

SCHEME FOR FINANCING DAIRY DEVELOPMENT PROGRAMMES

Dairy projects are financed for the following activities: -

- I. Financing individuals for purchase of good quality high yielding milch animals, viz., cows/buffaloes or cross bred cows for milk production.
- II. Financing individuals for purchase and rearing of calves upto the stage of first lactation.
- III. Financing for other innovative animal husbandry activities, namely, cattle breeding, salvaging of dry pregnant cattle, milk-processing facilities, construction of milk houses, etc.

I. FINANCING FOR MILK PRODUCTION ACTIVITY i.e. PURCHASE AND MAINTENANCE OF MILCH ANIMALS (LACTATING COWS/BUFFALOES) FOR MILK PRODUCTION:

PURPOSE: Bank provides loan for following purposes: -

- Purchase & maintenance of good quality milch animals for milk production (with average daily milk yield of 6.5 litres)
- Construction of shed(s) for keeping the animals and purchase of dairy machinery and equipment
- Rearing of good quality female calves up to the stage of first lactation.

ELIGIBILITY:

Individuals undertaking dairying as subsidiary activity:-

- (a) The intending borrower(s) should be having experience in maintenance of milch animals.
- (b) The intending borrower(s) should have arrangement for supply of adequate quantity of fodder.
- (c) Activity should be economically viable.
- (d) The borrower(s) should have shed/accommodation for keeping the animals or should have adequate space for constructing the shed for keeping the animals.

Individuals undertaking commercial dairy as main activity:-

- (a) Borrower(s) should be well experienced in running a dairy farm on commercial basis intending to undertake dairying as his main vocation/business.
- (b) The borrower must have accommodation for maintenance of animals or suitable space for construction of shed should be available with the applicant on which shed could be constructed.

(c) Applicant should have arrangements for growing/storage of feeds, fodder and concentrates.

(d) Project report submitted by the applicant should indicate the techno-economic viability, marketing arrangements, infrastructure, etc.

EXTENT OF LOAN: Need-based loan. A unit of 2 milch animals is considered viable minimum size for such an activity.

REPAYMENT OF LOAN: Loans for purchase of milch animals should be repaid as under: -

S.No.	Type of Investment	Repayment period (including gestation period)	Gestation period
1.	Cross bred cow(s)	5 years	Repayment to be linked with lactation period.
2.	Buffaloes	- do -	- do -
3.	2 Graded Murrah buffaloes	5 years	-do-
4.	Cross bred calf rearing	6 years	30 months

II. SCHEME FOR FINANCING REARING OF GOOD QUALITY FEMALE CALVES:

PURPOSE: Rearing of female calves of about 4 months of age born of healthy parents upto the age of first calving.

ELIGIBILITY: Cattle breeders/ progressive farmers having female calves undertaking to retain them for milk production or sell them on first calving. Farmer should have land for raising adequate fodder.

EXTENT OF LOAN: Amount of loan shall depend upon the number of calves the borrower(s) intends to rear.

REPAYMENT OF LOAN: If the calf is retained as lactating cow, loan and interest shall be recovered in maximum four years after first calving in suitable instalments. If the calf is sold as fresh calve, principal and interest should be recovered in lump sum from the sale proceeds of the animal. Accordingly, maximum repayment period shall be 5-6 years in the former case while it shall be 2 years and 6 months in the latter case.

III. FINANCING FOR OTHER INNOVATIVE ANIMAL HUSBANDRY ACTIVITIES:

PURPOSE: Cattle Breeding through Artificial Insemination; Salvaging of dry pregnant cattle; Financing for milk processing facilities; Financing for construction of milk houses (Dudhghar) by Village Milk Cooperative Societies; Financing for development of pasture, etc.

EXTENT OF LOAN: Need based.