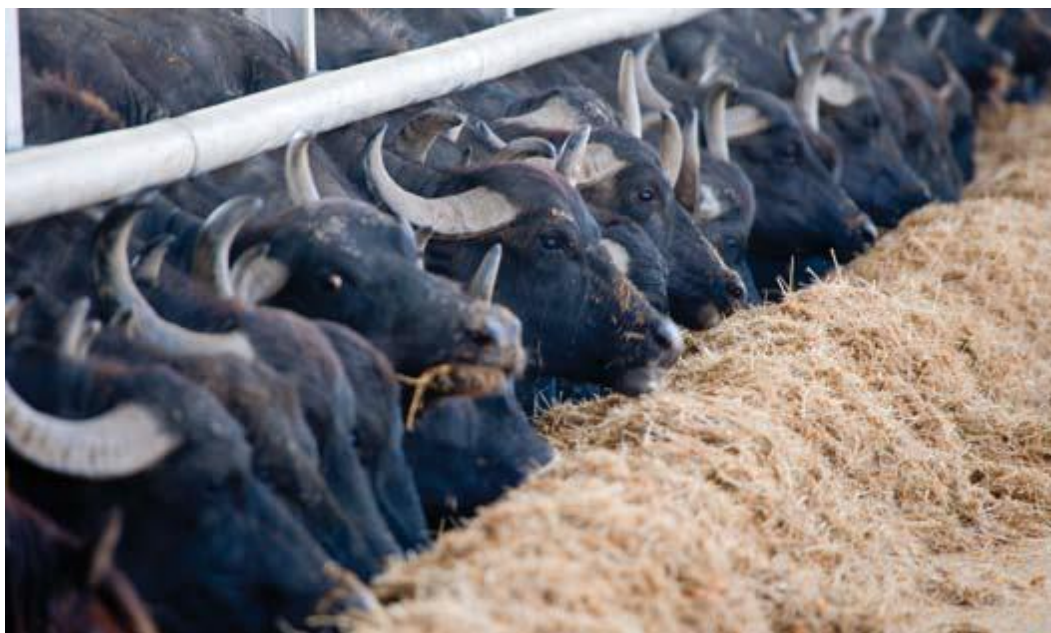


DAIRY ENTREPRENEURSHIP DEVELOPMENT SCHEME (DEDS)



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DAIRY ENTREPRENEURSHIP DEVELOPMENT SCHEME

Dairy Entrepreneurship Development Scheme (DEDS) was started in September, 2010 with the objective for promotion of private investment in dairy sector in order to increase the milk production in the country and helping in poverty reduction through self employment opportunities. This scheme is being implemented through NABARD which provides financial assistance to commercially bankable projects with loan from Commercial, Cooperative, Urban and Rural banks with a back ended capital subsidy of 25% of the project cost to the beneficiaries of general category and 33.33% of the project cost to SC & ST beneficiaries. The scheme has approved for continuation with certain modifications and the budget provision of Rs 1,400 crore during 12th five year plan. Since inception, against the total release of Rs 871.29 crore, NABARD has disbursed Rs 823.14 crore as back ended capital subsidy to the beneficiaries for setting up of 2,24,402 dairy units upto 31st December, 2014.

Under these scheme farmers, individual entrepreneurs, NGOs, companies, groups of unorganized and organized sector including self help groups, dairy cooperative societies, milk unions and milk federations are eligible for financial assistance from banks to set up following type of dairy based enterprise:

1. Establishment of small dairy units with crossbred cows/ indigenous descript milch cows like Sahiwal, Red Sindhi, Gir, Rathi etc / graded buffaloes upto 10 animals.

Bank supports cheap credit upto Rs 6.00 lakh (earlier Rs 5 lakh) for 10 animal units.

2. Rearing of heifer calves – cross bred, indigenous descript milch breeds of cattle and of graded buffaloes – upto 20 calves. Bank supports cheap credit upto Rs 5.30 lakh (earlier Rs 4.80 lakh) for 20 calf units
3. Vermicompost with milch animal unit (to be considered with milch animals and not separately), bank supports cheap credit up to Rs 22,000/- (earlier Rs 20,000/-)
4. Purchase of milking machines /milkotesters/bulk milk cooling units (upto 5000 lit capacity, earlier 2000 lit capacity), bank supports cheap credit upto Rs 22 lakh
5. Purchase of dairy processing equipment for manufacture of indigenous milk products, bank supports cheap credit upto Rs 13.20 lakhs.
6. Establishment of dairy product transportation facilities and cold chain, bank supports cheap credit upto Rs 26.50 lakh (earlier Rs 24 lakh)
7. Cold storage facilities for milk and milk products, bank supports cheap credit upto Rs 33 lakh (earlier Rs 30 lakh)
8. Establishment of private veterinary clinic, bank supports cheap credit upto Rs 2.60 lakh (earlier Rs 2.40 lakh) for mobile clinic and Rs 2 lakh (earlier Rs 1.80 lakh) for stationary clinic
9. Dairy marketing outlet / Dairy parlour, bank supports cheap credit upto Rs 1 lakh (earlier Rs 56,000/-)

S.No	Component	Unit Cost	Pattern of Assistance
i	Establishment of small dairy units with crossbred cows/ indigenous descript milch cows like Sahiwal, Red Sindhi, Gir, Rathi etc / graded buffaloes upto 10 animals. (for SHGs, Cooperatives societies , Producer Companies unit size will be 2-10 animals per member.)	Rs 6.00 lakh for 10 animal unit – minimum unit size is 2 animals with an upper limit of 10 animals.	25% of the project cost (33.33 % for SC / ST farmers), as back ended capital subsidy. Subsidy shall be restricted on prorata basis to a maximum of 10 animals subject to a ceiling of Rs.15,000 per animal, (Rs.20,000 for SC/ST farmers) or actual whichever is lower. Beneficiaries may purchase animals of higher costs, however, the subsidy will be restricted to the above ceilings.
ii	Rearing of heifer calves – cross bred, indigenous descript milch breeds of cattle and of graded buffaloes – upto 20 calves	Rs 5.30 lakh for 20 calf unit – with an upper limit of 20 calves	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy. Subsidy shall be restricted on prorata basis to a maximum of 20 calf unit subject to a ceiling of Rs.6,600/- per calf (Rs.8,800 for SC/ST farmers) or actual whichever is lower.

iii	Vermi compost with milch animal unit (to be considered with milch animals/small dairy farm and not separately)	Rs 22,000/-	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 5,500/- (Rs 7300/- for SC/ST farmers) or actual whichever is lower.
iv	Purchase of milking machines /milk testers/bulk milk cooling units (upto 5000 lit capacity)	Rs 20 lakh	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 5.0 lakh (Rs 6.67 lakh for SC / ST farmers) or actual whichever is lower.
v	Purchase of dairy processing equipment for manufacture of indigenous milk products	Rs 13.20 lakh	25% of the project cost (33.33 % for SC/ST farmers) as back ended capital-subsidy subject to a ceiling of Rs 3.30 lakh (Rs 4.40 lakh for SC/ST farmers) or actual whichever is lower.
vi	Establishment of dairy product transportation facilities and cold chain	Rs 26.50 lakh	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 6.625 lakh (Rs 8.830 lakh for SC/ST farmers) or actual whichever is lower.
vii	Cold storage facilities for milk and milk products	Rs 33 lakh	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 8.25 lakh (Rs 11.0 lakh for SC/ST farmers) or actual whichever is lower.

viii	Establishment of private veterinary clinics	Rs 2.60 lakh for mobile clinic and Rs 2.0 lakh for stationary clinic	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 65,000/- and Rs 50,000/- (Rs 86,600/- and Rs 66,600/- for SC/ST farmers) respectively for mobile and stationary clinics or actual whichever is lower.
ix	Dairy marketing outlet / Dairy parlour	Rs 1.0 lakh/-	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 25,000/-(Rs 33,300/- for SC/ST farmers) or actual whichever is lower.

FUNDING PATTERN

1. Entrepreneur contribution (margin) - 10 % of the outlay (minimum)
2. Back ended capital subsidy of 25 %(33.33 % for SC/ST beneficiaries of the project cost.

BANKING REQUIREMENTS FOR THE SCHEME:

Procedure for Sanction of project and availing subsidy through banks

Step 1: Beneficiary should apply to the bank for sanction of the project

Step 2: The bank shall approve the project of the eligible as per their norms and sanction the total outlay excluding the margin, as the bank loan.

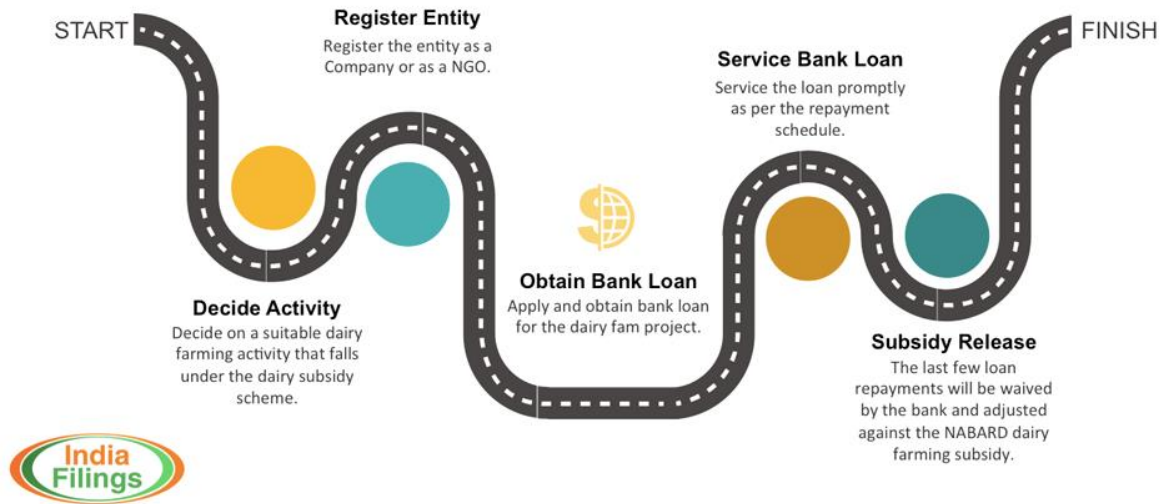
Step 3: The loan amount is disbursed in suitable installments depending on the progress of the unit.

Step 4: The bank shall apply to the concerned Regional Office of NABARD for sanction and release of subsidy in the specified format, after the disbursement of first installment of loan.

Time limit for Completion of the project:

It is maximum of 9 months from the date of disbursement of the first installment of loan which may be extended by a further period of 3 months, if reasons for delay are considered justified by the concerned financial institution

Process for Obtaining NABARD Dairy Farming Subsidy



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