

# DISCONTINUATION OF DAIRY ENTRENEURSHIP DEVELOPMENT SCHEME (DEDS)

Relevant for: Indian Economy | Topic: Economics of Animal-Rearing incl. White, Blue & Pink Revolutions

Some of the farmers owned dairy cooperatives in the country are protesting against the decision to tax the milk cooperatives under Section 194Q of the Income Tax Act, 1961. Kerala Co-operative Milk Marketing Federation (Milma), Karnataka Milk Federations and Punjab Milk Federations have represented against the move to tax dairy cooperatives under Section 194Q of the Income Tax Act. As per NDDB, the Gujarat Cooperative Milk Marketing Federation Ltd. Anand (GCOMMFL) and the Panchmahal District Co-Operative Milk Producers Union Ltd., have together challenged the provisions of Section 194Q of the Income Tax Act, 1961 and its applicability to dairy cooperative societies in the Hon'ble High Court of Gujarat and the matter is subjudice.

The Department of Animal Husbandry and Dairying is implementing following schemes for dairy development in the country in the FY 2021-22:-

**National Programme for Dairy Development(NPDD):- Launched in Feb-2014 and restructured/realigned in July 2021 for implementation from 2021-22 to 2025-26 through the State Implementing Agency (SIA) i.e State Cooperative Dairy Federation with a budget allocation of Rs.1790 crore. The scheme has two (2) components. The Component 'A' focuses towards**

creating/strengthening of infrastructure for quality milk testing equipment as well as primary chilling facilities to be implemented The **Component 'B'** provides financial assistance **as a loan** from Japan International Cooperation Agency (JICA) as per project agreement already signed with them. The central Government share in this project is proposed to be funded through NPDD. The budgetary allocation under NPDD during the FY 2021-22 is Rs.255.00 crore.

Under the NPDD, till date, 159 projects in 27 States and 3 Union Territory covering 501 districts have been approved with the total cost of Rs. 2121.15 crore (Central Share Rs. 1677.46 crore) from 2014-15 to 2021-22 (15.11.2021). An amount of Rs.838.30 crore has been utilized.

**Dairy Processing and Infrastructure Development Fund (DIDF):- Launched in December 2017 with an Objective to create/ modernize the milk processing, chilling and value addition infrastructure in the form of loan with interest subvention of 2.5% (with effect from 11.09.2020). The Funding under DIDF is made available by National Bank for Agriculture and Rural Development (NABARD) through National Dairy Development Board (NDDB)/ National Cooperative Development Corporation (NCDC). The budgetary allocation for interest subvention for the FY 2021-22 is Rs.70 crore. As on 31.10.2021, under DIDF, 47 Projects from 13 States with a total outlay of Rs. 5477.67 Crore with a loan component of Rs. 3763.96 Crore have been sanctioned by NDDB and NCDC and Rs. 1225.43 Crore of loan has been disbursed.**

**Supporting Dairy Cooperatives and Farmer Producer Organizations engaged in dairy activities (SDCFPO): Launched during 2017-18 being implemented through National Dairy Development Board (NDDB) with an objective of the scheme is to assist the Cooperative Societies and farmer producer organizations engaged in dairy activities by providing soft working capital loan to tide over the crisis on account of severely adverse**

market conditions or natural calamities. Due to Economic Impact of Covid-19 on Dairy Sector, a new component “interest subvention on Working capital loans for Dairy sector” was introduced with an outlay of Rs 203 Cr for 2020-21. Temporarily, the other component namely “working Capital loan” was kept in suspension during 2020-21 and 2021-22. SDCFPO has been approved as a part of Umbrella Scheme “ Infrastructure Development Fund “ from 2021-22 to 2025-26 with an outlay of Rs 500 Cr. An amount of Rs.100 crore has been allocated during the FY 2021-22. Under the Scheme an amount of Rs. 149.03 crore has been sanctioned to 35 Dairy Cooperatives/Milk Producers Companies against the bank loan amount of Rs. 10285 crore as on 30.11.2021.

The above schemes are demand driven and therefore State-wise allocation has not been made.

As per Evaluation study of White Revolution conducted by NITI Aayog, the Dairy Development schemes of the Department were realigned/restructured for implementation during 2021-22 to 2025-26. The schemes now focuses on initiatives for improving quality, Strengthening/creation of infrastructure for milk collection chilling, processing, value addition, testing and working capital requirement.

This information was given by The Minister of Fisheries, Animal Husbandry & Dairying

Shri. Parshottam Rupala in the Lok Sabha in a written reply today.

**MV/MG**

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