	7,866
11	Tiruchirapalli	898	57,948
12	Thanjavur	787	33,829
13	Pudukkottai	286	14,624
14	Sivagangai	591	13,412
15	Virudhunagar	360	4,978
16	Tirunelveli	880	14,132
17	Kanyakumari	62	4,512
	Total	11,839	4,60,275

**Table 6:-
Union wise milk handling capacity
(In Litres Per Day)**

S.No.	Name of the Union	Processing capacity of Dairies		Chilling capacity				Total
		No	Capacity	CC		BMC		
				No	Capacity	No	Capacity	
1	Kancheepuram -Thiruvallur	1	50,000	2	60,000	11	45,000	1,05,000
2	Villupuram	1	1,00,000	2	1,40,000	20	80,000	2,20,000
3	Vellore	1	1,50,000	4	2,30,000	32	1,46,000	3,76,000
4	Dharmapuri	1	2,00,000	2	60,000	16	68,000	1,28,000
5	Salem	1	3,00,000	3	2,10,000	45	1,74,000	3,84,000
6	Erode	1	3,00,000	3	1,35,000	25	1,19,000	2,54,000
7	Coimbatore	1	2,00,000	4	1,30,000	21	1,02,000	2,32,000
8	Nilgiris	1	50,000	1	10,000	6	11,000	21,000
9	Madurai	1	3,00,000	1	1,00,000	14	58,000	1,58,000
10	Dindigul	1	30,000	2	40,000	12	50,000	90,000
11	Tiruchirapalli	1	1,50,000	3	2,30,000	35	1,65,000	3,95,000
12	Thanjavur	1	26,000	1	10,000	13	51,000	61,000
13	Pudukkottai	1	35,000	-	-	-	-	-
14	Sivagangai	1	50,000	2	20,000	12	52,000	72,000
15	Virudhunagar	1	50,000	1	10,000	-	-	10,000
16	Tirunelveli	1	1,00,000	4	90,000	12	58,000	1,48,000
17	Kanyakumari	1	16,000	-	-	-	-	-
	Total	17	21,07,000	35	14,75,000	274	11,79,000	26,54,000

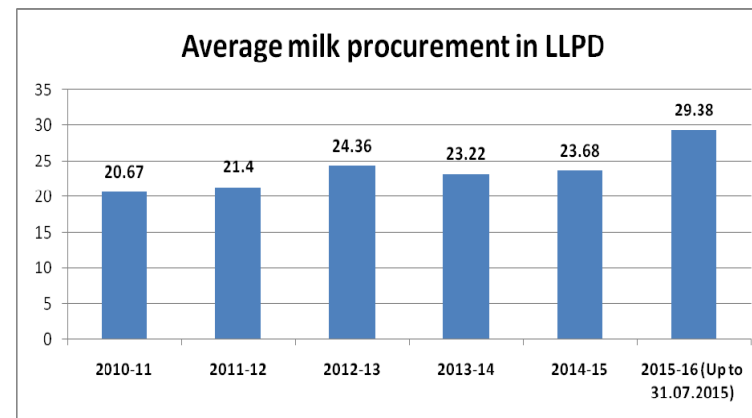
5.3. Milk procurement in District Cooperative Milk Producers Unions

The average milk procurement during 2014-15 was 23.68 LLPD. Average milk procurement for first seven months of 2014-15 (April to October) was only 22.12 LLPD. After procurement price increase with effect from 1.11.2014, there has been a significant increase in the quantity of milk procured by District unions. During the next five months after the procurement price increase (Nov' 14 to March' 15), the average milk procurement was 25.79 LLPD. On 22.06.2015 milk procurement by the District Cooperative Milk Producers' Unions reached the highest level of 30.94 Lakh Litre.

The details of milk procurement over last few years are as follows:

Table 7:-

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
4	2013-2014	23.22
5	2014-2015	23.68
6	2015-2016 (Up to 31.07.2015)	29.38

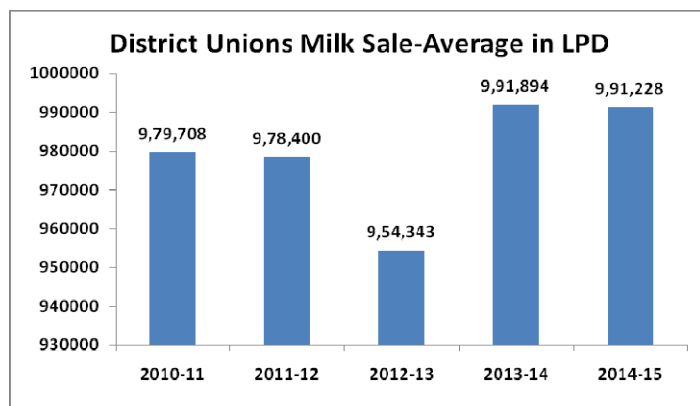


**Table 8:-
District Union wise Milk procurement
(average litres per day)**

S.No	Name of the Union	2010-11	2011-12	2012-13	2013-14	2014-15	2015-2016 (up to July'15)
1	Kancheepuram - Thiruvallur	49,349	56,000	75,000	82,000	1,03,083	1,25,318
2	Villupuram	1,43,143	1,52,000	1,78,000	1,73,000	1,70,793	2,04,379
3	Vellore	2,45,417	2,52,000	2,97,000	2,81,000	2,84,965	3,11,732
4	Dharmapuri	1,28,048	1,09,000	1,46,000	1,28,000	1,21,778	1,64,799
5	Salem	3,99,851	4,24,000	4,67,000	4,50,000	4,56,480	5,23,141
6	Erode	2,17,756	2,31,000	2,51,000	2,34,000	2,32,371	3,02,473
7	Coimbatore	2,25,894	2,30,000	2,40,000	2,34,000	2,18,175	2,82,724
8	The Nilgiris	18,668	17,000	18,000	16,000	15,045	16,764
9	Madurai	1,74,351	1,68,000	1,93,000	1,76,000	1,93,988	2,78,496
10	Dindigul	40,103	40,000	46,000	41,000	46,091	62,425
11	Tiruchirapalli	2,75,298	2,94,000	3,14,000	3,04,000	3,12,077	3,90,652
12	Thanjavur	32,079	42,000	53,000	51,000	50,352	61,499
13	Pudukottai	12,584	14,000	18,000	15,000	29,473	42,328
14	Sivagangai	28,225	33,000	44,000	47,000	49,040	58,800
15	Virudhunagar	8,628	12,000	17,000	15,000	16,562	19,396
16	Tirunelveli	61,996	58,000	69,000	67,000	58,798	82,007
17	Kanyakumari	5,390	9,000	10,000	8,000	9,250	10,630
	Total	20,66,780	21,40,000	24,36,000	23,22,000	23,68,309	29,37,562

**Table 9:-
District Union wise Milk Sales**

Sl. No.	Name of the District Union	Avg. Milk Sales Litres Per Day				
		2010-11	2011-12	2012-13	2013-14	2014-15
1	Kancheepuram -Thiruvallur	697	7,560	6,103	6,161	9,987
2	Villupuram	35,092	30,086	26,435	24,718	22,982
3	Vellore	77,511	87,847	79,164	79,896	81,563
4	Dharmapuri	18,811	21,690	20,888	25,060	27,806
5	Salem	1,56,356	1,76,854	1,75,746	1,86,777	1,88,094
6	Erode	72,408	79,371	72,483	71,867	72,533
7	Coimbatore	1,62,928	1,58,175	1,48,606	1,49,880	1,49,010
8	Nilgiris	16,836	16,543	16,226	17,955	17,315
9	Madurai	1,89,162	1,46,605	1,57,789	1,64,767	1,60,159
10	Dindigul	13,938	15,155	13,668	14,756	13,707
11	Tiruchirapalli	1,12,151	1,11,284	1,12,991	1,20,382	1,18,974
12	Thanjavur	18,581	19,529	18,766	20,556	22,329
13	Pudukottai	6,932	6,830	6,819	8,336	10,941
14	Sivagangai	30,972	27,605	27,807	30,274	31,967
15	Virudunagar	6,132	10,623	8,768	7,378	6,012
16	Tirunelveli	59,150	48,818	47,508	47,063	42,910
17	Kanyakumari	17,537	13,825	14,576	16,068	14,939
	TOTAL	9,79,708	9,78,400	9,54,343	9,91,894	9,91,228



5.4. Feeder Balancing Dairies (FBDs)

Four FBDs are functioning at Dharmapuri, Salem, Erode and Madurai District Cooperative Milk Producers' Unions. One new Feeder Balancing Dairy at Tiruvannamalai with capacity to process 2 LLPD milk has been made operational recently. It was inaugurated by Hon'ble Chief Minister on 15.7.2015. Surplus milk procured is converted into products like Skimmed Milk Powder (SMP), Butter and Ghee in the FBDs.

Table 10:-

Sl. No.	Name of the FBD	Functioning under the control of Union / Federation	Capacity	
			Dairy in LLPD	Powder plant in MT per day
1	Krishnagiri	Union	2.00	10
2	Salem	Union	3.00	10
3	Erode	Union	3.00	40
4	Madurai	Union	3.00	10
5	Tiruvannamalai	Federation	2.00	20
Total			13.00	90

5.5. Erode Cattle Feed Plant

Erode Milk Union is operating a cattle feed plant since 1982. This plant has a production capacity of 100 MT per day. Various types of feeds are produced here which are supplied to District Unions and Animal Husbandry Department. Recently, the storage capacity of raw material and finished products has been increased from 3,350 MT to 6,000 MT with an investment of Rs.3.50 crore.

The enhancement of production capacity of cattle feed plant from 100 MT per day to 150 MT per day at a total cost of Rs.10.72 crore is under progress.

5.6. Mineral Mixture Plant

Four mineral mixture plants are functioning at Villupuram, Tiruchirapalli, Tirunelveli and Erode District Co-operative Milk Producers' Unions. Each plant has a production capacity of 12 MT per day.

As per the indent for mineral mixture received from the Department of Animal Husbandry, Aavin is supplying 323.12 MT of mineral mixture worth of Rs.161.56 lakhs for the year 2014-15.

6. PRIMARY MILK CO-OPERATIVE SOCIETIES

At the village level, 11,839 Milk Producers' Co-operative Societies are functioning in the State. This includes 1,793

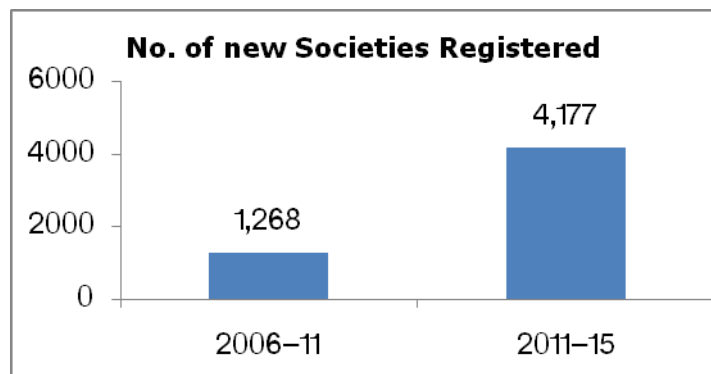
Women Milk Producers' Co-operative Societies. Also, 62 Milk Consumer Co-operative Societies which cater to the needs of the milk consumers are functioning.

The milk produced by the farmers is collected twice a day throughout the year. The producers are paid a remunerative price based on the quality of milk. At present, the procurement price for cow milk and buffalo milk is Rs.28/- and Rs.35/- per litre respectively. In addition, all the 4.56 lakh milk pouring members of the Societies are paid dividend, incentive and additional purchase price, whenever the societies earn profit.

During the year 2014-15, 842 new Milk Producers Co-operative Societies were registered.

**Table 11:-
Number of new societies registered
from 2010 – 11 onwards**

S.No	Year	No. of new societies registered
1	2010 – 11	143
2	2011 – 12	867
3	2012 - 13	1,491
4	2013 - 14	977
5	2014 - 15	842
Total 2011-15		4,177



The village level milk co-operative societies procure around 33 lakh litres per day. After local sales around 3 LLPD at village level, the District Unions procure around 30 LLPD.

6.1. Primary Milk Producers' Cooperative Societies

- a) At the Village level, Primary Milk Producers' Cooperative Societies procure milk from the milk pouring members and makes timely payment on the basis of quality at the rate fixed by the Government. Artificial Insemination is carried out by the trained staff for the milch animals belonging to the members. Cattle feed is made available to the members by the society. Further, society provides Animal Health services to the animals belonging to the milk producers through the veterinarians of milk Unions.

Milk Producers Cooperative Society shares 50% of the net profit as bonus under section 72 of Tamil Nadu Cooperative Societies Act 1983 which is unique to Dairy Cooperatives. Under Rule 83 of Tamil Nadu Cooperative Societies Rule 1988, additional procurement price is paid to the member based on the quantity of milk poured to the society.

- b) Due to periodical increase in milk procurement price by the Government, the milk procurement by the societies has increased and thereby the profit earned by the societies has also increased. These surplus earnings are utilized for payment of bonus to its members, for strengthening the infrastructure and machineries. With effect from 1.11.2014, administrative

cost permitted to be retained by societies has been increased from 50 paise to 75 paise per litre.

- c) Artificial Insemination facilities to the milch animals are being provided at the door step of the producers by the Union veterinarians and trained Village Level Workers. 18.55 lakh Artificial Inseminations were carried out during the year 2014–15. In order to provide veterinary health care and Artificial Insemination to milch animals belonging to the members of the primary cooperative societies, 1,000 Trevis have been installed with own funds of the district unions during 2014 -15.
- d) Foot and Mouth Disease vaccination program is being carried out in coordination with the Animal Husbandry

Dept. Under Foot and Mouth Disease Control Project, more than 17 lakh animals in cooperative sector were vaccinated from 1.9.2014 to 21.9.2014 (21 days). In continuation, the left out animals were covered for vaccination in the next 3 weeks. 160 Veterinarians of District Unions and 2600 Village Level Workers were engaged for this program. Further, during 2014 -15, the second round of vaccination was carried out from 1.3.2015 to 21.3.2015 for 21 days and the left out animals were covered up to 31.3.2015.

- e) Surplus income earned by the Unions is passed on to the milk producers through primary dairy cooperative societies as additional price incentive in addition to the regular milk cost payment. This motivates the milk

producers to pour more milk to the societies.

6.2 Primary Milk Consumers' Cooperative Society

Milk Consumer Cooperative Societies are receiving milk in sachets from Federation / District Cooperative Milk Producers' Unions and distribute it to consumers at the rates fixed by the Government. This ensures prompt and regular supply of quality milk at reasonable rates to the consumers. Further, the societies also undertake sale of Aavin milk products to the consumers.

6.3 Strengthening Primary Dairy Co-operatives:

With an objective to strengthen the Primary dairy co-operatives, which is a basic unit of Dairy cooperatives with a membership of 22.95 Lakh, a committee consisting of

Deputy Milk Commissioner (Co-operation), Deputy Registrar (Dairying), General Managers of District Unions, was formed. This committee submitted its recommendations for taking steps at producers', societies' and Union levels. Follow up action is being taken on the recommendations.

7. SCHEMES

7.1. Strengthening Infrastructure for Quality and Clean Milk Production (SIQ&CMP)

The scheme was started during the year 2004-05 in Tamil Nadu.

The objective of the scheme is to impart training to farmers on clean milk production activities, provision of antiseptic chemicals and utensils, strengthening of laboratories at Union dairies and chilling centres and installation of Bulk Milk Coolers (BMC) at societies to improve initial quality of

milk at village level. As per revised guidelines for 2012-13, Grant-in-aid of 75% is provided (for all the components) to profit making Unions (those having accumulated profit of above Rs.1.00 crore during the previous financial year) and Grant-in-aid of 100% for all other milk Unions.

So far, 14 projects have been sanctioned for Vellore, Villupuram, Tiruchirapalli, Dharmapuri, Salem, Kancheepuram-Thiruvallur, Erode (twice), The Nilgiris, Madurai, Dindigul, Coimbatore, Tirunelveli- Sivagangai, Tiruchirapalli-Vellore Milk Unions. Out of these, 11 Projects have been completed and 3 projects are in progress at Tiruchirapalli-Vellore, Tirunelveli-Sivagangai and Erode District Cooperative Milk Producers Unions. The major component of this project is installation of BMCs which has been completed.

Other components like training on Clean Milk Production purchase of antiseptic chemicals and utensils are in progress. The total project outlay for the above projects is Rs.2,842.21 lakh.

So far, 84,410 milk producers have been provided with antiseptic chemicals and utensils and training for clean milk production. 155 Bulk Milk Coolers have been installed in 13 district unions.

Progress of these three projects implemented in 5 Unions is as follows: -

Table 12:-

S. No.	Name of the Union	Amount (Rs. in lakh)			
		Sanctioned	Released	Balance Fund *	Achd.
1	Tiruchirapalli	277.56	277.56	-	236.19**
2	Vellore	172.44	172.44	-	172.44
3	Sivagangai	64.37	64.37	-	64.37
4	Tirunelveli	156.07	156.07	-	156.07
5	Erode	499.94	327.91	172.03	327.91

* Balance fund to be released by GOI for Erode

** Rs.41.37 lakh to be released by GOTN for Trichy DCMPU Ltd.

7.2. Intensive Dairy Development Programme (IDDP)

The objective of the scheme is to improve milk procurement, increase milk sales, creation of infrastructure required for milk marketing and milk processing, provision of necessary inputs and development of human resources in the districts. The entire fund is being sanctioned as 100% grant spread over a period of five years.

The scheme is being implemented in four District Unions covering seven (7) revenue districts at a cost of Rs.17.80 crore which is provided as grant. Around 1,04,347 milk producers have been benefitted under this scheme.

The progress of the scheme is as follows:

Table 13:-

S. No.	Name of the Union	Amount (Rs. in lakh)			
		Sanctioned	Released	Balance Fund *	Ach.
1	Sivagangai	312.150	312.150	-	312.150
2	Thanjavur	867.624	867.624	-	867.624
3	Pudukkottai	299.260	240.605	59.055	240.055
4	Virudhunagar	299.999	239.585	60.414	239.585

* Balance Fund to be released by GOI

Some important works taken up under this scheme are

- Converting the defunct chilling centre in Pudukkottai to a full-fledged dairy of 35,000 lpd capacity.
- Strengthening infrastructure in Thanjavur, Sivagangai and Virudhunagar milk unions
- Increasing the packing capacity of Sirivilliputhur dairy from 4,000 to 5,000 litre per day.

- Increasing the storage capacity of milk cold room in Karaikudi Dairy to 15,000 litres from 4000 litres.

7.3. Assistance to Co-operatives – Rehabilitation of Unions (ACS)

This scheme is designed to rehabilitate the District Cooperative Milk Producers Unions that are incurring losses. The objective of the scheme is to wipe off cash losses incurred by the District Unions and make them viable over a period of seven years for which funds are provided as subsidy on a 50:50 sharing basis by the Central and State Governments. A major part of the funds is utilized to settle pending milk payment dues to the milk producers.

The scheme is implemented in three District Unions covering 6 revenue districts.

Table 14:-

S. No	Name of the union	Amount (Rs.in Lakh)				Ach.
		Sanctioned	Released	Balance Fund *		
				GOTN	GOI	
1	Dindigul	133.00	133.00	0	0	133.00
2	KPM- TVLR	387.90	190.18	98.86	98.86	190.18
3	Thanjavur	760.00	435.86	262.07	62.07	435.86
	Total	1,280.90	759.04	360.93	160.93	759.04

** Balance fund of Rs.160.93 lakh and matching fund of Rs.360.93 lakh has to be released by Government of India and Government of Tamil Nadu respectively.*

7.4 National Programme for Bovine Breeding and Dairy Development

The Intensive Dairy Development Programme (IDDP), Assistance to Cooperatives (ACS) – Rehabilitation of Unions and Strengthening Infrastructure for Quality and Clean Milk Production (SIQ&CMP) schemes which were implemented as separate schemes, have now been restructured and combined as National Programme for Bovine Breeding and

Dairy Development (NPBBDD) from 2014-15 onwards.

However, the on-going projects sanctioned prior to 2014-15 will be continued till completion.

The objectives of NPBBDD are as follows:-

1. To create infrastructure for production of quality milk
2. To create and strengthen infrastructure for procurement, processing and marketing of milk
3. To provide training for dairy farmers.
4. To strengthen dairy cooperative Societies at village level.
5. To increase milk production by providing technical input services and cattle feed, mineral mixture etc.
6. To assist in rehabilitation of loss incurring milk unions.

Under NPDD (National Programme for Dairy Development), a sum of Rs 4,015.79 Lakh has been sanctioned for Strengthening infrastructure at the TCMPF, Trichy and Madurai district unions, out of which Rs.1,808.125 Lakh is the Central Government assistance and Rs.2,207.665 Lakh is the End Implementing Agency (EIA) contribution. The duration of the scheme is from 3 to 5 years.

The Central Government has released the first year amount of Rs.1,268.925 Lakh as grant-in-aid during 2014-15. Out of this, Rs.372.50 Lakh has been released for the Federation, Rs.638.925 Lakh for Trichy union and Rs.257.50 Lakh for Madurai union.

The salient works being executed in this scheme:

Tamil Nadu Cooperative Milk Producers Federation Ltd, Chennai.

1. Two PUF insulated refrigerated container vehicles
2. Two Crate Washers for cleaning milk sachet tubs.
3. Expansion of Effluent Treatment Plant (ETP)
4. Purchase of 10 Road milk tankers of 9 KL capacity and 5 Road milk tankers of 15 KL capacity.
5. Purchase of Laboratory equipments

Madurai Union

1. 10,000 LPD capacity curd processing plant.
2. Purchase of 3000 Ltrs. capacity automated Cleaning In Place facility,

- Cream separator, milk condensing plant and Boiler.
3. Renovation of Training centre building.
 4. 100 Chaff cutters
 5. Fodder seeds mini kits for 300 acres
 6. One Cattle feed transport lorry of 7 MT capacity
 7. Imparting Training to 450 Cooperative Milk Producers

Trichy Union

1. Establishment of 1 LLPD capacity New Dairy with 50,000 Litres capacity of milk cold storage and 50 MTs capacity of butter deep freezer.
2. Construction of a Milk Cooperative society building
3. Purchase of 1500 Milk cans
4. 50 Chaff cutters
5. Fodder seed mini kits for 500 acres.
6. Cattle feed storage godown

7. Imparting Training to 450 Cooperative Milk Producers
8. Imparting Training to 70 persons from the Management committee and Board of Directors of the Union.

7.5. National Agriculture Development Programme (NADP)

National Agriculture Development Programme is being implemented from 2007-08 and its sub scheme National Mission for Protein Supplement (NMPS) since 2011. The Dairy Sector has been accorded importance with a sanction Rs.131.86 crore under NADP and NMPS during the period from 2011-12 to 2014-15. The projects cover a wide range of activities including improvement of livestock health, establishment of cold storages, enhancement of milk production, strengthening of

procurement infrastructure, milk cold rooms and marketing infrastructure etc. Some of the major projects that have been taken up during the last four years are:

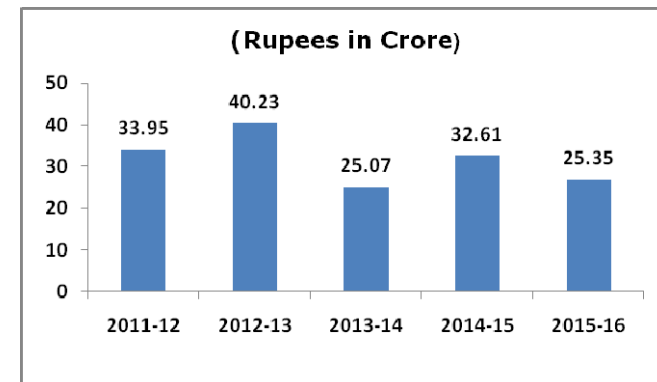
- Enhancement of the capacity of the Kakkalur Dairy to handle 1 LLPD.
- Doorstep delivery of veterinary service to milk producers through 155 mobile units.
- Strengthening of infrastructure in Dharmapuri, Vellore, Salem, Erode, Villupuram, Tiruchirapalli, Sivagangai, Dindigul, Pudukottai, Kancheepuram-Thiruvallur, Virudhunagar and Nilgiris Milk Unions
- Installation of 20 Bulk Milk Coolers (BMCs)
- Purchase of two refrigerated vehicles and three insulated vans

- Establishment of additional Milk Cold room facility for storing three lakh litres of milk and Butter Deep Freezer facility of 894 MT capacity.
- Formation of 3,000 new milk producers' cooperative societies
- Additional packing capacity by installation of 11 new packing machines.
- Replacement of third stage Milk powder dryer at Erode Dairy to maintain production of quality Skimmed Milk Powder (SMP)
- Installation of imported retail butter packing machine to pack butter in 100, 200 and 500 gram packs at Erode dairy
- New product dairy at Ambattur for manufacturing 15,000 litres of Ice Cream and 1,000 Kg. of Paneer per day.

- Tetra pack facility for different varieties of Ultra Heat Treatment (UHT) milk at Salem dairy.

For the year 2015-16, under this scheme, proposals for Rs.25.35 crore have been approved by State Level Steering Committee for providing doorstep veterinary health services, purchase of milk tankers, processing, refrigeration and other facilities at Kakalur dairy of Kancheepuram - Thiruvallur District Co-operative Milk Producers Union, strengthening infrastructure facilities in Dharmapuri, Nilgiris, Pudukottai, & Virudhunagar and to enhance the production capacity of cattle feed plant at Erode.

Outlay sanctioned under NADP



7.6 Schemes under financial assistance of NABARD:

During 2014-15, the Government have accorded administrative sanction for a sum of Rs.5,549.64 lakh for taking up dairy development works with financial assistance of NABARD. Of the total amount of Rs.5,549.64 lakh, NABARD assistance is Rs.5,167.16 lakh and State fund will be Rs.382.48 Lakh.

Under the scheme, the following infrastructure development will be under

taken in the district unions of Salem, Erode, Coimbatore, Villupuram and Vellore–Tiruvannamalai at a cost of Rs.3,576.90 lakh.

- 1) To increase milk handling capacities, facilities like milk silo, silo level indicator, milk chiller and thermal transfer over print for packing machine, automated pet jar ghee filling machine, 2 ton boiler and stack analyzer, Bio-gas Digester for ETP and Genset for continuous power supply, are being undertaken at Salem Dairy. Further, solar water heating system of 5,000 LPD is being installed for chilling centres.
- 2) To increase milk handling capacity, facilities like 20,000 Ltr. pasteurizer, Cream separator, high speed sachet machine, crate washer, solar water heater and energy saving motor and

pumps, are being established in Erode union.

- 3) Part cost of project to increase the milk processing capacity to 5 LLPD in Coimbatore Union will be met under this scheme.
- 4) In Villupuram Union, facilities like can washer, pasteurizer, cream separator, milk storage tank, tub washing machine, cleaning-in-place auto system, refrigeration, generator for continuous power supply and boiler chimney are being created. Further, compound wall for the chilling centres, road and flooring works, refrigeration facilities, and for Chinna Salem Chilling Centre - PC based electronic weighing scale and can washer are being provided.

5) In Vellore Union, civil works for a new block of one lakh litre milk chilling and other facilities like pouch machines, horizontal milk storage tank, refrigeration equipments and crate washer facilities have been undertaken.

Further, under this scheme a water supply scheme from Sathanur dam through TWAD to meet the water requirement of 5.50 lakh litres per day of the Tiruvanamalai powder plant at a cost of Rs.7.60 crore and increasing the production capacity of the Erode cattle feed plant from 100 MT to 150 MT at Rs.1,072.74 Lakh have also been undertaken.

For the year 2015-16, under this scheme, proposals for Rs.90.17 crore have been submitted to NABARD through Government

of Tamil Nadu for the following infrastructure facilities:

- Enhancing fermented product manufacturing facilities in Product Dairy, Ambattur
- Creation of extra shelf life milk packing facility in flexi pack at Sholinganalur Dairy
- Equipments for increasing cattle feed production capacity at Erode Cattle feed plant
- Creation of chilling facility for 2.1 lakh litres of milk per day through installation of Bulk Milk Coolers in rural areas of Erode, Dharmapuri & Virudhunagar District Co-operative Milk Producers' Union apart from strengthening of processing and fat handling facilities
- Enhancing storage facilities for Butter and Skimmed milk powder (SMP) etc., in Madurai, Trichy, Coimbatore District

Unions and Tiruvannamalai powder plant

- Strengthening infrastructure facilities for processing, storage, packing, chilling and marketing in Tirunelveli, Kanyakumari, Kancheepuram-Tiruvallur, Dharmapuri, Nilgiris, Pudukottai and Virudhunagar District Unions

7.7 Part-II Schemes - 2014-2015

A sum of Rs.2.75 crore has been approved for development of infrastructure under Part-II Scheme for the year 2014-15.

Following works have been taken up under this scheme: -

- 76 Milk Analyzers have been supplied to Milk Producers' Cooperative Societies (MPCS) of Salem and Dindigul Unions at a cost of Rs.45.74 Lakh

- 500 Stainless steel milk cans to Milk Producers' Co-operative Societies have been supplied at a cost of Rs.20.00 Lakh (Societies own contribution-Rs.10.00 Lakh, Scheme fund Rs.10.00 Lakh)
- 4 Laptop computers have been provided to the office of Commissioner for Milk Production and Dairy Development at a cost of Rs.2.00 Lakh
- Protection wall around the orchard at Madhavaram Milk Colony is being constructed at a cost of Rs.30.76 Lakh
- 20 KVA Un-interrupted Power Supply for the Milk and Milk Products Order (MMPO) Lab at the office of the Commissioner for Milk Production and Dairy Development has been installed at a cost of Rs.5.00 Lakh
- Three light motor vehicles have been provided to Deputy Registrars (Dairying)

in lieu of condemned vehicles at a cost of Rs.19.50 Lakh

- Rain water harvesting farm ponds were created in the orchard at Madhavaram Milk Colony, Chennai at a total cost of Rs.5.00 Lakh
- Green Dairying Initiatives :
 - a. 2 solar concentrators are to be installed for providing solar energy for milk processing at a cost of Rs.100.00 Lakh in Sholinganallur Dairy.
 - b. 50 solar water heaters of 500 litre capacity each are to be installed for Bulk Milk Coolers at a cost of Rs.57.50 Lakh

7.8 National Mission on Food Processing (NMFP)

A sum of Rs 18.42 crore was sanctioned under this scheme for strengthening of refrigeration and cold room

infrastructure facilities at Tiruchirapalli, Salem and Madurai Dairies and for the three metro dairies of Ambattur, Madhavaram and Sholinganallur. Out of the allocation, a sum of Rs.8.70 crore is provided as grant under the scheme and remaining Rs 9.72 crore will be contributed from own funds of Federation/ District Unions.

The works taken up at Trichy, Salem & Madhavaram are nearing completion. Purchase orders have been issued and work is under progress for the Civil and machinery works at Ambattur, Sholinganalur and Madurai. Entire work is expected to be completed by December 2015.

At the end of the project the capacity of milk cold storage would be enhanced by 3.00 lakh litres, in metro dairies. The capacity of milk cold storage in the District Unions would increase by 3.80 lakh litres and

capacity of butter deep freezer will increase by 100 MT.

7.9 Integrated Cooperative Development Project (ICDP)

A sum of Rs.514.26 Lakh has been sanctioned for Madurai District Cooperative Milk Producers' Union under Integrated Cooperative Development Project for providing dairy infrastructure facilities like plate chiller, Homogenizer, Cream pasteurizer, Cream storage tank, High speed pouch packing machines, Generator, energy efficient centralized refrigeration system with latest technologies besides modernization of Theni Chilling Centre. Salient works in Madurai dairy include enhancement of handling capacity from 3 LLPD to 5 LLPD, 10,000 LPD packing capacity of curd, conversion of existing milk cold room to 200 MT butter deep freezer. Machineries like

prepac machine, Homogenizer have been commissioned. Purchase orders have been issued for refrigeration machineries and will be commissioned by the end of this year.

7.10 Infrastructure development with own funds

Salem District Cooperative Milk Producers' Union has upgraded its infrastructure facilities with 20,000 Litre Per Hour (LPH) processing equipment for pasteurization, separation and homogenization, and packing facilities with high speed machines at a total cost of Rs.4.00 crore. Apart from this other District unions and Federation have also strengthened their plant & machineries with own funds to the tune of Rs.16.03 crore.

8. SPECIAL SCHEMES

8.1. Tiruvannamalai Dairy cum Powder Plant

A new Dairy cum Powder Plant with a handling capacity of 2 Lakh Litres of milk per day and powder plant capacity of 20 MT has been established at Ammapalayam Village in Tiruvannamalai district at a cost of Rs.65.00 crore. Of the total cost of the project, 95% was funded through NABARD loan and the remaining 5% was provided as grant by the State Government. The project was inaugurated by the Hon'ble Chief Minister of Tamil Nadu on 15.07.2015. In order to meet regular supply of water for the plant, a water supply scheme for providing 5.50 lakh litres of water per day from the Sathanur dam has been implemented through Tamil Nadu Water supply and Drainage Board. Total cost of Dairy-cum-Powder Plant and separate water supply scheme is Rs.72.60 crore.

8.2. New Dairy at Perambalur

The Hon'ble Chief Minister had announced that a new dairy will be established in Perambalur district, to cater to the needs of the milk producers of Perambalur and Ariyalur districts. Accordingly, action has been taken for establishing a dairy with a capacity to process 1 Lakh Litres of milk per day at a cost of Rs.36.28 crore. Out of this, a sum of Rs.18.14 crore has been provided by the State Government as an interest free loan to Tiruchirapalli District Union, Rs.9.08 crore has been sanctioned under National Programme for Dairy Development (NPDD) scheme and Rs 9.06 crore from own funds. This dairy is being established in 23.62 acres at Padalur (East) Village in Alathur Taluk of Perambalur district. Work has been entrusted to National Dairy Development

Board (NDDB) on turnkey basis. Hon'ble Chief Minister of Tamil Nadu laid the foundation stone for this project on 15.07.2015. Entire work will be completed by June 2016.

8.3. Product Dairy

In order to address the increasing demand for Aavin milk products in Chennai, the Government had announced the expansion of the existing product dairy at Ambattur. This new facility will be exclusively used to manufacture 15,000 litres of Ice Cream and 1,000 Kgs. of Paneer per day. Out of the estimated total project cost of Rs.23.46 crore, Rs.13 crore has been provided under National Mission for Protein Supplement (NMPS) and remaining Rs 10.46 crore is being sourced from the Federation's own funds.

Civil work has been undertaken by the Federation and is under progress. The mechanical and electrical works including services of refrigeration, steam, electricity and water requirement have been entrusted on turnkey basis to National Dairy Development Board, Anand. Entire work will be completed by October 2015.

8.4. Pudukottai Dairy

All district unions in Tamil Nadu had exclusive dairies except for Pudukottai union. In order to strengthen milk production, procurement and marketing activities for enhanced livelihood of the producers and to provide quality milk to consumers, a new dairy with a processing capacity of 35,000 LPD has been established in an area of 3.50 acres in Pudukottai district, at a cost of Rs.2.99 crore, under the Intensive Dairy Development Programme. This dairy was

inaugurated by the Hon'ble Chief Minister of Tamil Nadu on 18.07.2014.

Prior to the establishment of new Dairy, there were 50 primary milk cooperative societies in the district and 12,000 litres of milk was procured from 3 milk collection routes. After commissioning of the new dairy, 240 primary societies have been registered and are now functioning. From these societies, 42,000 litres per day of milk is being procured daily through 19 milk collection routes. Due to the continued effort undertaken by the union, the milk sale which was at 6,841 LPD has increased to 12,000 LPD.

12,000 milk producers are directly benefitted due to establishment of the dairy. Job opportunity has been created for 600 employees due to the formation of the new societies, and additional 70 employees at the

District Union level. Appointment of agents to increase the sale of milk has provided direct employment to 300 persons.

8.5. Kakkalur Dairy

Strengthening of infrastructure at a cost of Rs.524.50 lakh, as 100% grant by the Government, was undertaken at Kakkalur dairy to offer a fresh lease of life to the Kancheepuram-Tiruvallur union which was operating under loss till 2011.

Due to the revamping of the dairy, in Kanchipuram-Thiruvallur District Cooperative Milk Producers Union the number of Milk Producers Co-operative Societies have increased from 462 to 557, and milk procurement has increased to 1.42 LLPD and sale of sachet milk has increased to 35,000 LPD. More than 6,500 additional agricultural families have been benefitted. Further, direct

and indirect employment has been provided to 290 persons.

8.6 Coimbatore Dairy

Coimbatore dairy was commissioned during 1987 with a capacity of 2 lakh litres per day (LLPD) in an area of 36 acres at Perurchettypalayam Village, Perur Taluk, Coimbatore District.

Considering the milk production potential of the District, it was decided to increase the processing capacity of the dairies to 5 LLPD. For this purpose strengthening of infrastructure like processing, silo, pre pac, milk cold room, butter deep freezer and refrigeration facilities is being undertaken at a total outlay of Rs 46 crore. 90% of civil works and 70% of machinery installation have been completed. The scheme will be completed by the end of 2015.

8.7. Integrated Dairy Management System (IDMS)

The functions of Tamil Nadu Co-operative Milk Producers Federation, District Co-operative Milk Producers' Unions and Primary Co-operative Milk Producers' Societies are proposed to be integrated through information technology through a project "Integrated Dairy Management System" at a cost of Rs.18.43 crore, which is provided as 100% grant-in-aid by Government of India. This project will be implemented over a period of two years. In the first phase, this project is being implemented in Tamil Nadu Co-operative Milk Producers Federation, four Feeder balancing dairies of Salem, Erode, Dharmapuri and Madurai District Co-operative Milk Producers' Unions and 2,800 Primary Co-operative Milk Producers' Societies of these District Unions.

To implement this project, Price Waterhouse Coopers Private Ltd., has been

appointed as consultant. Tender process for selection of "System Integrator" is under way.

8.8 National Dairy Plan-I (NDP)

To sustain India's status as the highest milk producer in the world, it is essential to increase the productivity of milch animals. To achieve this goal, selection of bulls possessing superior milk production traits is very important. With this objective, Progeny Testing Programme has been included in the National Dairy Plan-I which is being funded by the World Bank. As Tamil Nadu has a high population of Crossbred Jersey Cows, the State has been chosen for this programme at a total outlay of Rs.39.28 crore.

The duration of the project is from 2012-13 to 2017-18 and is being implemented in five District Unions, viz. Vellore, Villupuram, Erode, Salem and

Tiruchirapalli. Under this programme, good quality bulls will be produced through nominated mating of elite cows with proven semen and bulls will be ranked based on the performance of their daughters. By the end of the project around 247 bulls will be made available, for future semen production.

8.9 National Livestock Mission 2014-15

To increase the milk production and reproduction efficiency in milch animals, there is a need to impart skill development training on milch animal management, scientific feeding, dairy animal management to the progressive dairy farmers, so as to increase milk production and thereby improving the milk producers income. The increase in the availability of green fodder to the milch animals helps in improving the quality of milk besides enhancing the income of the milk producers.

With the above objectives, the following schemes are implemented under National Livestock Mission 2014-15,

A) Skill Development training to progressive dairy farmers:-

Under National Livestock Mission (NLM) 2014-15, training has been imparted to progressive farmers on skill development and dairy animal management with the Government of India assistance of Rs.37.50 Lakh. By this programme 7,500 milk producers are benefitted. As training to milk producers in 7 district unions will be undertaken through Ration Balancing programme under NDP-I, the skill development training to the milk producers in remaining 10 district milk unions was covered under National Livestock Mission.

B) Procurement and distribution of fodder seeds:-

Under this scheme 130.50 MT of Maize, Sorghum and Oats seeds have been distributed at a cost of Rs.103.65 lakh, benefiting 19,150 milk producers.

Table – 15

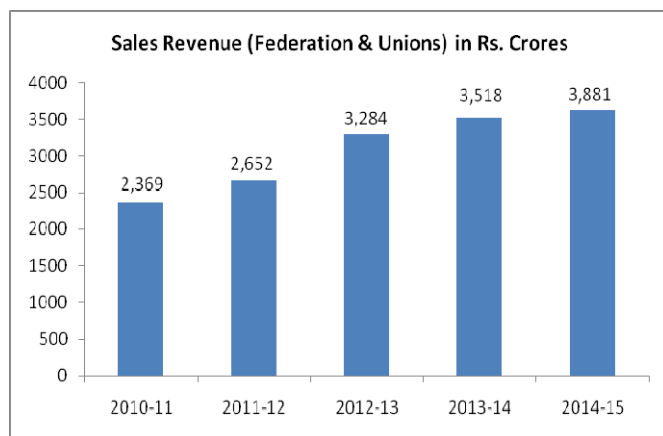
(in Lakh)

SI No.	Name of the Programme	Financial Assistance		Total
		NLM assistance	Beneficiary share	
1	Skill Development Training to Progressive Farmers	37.5	0	37.5
2	Procurement & Distribution of Fodder Seeds	77.74	25.91	103.65
	TOTAL	115.24	25.91	141.15

8.10 Sales Revenue (Federation and Unions)

A record sales revenue of Rs.3,881 crore was achieved by the Federation and the

Unions during the year 2014-15 as against Rs.2,369 crore in 2010-11.



Upto 80% of the amount received from the consumers is paid as procurement price to the milk producers.

9. Three pronged action for development:

With an objective of having a strong and vibrant cooperative sector for serving the milk producers and consumers in the

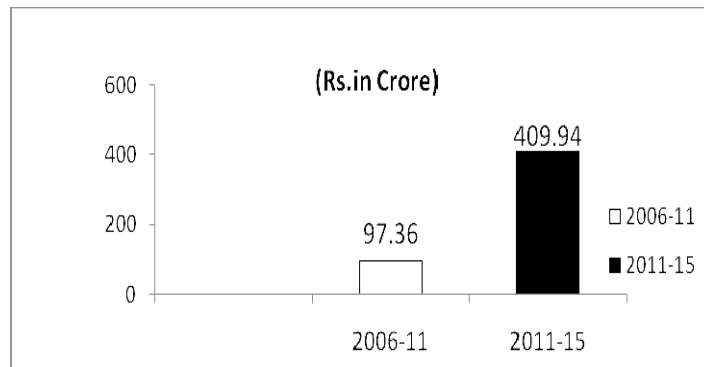
State, Aavin is following a three pronged approach as narrated below: -

9.1 Investment in infrastructure Development

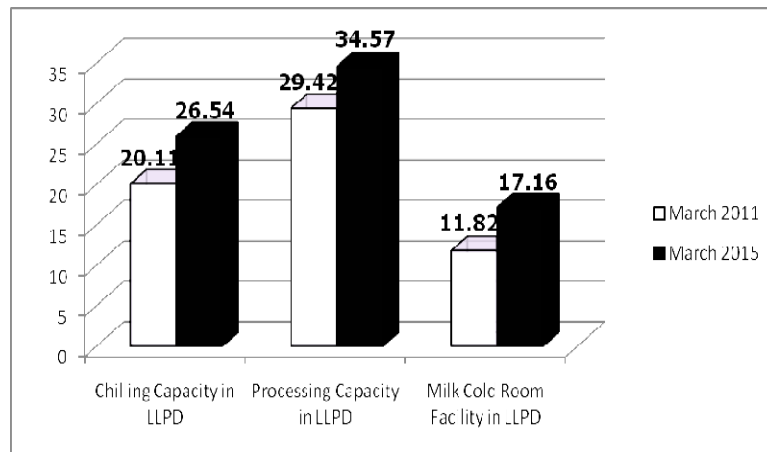
Government of Tamil Nadu has given a lot of importance for development of infrastructure to dairy sector over the last four years and more than Rs.409 crore has been invested to improve the dairy infrastructure in village societies, district unions and state federation. Due to this investment, chilling capacity of Dairies has been increased by 6.43 LLPD, and processing capacity by 5.15 LLPD, milk cold room storage capacity by 5.34 LLPD, skim milk powder production capacity by 20 MT per day, and Butter deep freezer capacity by 1,030 MT per day. As a result, 4.56 lakh milk producers and 17 lakh consumers are benefitted. With this newly created

infrastructure, Aavin is able to handle up to 31 LLPD of milk procurement and also provide sustained supply of milk and milk products to the consumers.

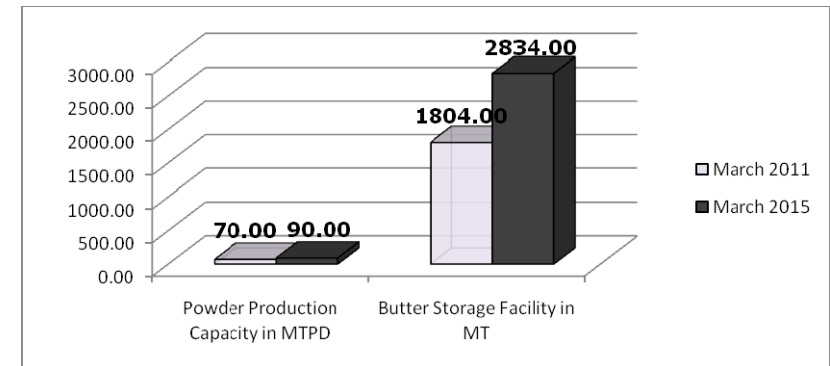
Investments made in infrastructure



Increase in the capacity



Increase in the capacity



9.2 Initiatives to ensure quality milk

To ensure the availability of quality milk to the consumers, specific action has been taken in all 3 stages viz. milk procurement, processing and marketing.

To encourage the procurement of milk poured by the members based on fat and SNF, testing equipments (Milk Analyzer) have been provided. This enables the milk pouring members to view the testing result on the display directly. Further, printed receipt of test result on quality and quantity of milk, procured is issued to the members.

This ensures transparency in testing of milk supplied by producers.

At the next stage, the details of quality and quantity recorded in the milk analyzers will be automatically sent to union through online. Based on this data, the total solids in milk and milk products can be calculated in the Union without any omission, for which the Integrated Dairy Management System is being implemented in Salem, Madurai, Krishnagiri, and Erode District Unions and in the Federation.

Through this system, the details of quantity, quality and the rate of the milk procured will be immediately text messaged to the producers and also timely payment will be made to them. It will also enable the consumers to get milk and milk products by ordering on-line.

At the society level in future, the system will aid the society in calculating the

payment due to that society based on the total solids. This will ensure transparency in transaction at the producer, society, union and federation levels.

The societies were hitherto using jute rope to seal the milk cans while transporting the milk from the societies to the dairies. To avoid problems of adulteration while transporting milk, single use nylon seals have been introduced and put to use in all societies.

The practice of using plastic seals by the unions in the milk tankers for transporting milk to the federation has been replaced by unbreakable single use metal seals, as adopted in the Oil Corporations and Customs Department. Further, uniform formats have been introduced to authenticate the quantity and quality of milk sent from the Bulk Milk Coolers, Chilling Centres and Dairies.

Necessary action has been taken to install GPS system in all tankers transporting milk from District Unions to Metro Dairies.

This will help to monitor the tanker movement as per the approved route plan. The sensors available in the doors will send an alert message if the metal seals are tampered with or malpractice is attempted. The vehicles can be monitored at any time anywhere by the officials of Unions and the Federation. This will help to avoid unnecessary stoppage of vehicles enroute and tampering of seals.

Further, surprise inspection squads with 4 teams at the Federation level and 17 teams at the Union level have been formed to monitor the tanker movement. 19 types of Physical, Chemical and Biological tests are under taken by the Federation and the Unions to ensure the milk quality before despatching for sales.

Surprise checking is conducted and samples collected at the sales point are tested by the laboratory personnel of the Dairy Development Department. During the year 2014-15, a total of 721 samples of milk and milk products of Aavin were tested thus ensuring the supply of quality milk to the consumers.

9.3 Initiatives to increase Sale of Milk

In Chennai Metro, on an average 11.70 Lakh Litres per day of milk is being sold. Sale of milk is effected through 781 Milk Depots / Delivery Points and 93 Milk Parlours under the control of the Federation. Sale of liquid milk in Chennai is increasing steadily. Milk and milk products of Aavin are popular among the consumers.

The selling price of Aavin milk is lower than that of other private brands. Apart from this, further reduction of Rs.2.00 / 3.00 per litre is given to monthly card holders. Aavin

milk in 250 ml sachet has been introduced from 04.02.2015 to give wider choice to consumers.

To increase the sale of milk in Chennai Metro, milk distribution routes have been increased from 101 to 117, milk depots from 443 to 470, and delivery points increased from 263 to 311. Number of Parlours selling milk and milk products has been increased from 69 to 93. The number of Whole Sale Dealers selling Aavin milk in Chennai Metro has been increased from 47 to 71. Similarly, the number of Franchise Retail Outlet (FRO) has increased from 184 to 234. New 14 whole sale dealers for selling Aavin milk products have been appointed.

Aavin has introduced many new milk products over the last 4 years.

- Aavin chocolate in 2 varieties viz. Nutties and Milky were launched by

Hon'ble Chief Minister on 20.02.2013. In addition to the already available flavours, 7 new varieties of milk shakes viz. Vanilla, Orange Vanilla, Malt Vanilla, Apple, Carrot, Banana and Badam have been introduced. Other new products introduced are Milk Peda, Mango Shake, Milk bread, Milk cake and long kulfi.

- 182 new Aavin milk parlours have been installed by the federation and the district unions to ensure the availability of milk and milk products within easy access of the consumer. In addition to this 3 mobile vans are in operation for selling of products in Chennai Metro.

Marketing of milk products:-

Due to concerted efforts, the sale revenue of Aavin milk products which was at Rs.58.88 crore in 2010-11 has increased to

Rs.101.27 crore in 2014-15, which is a 72% increase.

To meet the increasing demand of milk products in Chennai metro, the following activities have been undertaken to achieve the sales target of Rs.150 crore.

- Installation of parlours in places frequented by people, to increase the sale of milk products.
- Establishing parlours in hi-tech malls, supermarkets and other organizations to increase sales.
- Sale of milk for weddings and other functions through food contractors and catering services.

10. SPECIAL SERVICES TO MILK PRODUCERS

The primary objective of the dairy cooperative societies is furthering the interest of the milk producers.

10.1 Enhancement of milk procurement Price

In order to ensure remunerative prices to milk producers, Government **increased the milk procurement price from Rs.23/- to 28/- per litre for cow milk and Rs.31/- to Rs.35/- for buffalo milk with effect from 01.11.2014** which is the highest ever single increase in milk procurement price.

Thus, over the last four years, milk procurement price has been increased by Rs.10/- per litre for cow milk and Rs.9/- per litre for buffalo milk. Due to the procurement price hike effected over last few years, an additional sum of Rs.1,100 crore is being paid to the milk producers annually.

10.2 Supply of subsidized Cattle Feed, Mineral mixture

To encourage the usage of cattle feed by the milk producers, 10 District Unions are

supplying cattle feed by providing subsidy ranging from Rs.2/- to Rs.4/- per kg for cattle feed, and Rs.25/- per kg for mineral mixture, using their own funds.

10.3 The Restructured Peraringnar Anna Co-operative Milk Producers' Welfare Fund

A fund has been created to assist the milk producers in times of distress and to increase the loyalty of the producers to the societies. This fund is called Restructured Peraringnar Anna Co-operative Milk Producers' Welfare Fund.

The District Unions and the society contribute 50 paise each per month per producer while Re.1/- is contributed by the producer per month from his milk cost payment.

To get the full quantum of financial assistance from this welfare fund, the milk pouring member should have poured a

minimum of 120 litres of milk in 180 days in the preceding one year, prior to the date of accident.

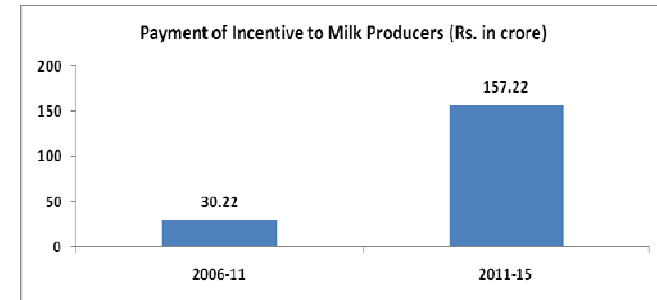
Table 16:- Benefits under the fund:

S. No.	Assistance	Revised Benefit
1	Death due to fatal accident	Rs.1.75 lakh
2	Loss of more than one organ in accident	Rs.1.75 lakh
3	Loss of any one organ in accident	Rs.75,000/-
4(a)	In addition to the financial assistance mentioned Sl. No.(1) or (2) or (3), Education assistance to legal heir-two Children below 21 years	Rs.10,000/-
4(b)	In addition to the financial assistance mentioned Sl. No.(1) or (2) or (3), Marriage assistance to legal heir-one female child of legally permitted marriageable age	Rs.10,000/-

From this fund a sum of Rs.85.75 lakh was distributed to 49 beneficiaries by the Hon'ble Chief Minister of Tamil Nadu on 15.07.2015.

10.4 Payment of Incentive to Milk Producers by Unions:

The District Unions that have earned surplus income over their expenditure share the surplus income with the milk producers by providing incentives. This incentive amount normally ranges from 60 paise per litre to Rs.1.60 per litre depending on the surplus generated by the particular district union. While during the 5 year period from 2006 to 2011, a sum of Rs 30.22 crore was paid as incentive for the period from 2011 to 2015 , a sum of Rs.157.22 crore has been paid as incentive to 3,48,019 milk producers.



10.5 Payment of bonus to Milk Producers by Primary dairy cooperative societies:

As provided in the by-laws of Milk Producers' Cooperative Societies (MPCS), 50% of profit is 'ploughed back' to the member milk producers. Whenever the society earns profits, the member producers are paid dividend on share capital, patronage rebate and 50% of the profit as bonus for the value of milk supplied by them to the society.

During the last 4 years, a sum of Rs.57.29 crore has been paid as bonus, dividend and patronage rebate benefiting 1.09 lakh members.

10.6 Star Status to Members

The Hon'ble Chief Minister had announced on the floor of the Assembly on 17.4.2013 that star status will be conferred on 300 best milk producers from each union at a total cost of Rs. 1.02 crore.

Accordingly, every year 300 best milk producers' are selected from each District Union. Certificates for star status and cash prize of Rs.3, 000/- each for first 100 milk producers, Rs.2,000/- each for second 100 milk producers and Rs.1,000/- each for third 100 milk producers are awarded. Overall, 5,100 best milk producers are given star status and cash prize every year.

10.7 Star Status to Societies

The Hon'ble Chief Minister had announced on the floor of the assembly on 17.04.2013, that star status will be accorded

to 10 best milk supplying Milk Producers Cooperative Societies in each union at a total cost of Rs. 14.45 lakh.

Accordingly, every year certificates for Star status and first prize of Rs.25,000/-, second prize of Rs. 15,000/-, third prize of Rs. 10,000/- and 7 prizes of Rs 5,000/- each for 10 Milk Producers' Cooperative Societies in each District Union are given. Over all star status and cash prizes are awarded to 170 Societies for this year.

10.8 Installation of Bulk Milk Coolers

To maintain the initial quality and improve the shelf life of milk and facilitate access at any time for the milk producers, Bulk Milk Coolers (BMC) of 2000 Its, 3000 Its and 5000 Its capacity have been established.

Bulk Milk Coolers are established based on the following criteria:

1. The average total milk procurement of the society (or) cluster societies should be more than 2,000 litres per day.
2. Cluster societies should function within a radius of 10 Kms.
3. Bulk Milk Cooler shall be installed only if the required land and building facilities are available in the society.

So far, 274 BMCs with chilling capacity of 11.79 lakh litre per day have been installed.

11. STAFF WELFARE MEASURES

- 1) Over the past 4 years, productivity linked incentives of Rs.232.02 Lakh paid to the employees of federation and district unions during Pongal festival.
- 2) Over the past 4 years, bonus and ex-gratia of Rs.1,809.74 Lakh paid to

the employees of federation and district unions during Deepavali festival.

- 3) Over the past 4 years, products worth of Rs.233.50 Lakh were distributed to the employees of the Federation and District Unions as gift during Pongal and Deepavali festivals.
- 4) As per Government orders, pay scale of Rs.3,840 – Rs.8,000 + GP of Rs.1,040/ and DA as applicable was given to 155 casual labourers in 10 district milk unions.
- 5) Rectification of defects pointed out in Audit: Many employees of the Federation and District Unions could not get their retirement benefits for many years due to audit objections pending against them. The Audit Review (Accounts) Committee is empowered to accept replies furnished

on the audit paras and decide on their settlement. In order to facilitate decision making on the spot, these meetings are now being conducted at the headquarters of District Unions also.

In the past 2 years, 52 meetings were conducted and 958 audit objections have been settled. This made it possible for 75 retired employees to get their retirement benefits. This measure has also helped in clearing the balance sheets of District Unions by releasing non statutory reserves to the tune of Rs.570.14 crore.

12. Major achievements towards Second White Revolution:

- Aavin made historic milk procurement of 30.94 Lakh litres on 22.6.2015.

- Milk procurement price has been increased by Rs.10/- per litre for Cow milk (i.e. from Rs.18/- to Rs.28/-) and by Rs.9/- for Buffalo milk (i.e. from Rs.26/- to Rs.35/-) over the last four years.
- To make the payment of dues to milk producers, the Government provided financial assistance to Aavin to the tune of Rs.192.14 crore as Ways and Means advance.
- Milk Producers Cooperative Societies and District Cooperative Milk Producers Unions which are earning surplus income have paid a sum of Rs.214.51 crore as bonus, dividend and incentive to 3.48 lakh milk producers.
- New milk cooperative societies were formed in 4,177 villages.
- In 2013-14, under drought relief scheme subsidized cattle feed, mineral mixture

and green fodder were supplied at a total cost of Rs.35.32 crore benefiting 3,21,521 milk producers.

- Cattle feed is being supplied continuously at subsidized rate at Rs.2/- to Rs.4/- less per Kg. from Union funds.
- To increase the productivity of milch animals and thereby the milk production, Progeny Testing Programme of NDP-I is being implemented in 5 district unions of Vellore, Villupuram, Erode, Salem and Trichy.
- Investment in dairy infrastructure for Rs.409.94 crore has been made.
- 120 Bulk Milk Coolers were installed at a cost of Rs.26.32 crore by which milk chilling capacity has been increased by 6 lakh litres per day.
- Infrastructure is being created to manufacture 15,000 litres of ice cream

and 1,000 kg of paneer per day, to meet the increasing demand for Aavin milk products.

- Sales revenue of the District Unions and Federation has increased from Rs 2,369 crore to Rs 3,881 crore.
- A new dairy has been established in Pudukkottai with a processing capacity of 35,000 litres per day at a cost of Rs.2.99 crore.
- Kakkalur dairy has been expanded to handle 1 lakh litre milk per day at a cost of Rs.4.51 crore.
- Storage capacity for raw material and cattle feed has been established in Erode Cattle Feed Plant at a cost of Rs.3.50 crore.
- A new dairy cum powder plant at Ammapalayam village in Tiruvannamalai district with handling capacity of 2 lakh

litre per day and powder plant capacity of 20 MT at a total cost of Rs.72.60 crore has been established.

- Capacity of Madhavaram Dairy has been increased from 2 lakh to 3.5 lakh litre per day.
- Smart Card system to enable the consumers to renew their milk cards online at www.aavinmilk.com has been introduced.
- District unions and Federation have installed machineries and equipments from their own funds to the tune of Rs.19.41 crore.
- The Coimbatore dairy is being expanded to handle 5 lakh litres per day from the existing capacity of 2 lakh litre per day at a total outlay of Rs.46 crore.
- Infrastructure facilities in Madurai dairy and Theni Chilling Centre are being

modernized and expanded from 3 lakh litres to 5 lakh litres at an outlay of Rs.1618.76 Lakh.

- A scheme is being implemented in the Federation and the feeder balancing dairies of Salem, Erode, Madurai and Krishnagiri, under Integrated Dairy Management System for providing modern information technology facilities to synchronize the functions of Milk Producers Cooperative Societies at a total outlay of Rs.18.34 crore.
- Special by-laws for employees of District Cooperative Milk Producers Unions as recommended by the Committee constituted for this purpose have been registered.
- Promotion for 1,447 employees i.e., 970 employees in the Federation and

507 employees in District Unions was given.

- 104 persons in District Cooperative Milk Producers Unions and 355—persons in Tamil Nadu Cooperative Milk Producers' Federation Ltd were newly recruited.
- Appointment on compassionate grounds to 68 persons in Unions and 56 persons in the Federation was made.
- Government have permitted for the first time, to provide Scale of pay to the employees of primary dairy cooperatives based on milk production / milk sales.

13. DEPARTMENT OF AUDIT FOR MILK CO-OPERATIVES

The Department of Audit for Milk Co-operatives has started functioning since 1-10-1987 to conduct statutory audit of Milk Co-operatives as per Tamil Nadu Cooperative Societies Act, 1983 and Rules 1988.

The Department conducts Audit for the entire Milk Cooperatives at three levels. viz.,

- 1) Tamil Nadu Cooperative Milk Producers' Federation Ltd., at the State level
- 2) Cooperative Milk Producers' Unions at the District level
- 3) Milk Producers/Consumer Cooperative Societies at the Primary level.

To conduct statutory Audit, 335 posts have been sanctioned for the Department, out of which 307 posts are drawn from the Cooperative Department, Treasuries and Accounts Department and the remaining 28 posts are from the Department of Audit for Milk Cooperatives.

Statutory audit of Tamil Nadu Cooperative Milk Producers' Federation, 17 District Cooperative Milk Producers' Unions and all eligible Primary Milk Producers/Consumer

Cooperative societies has been completed and reports issued for the financial year 2013-14.

Further, for the first time, Half Yearly Audit for Tamil Nadu Cooperative Milk Producers' Federation and all District Cooperative Milk Producers' Unions was completed for the year 2014-15.

Statutory audit for 2014-15 of Pudukkottai District Cooperative Milk Producers' Union has been completed on 30-06-2015. For the remaining District Cooperative milk producers unions audit is under progress. As on 14-08-2015, statutory audit of 2616 Milk Producers' Cooperative societies/Consumer Cooperative Societies was completed and audit Certificate issued.

13.1 AUDIT FEES AND FUNDAMENTAL RULE COST:

For the period from 1-4-2014 to 31-03-2015, a sum of Rs.72.34 lakhs was collected towards Audit Fees and remitted into Government Account. Fundamental Rule cost of Rs.64.97 lakhs was collected and remitted in to Government Account.

13.2 AUDIT REVIEW (ACCOUNTS) COMMITTEE MEETING

During the Financial year, Audit Review (Accounts) Committee Meetings were conducted regularly in connection with rectification of Audit defects. During 2014-2015, 3 audit defects to the tune of Rs.61.09 lakhs in Tamil Nadu Cooperative Milk Producers Federation, 511 audit defects to the tune of Rs.21,247.78 lakhs in District Cooperative Milk Producers' Unions and

1746 audit defects to the tune of Rs.1216.21 lakhs in 1057 Primary Milk Producers'/Consumer Cooperative Societies, were rectified.

14. Conclusion

Cooperative milk sector plays an important role in rural economy of the State. It helps by protecting the milk producers from price fluctuation during flush and lean seasons. While private players try to bring down the procurement price during the flush season and also reduce the procurement levels when surplus milk is available, Cooperative sector remains a steady and reliable procurement source for the milk producers. Further it assures supply of quality milk to consumers at reasonable price. A strong cooperative sector ensures that the market is not manipulated by others with profit motive and thereby protects the

interest of milk producers. Government of Tamil Nadu has been supporting the cooperative sector in a big way both through financial assistance and administrative guidance. Due to the infrastructure created over the last 4 years, Aavin which earlier found it difficult even to handle 25 LLPD of milk is now able to handle even 31 LLPD of milk.

Earlier Aavin was forced to buy Skimmed Milk Powder and Butter from other State cooperatives to maintain its milk supply to consumers but now, by offering attractive procurement prices to milk producers of the State, the situation has been totally changed. As a result, Aavin has attained a comfortable situation of having a stock of 10,225 MT of milk powder and 5,365 MT of butter as on 31.07.2015.

The Dairy Development Department, which functions with the twin objectives of giving remunerative price to milk producers and providing quality milk to the consumers at reasonable price, has been geared up to attain higher level by strengthening the cooperative sector, in line with the vision of Government.

BV RAMANAA
Minister for Milk and
Dairy Development

Milk Cooperative Sector at a glance

S. No	Items	
1	Total number of Milk Producers' Coop. Societies	11,839
2	Milk Producers' Co-operative Societies formed during 2014-15 (in Nos.)	842
3	Total Number of members in Milk Producers' Cooperative Societies (In Lakh)	22.95
4	Number of milk pouring members (In lakh)	4.60
5	Milk Production by societies (In LLPD)	26 to 33
6	Number of District Cooperative Milk Producers Union	17
7	State Level Federation	1
8	Milk Procurement by Unions (In LLPD)	25 to 31
9	Milk marketing in Chennai City (In LLPD)	11.70
10	Milk marketing in District Unions (In LLPD)	9.50
11	Number of Union Dairies	17

12	Number of Federation Dairies	5
13	Handling Capacity of Union Dairies (In LLPD)	21.07
14	Handling Capacity of Federation Dairies (In LLPD)	11.50
15	Number of Chilling Centres	35
16	Handling Capacity of Chilling Centres (In LLPD)	14.75
17	Number of Bulk Milk Cooler Units	274
18	Chilling Capacity of Bulk Milk Cooler units (In LLPD)	11.79
19	Number of rural milk collection routes	530
20	Number of milk distribution routes at the level of District Unions	266
21	Number of milk distribution routes in Chennai Metro	117
22	Number of Powder plants (Erode, Salem, Madurai Dharmapuri District Unions and Federation)	5
23	Capacity of powder plants for drying Milk (MT/day)	90
24	Butter storage capacity (in MT)	2,834



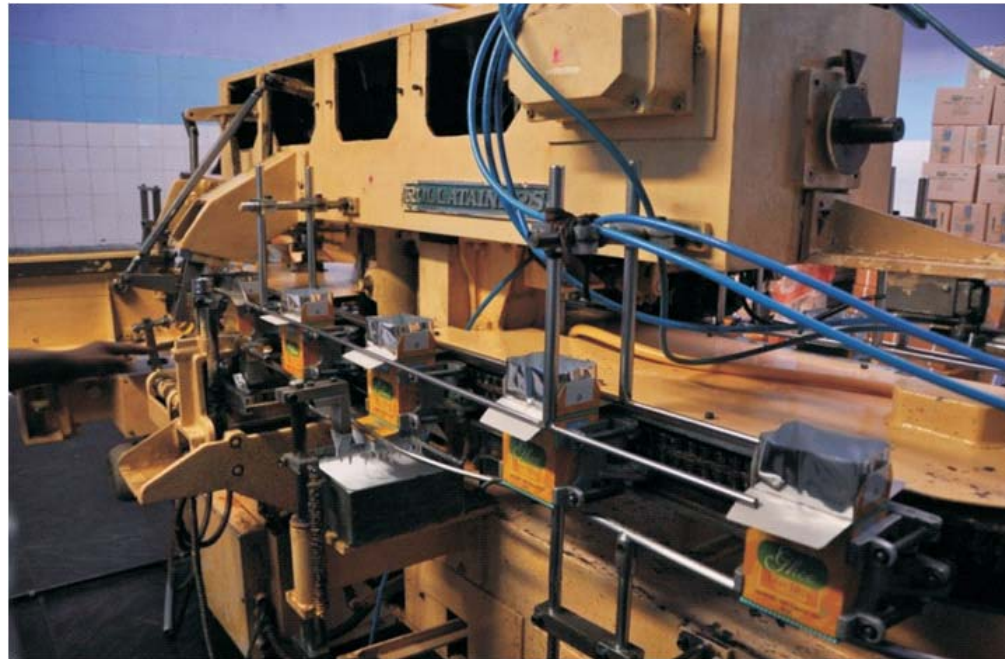
Hon'ble Chief Minister of Tamil Nadu inaugurated the Dairy cum Powder plant on 15.07.2015 at Ammapalayam in Thiruvannamalai District, established at a cost of Rs.72.60 crore.



Control room for monitoring the functions of Sholinganallur Dairy at Chennai.



Procurement of milk at the primary milk producers Co-operative Society after testing its quality.



Ghee packaging Machine



Payment made to milk producers at the Primary Dairy Co-operative Society.



Production and filling up of skimmed milk powder in bags
Madurai Dairy.



Packaging of milk products



Filling up of cool drinks in Tetra packets.



Preparation of cone ice cream



Receipt of milk and its storage in silos.