

F.No. M-02023/2/2017-CDD
Government of India
Ministry of Fisheries, Animal Husbandry and Dairying
Department of Animal Husbandry and Dairying
(Dairy Division)

Krishi Bhawan, New Delhi-110001
Dated the 09th April, 2020

To

Principal Accounts Officer,
Ministry of Agriculture and Farmers Welfare,
Department of Animal Husbandry and Dairying
16, Akbar Road Hutments,
New Delhi- 110011.

Subject: Administrative Approval for implementation of Central Sector Scheme "**Dairy Processing and Infrastructure Development Fund (DIDF)**" during 2020-21.

Sir,

The undersigned is directed to refer to this Department's OM No 02023/2/2017-CDD dated 21st December, 2017 conveying first administrative approval for Central Sector Scheme – **Dairy Processing and Infrastructure Development Fund (DIDF)** implementation during 2017-18 and No.02023/2/2017-CDD for DIDF scheme for the financial year 2019-20 dated 02.03.2020, **and to convey administrative approval for DIDF during 2020-21** with a total outlay of Rs 11184 Crore, of which Rs 8004 crore shall be loan from National Bank for Agriculture and Rural Development (NABARD) to National Dairy Development Board (NDDB) and National Cooperative Development Cooperation (NCDC) for End borrowers , Rs 2001 crore shall be end borrowers contribution, Rs 12 crore would be NDDB/NCDC's share during 3 years 2018-19 to 2022-23 and Rs 1167 crore shall be contributed by DAHD towards interest subvention on repayment for 10 years (2018-19 to 2030-31 with spill over to first quarter of 2031-32).

2. Objectives of the DIDF:

- i. To modernize the milk processing plants and machinery and to create additional infrastructure for processing more milk.
- ii. To create additional milk processing capacity for increased value addition by producing more dairy products.
- iii. To bring efficiency in dairy processing plants/producer owned and controlled dairy institutions, thereby enabling optimum value of milk to milk producer farmers and supply of quality milk to consumers.

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Under Secretary
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- iv. To help the producer owned and controlled institutions to increase their share of milk, thereby providing greater opportunities of ownership, management and market access to rural milk producers in the organized milk market.
- v. To help the producer owned and controlled institutions to consolidate their position as dominant player in the organized liquid milk market and to make increased price realization to milk producers.

3. Components of DIDF

The broad investment activities eligible under DIDF are:

- i. Modernization & creation of new milk processing facilities
- ii. Manufacturing facilities for Value added Products
- iii. Milk Chilling infrastructure
- iv. Setting up electronic milk testing equipment
- v. Project Management and Learning
- vi. Any other activity related to the dairy sector targeted to contribute to the objectives of DIDF and decided by Government of India in consultation with the stakeholders.

4. Eligible institutions

(i) NDDDB and NCDC using the loans from the DIDF will lend to the following institutions

- Co-operative Milk Unions
- State Cooperative Dairy Federations
- Multi State Milk Cooperatives
- Milk Producer Companies
- NDDDB subsidiaries

(ii) Financial assistance under DIDF will be given to the end borrowers which are financially viable and willing to avail funds and also fulfill the eligibility criteria, as per Operation guidelines of DIDF.

5. Source of fund

NABARD shall raise fund from the financial markets in compliance with SEBI guidelines. The instrument appropriate for borrowing shall be decided by NABARD depending on the demand.

6. Cost of Fund to NABARD

The cost of fund to NABARD shall be the actual cost of borrowing by NABARD inclusive of interest, taxes, fees, charges, etc., plus fund management cost of 0.60% per annum.


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