


Government of Uttar Pradesh
Dairy Development Section-1
No.-03/2022/1050/53-1099 (099)/26/2022
Lucknow: Dated: October 17, 2022

Notification

Hon'ble Governor, by exercising executive powers under Article 162 of The Constitution of India, gives consent to promulgate the '**Uttar Pradesh Dairy Development and Milk Products Promotion Policy- 2022**'.

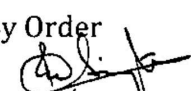
2. Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022 will be effective for a period of 5 years from the issuing date of this notification.


Dr. Rajneesh Dube
Additional Chief Secretary

No.-03/2022/1050 (1)/53-1099(099)/26/2022, dated as above:

Copy forwarded to the following for information and necessary action:

1. Accountant General (First), Uttar Pradesh, Prayagraj.
2. Secretary, Department of Animal Husbandry and Dairying, Ministry of Fisheries, Animal Husbandry and Dairying, Government of India, Krishi Bhawan, New Delhi.
3. Additional Chief Secretary, Hon'ble Chief Minister, Government of Uttar Pradesh.
4. Staff Officer, Chief Secretary, Government of Uttar Pradesh.
5. Officer on Special Duty, Agriculture Production Commissioner, Government of Uttar Pradesh.
6. All Additional Chief Secretaries/Principal Secretaries/Secretaries, Government of Uttar Pradesh.
7. Resident Commissioner, Uttar Pradesh, New Delhi.
8. Milk Commissioner, Dairy Development Department, U.P., Jawahar Bhawan, Lucknow.
9. Secretary, U.P. State Milk Board, Jawahar Bhawan, Lucknow.
10. All Divisional Commissioners/District Magistrates, Uttar Pradesh.
11. Managing Director, PCDF Ltd, 29-Park Road, Lucknow.
12. Director, Information & Public Relations Department, U.P., Lucknow.
13. Finance Controller, Dairy Development Department, U.P., Jawahar Bhawan, Lucknow.
14. Chief Treasury officers /Senior Treasury officers / Treasury officers, Uttar Pradesh.
15. Finance (Expenditure Control) Section-1/2/ Finance (Budget) Section-1
16. Guard File.

By Order

Pankaj Kumar Singh
Under Secretary

Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022



**Dairy Development Department
Uttar Pradesh**

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Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022

1. Vision

Uttar Pradesh is the highest milk-producing state in the country contributing about 16 percent of the country's total milk production. Only about 10 percent of the marketable surplus milk is being processed by the organized sector in the state, whereas India's average milk processing is about 17 percent. There is a huge gap between the milk processing capacity and the amount of marketable surplus milk in the state, for which there is a huge potential for investment in new industries in this area. In the changing environment, on the one hand, the disposable income of the people is increasing, and the public is becoming aware of the importance of balanced nutrition, and on the other hand, new technologies and sufficient raw material (milk) are available for milk processing and manufacturing of value-added milk products. There is a great need to translate the potential of the dairy sector into reality by motivating the investors and entrepreneurs. The Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022 is being promulgated to ensure maximum benefits for all stakeholders by augmenting existing capacity utilization, creating new processing capacity and increasing means of livelihood by making use of technological upgradation, appropriate use of information technology and capacity development. This policy aims at creating employment, ensuring nutritional security and steering the state towards one trillion-dollar economy.

2. Objectives

The objectives of the Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022 are as follows-

- (i) To encourage the establishment of milk-based industries in the State.
- (ii) To achieve the target of capital investment of Rs. 5000 crores in the next five years in the State.
- (iii) To ensure market- based remunerative price of milk to the milk producers.
- (iv) To increase the level of milk processing in the state from the present 10 percent to 25 percent and to increase the installed capacity of milk processing from present 44% to 65% of the marketable surplus.
- (v) To make high-quality processed milk products available to the consumers.
- (vi) To promote market development and exports to other states and countries.
- (vii) To generate new employment opportunities in the field of dairy industry and to upgrade the competencies and skills of available manpower.
- (viii) To encourage new technologies and information technology based solutions.
- (ix) To develop and manage a strong database for collection of market intelligence and technical advice and accordingly develop a framework for the same.
- (x) Reform of Primary Milk Cooperative Societies, Milk Unions and Pradeshik Cooperative Dairy Federation Limited (PCDF Ltd.)
- (xi) Simplification of procedures to facilitate investors.

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3. Areas covered for financial grants and concessions under the dairy industry sector

F.P.Os (Farmer Producers Organizations), M.P.Cs (Milk Producers Companies), cooperative institutions of the state and private sector entrepreneurs will be benefited as determined by the government in the following areas :

- (i) Establishment of new Greenfield milk processing and milk products manufacturing units.
- (ii) Expansion of Capacity of the existing Milk Processing and Milk Products Manufacturing Dairy Units (Minimum 25% increase in existing capacity).
- (iii) Establishment of new cattle feed and cattle nutritional products manufacturing units or expansion of existing cattle feed and cattle nutritional products manufacturing units (Minimum 25% increase in existing capacity).
- (iv) Establishment of new manufacturing units of value added milk products like cheese, ice cream etc. under micro and small enterprises sector.
- (v) Installation of new dairy technologies and information technology such as traceability equipment and ancillary software like SCADA system.
- (vi) Purchase of equipments for Milk Chilling Centre, Bulk Milk Cooler, Refrigerated Van / Cooling Van / Road Milk Tanker, Ice Cream Trolley etc. for setting up of Cold Chain.

4. Financial grants, concessions and facilities permissible to dairy industry units to be set up in the state

4.1 Capital Investment Grant

For establishment or expansion (only in case of minimum 25 percent increase in existing capacity) of milk processing and milk product manufacturing dairy units in all the districts of state, capital grant of 10 percent of the cost of plant machinery, technical civil works and spare parts, subject to a ceiling of Rs. 5.00 crore will be made available.

4.2 Interest Subvention

(a) Establishment of new milk processing and milk products manufacturing dairy units

For setting up a new milk processing and milk products manufacturing dairy unit, reimbursement of 5 percent of the rate of interest payable on loan taken for plant machinery, technical civil works and spare parts or the actual rate, whichever is less, will be permissible for 5 years subject to a ceiling of Rs 10.00 crore.

(b) Establishment of new cattle feed and cattle nutritional products manufacturing units

For setting up a new cattle feed and cattle nutritional products manufacturing unit, reimbursement of 5 percent of the rate of interest payable on loan taken for plant machinery, technical civil works and spare parts or the actual rate, whichever is less, will be permissible for 5 years subject to a ceiling of Rs 7.50 crore.

(c) Technological upgradation inside the dairy plant

For technological upgradation in an existing dairy plant like installation of SCADA System, New Generation Technology machinery and equipment etc, reimbursement of 05 percent of the rate of interest payable on loan taken or the actual rate, whichever is less, will be permissible for 5 years subject to a ceiling of Rs 2.50 crore.

(d) New technologies in the field outside the dairy plant

For Traceability and quality control equipment like automatic milk collection units (other than cold chain) in the field outside the dairy plant, reimbursement of 05 percent of the rate of interest payable on loan taken or the actual rate, whichever is less, will be permissible for 5 years subject to a ceiling of Rs 1.00 crore.

(e) Installation of Cold Chain

For installation and purchase of cold chain system like refrigerated Van / Insulated Van / Road Milk Tanker, Bulk Milk Cooler, Ice Cream Trolley etc, reimbursement of 05 percent of the rate of interest payable on loan taken or the actual rate, whichever is less, will be permissible for 5 years subject to a ceiling of Rs 1.00 crore.

(f) Interest subvention on expansion of milk processing and milk products manufacturing dairy units

In case of minimum 25 percent increase in the existing capacity, for the loan taken for purchase of plant and machinery, reimbursement at the rate of 05 percent of the rate of interest payable on loan or the actual rate, whichever is less, will be permissible for 5 years subject to a ceiling of Rs 2.50 crore .

(g) Interest subvention on expansion of cattle feed and cattle nutritional products manufacturing units

In case of minimum 25 percent increase in the existing capacity, for the loan taken for purchase of plant and machinery, reimbursement at the rate of 05 percent of the rate of interest payable or actual rate, whichever is less, will be permissible for 5 years subject to a ceiling of Rs 2.00 crore.

(h) Interest subvention for value added milk products manufacturing units

For loans taken for establishment of plant machinery in units manufacturing value added milk products like cheese, ice cream etc. which fall under micro and small enterprises sector, reimbursement at the rate of 05 percent of the rate of interest payable or actual rate, whichever is less, will be permissible for 5 years subject to a maximum of Rs 2.00 crore.

4.3- Provision for Market Development and Brand Promotion

The following grants and concessions will be provided for marketing to milk Processing and milk products manufacturing dairy units for market development and brand promotion.

- (i) To encourage export of processed products produced in the state, 25 percent of the actual expenditure on transportation of the product to the airport / sea port, subject to a ceiling of Rs. 20.00 lakh per annum, will be payable per beneficiary for 3 years.
- (ii) For export promotion of processed products produced in the state, 20 percent of the Freight on Board value of the product for dispatch by ship/aircraft, a grant subject to a ceiling of Rs 40.00 lakh per annum, will be payable for 3 years.

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- (iii) To encourage milk processing units established in the state to export their product, 50 percent of the unit cost for sending a sample of the product to other countries, subject to a ceiling of Rs. 5.00 lakh per beneficiary will be permissible. This grant will be subject to the condition of one sample to one unit to one country .

4.4- Provision for Standardization Incentive

For the purpose of grading and standardizing the value added milk products related to milk processing and milk products manufacturing dairy units, cattle feed and cattle nutritional products manufacturing units and micro, small and medium enterprises, against the actual fee and testing charges paid for getting nationally/internationally acceptable quality/'environment' certification and accreditation such as ISO-14001, ISO 22000, HACCP and Sanitary/Phytosanitary certification etc, the state government will reimburse 50 percent as grant, subject to a ceiling of Rs.5.0 lakh. Standardization incentive will be given on the basis of certification/registration during the policy period.

4.5-Provision for Patent/Design Registration

For registration of patents/designs by milk processing and milk products manufacturing dairy units, cattle feed and cattle nutritional products manufacturing units and value added milk products manufacturing units belonging to Micro, Small and Medium Enterprises (MSMEs), reimbursement of 75 percent of the fees paid to the organizations/institutions authorized by the milk processing industries, subject to a ceiling of Rs.5.00 lakh, will be paid on one-time basis. This incentive will be given on the basis of patent/design registration during the policy period.

4.6-Electricity Duty

Electricity Duty paid by new milk processing units within a period of 10 years will be reimbursed from the departmental budget after assessment of the permissible amount by the power/Electricity department. This reimbursement will be made only on purchase of power from the State Electricity Distribution Companies or Power Distribution Licensees.

4.7-Stamp Duty

The amount of stamp duty paid on the land purchased or the land taken on lease for the unit to be established under this policy will be reimbursed out of the departmental budget after assessment of the permissible amount by the stamp department.

In determining the eligibility of proposals under this policy, the principle of 'first come first serve' will be kept in mind in view of the area wise categorisation as mentioned in Para-3 above in the manner determined by the government. The 'first' projects will be those which have been approved for sanction of incentives as per the policy and subsequent Government orders. The incentive will be paid after the commencement of commercial operations of the unit.

5. Human Resource Development

- (i) The use of new technologies in the dairy sector has become imperative in the changing market scenario. For this purpose, training will be given to milk producers in clean milk production, breed improvement etc.

- (ii) Training will be given to the managers, professionals and employees of micro and small units, Farmers Producer Organization (FPO)/Milk Producer Companies (MPC) and cooperative institutions related to dairy industry for technical and financial skills upgradation .
- (iii) The above training will be conducted by reputed government/semi-government training institutions of state and national level, as may be prescribed by the government.

6. Dedicated Portal and Database Management and Project Facilitation Center

- (i) A dedicated portal will be operated by the Dairy Development Department for implementation and monitoring of this policy. The said portal will be integrated with relevant portals like Udyog Bandhu/Nivesh Mitra etc, so that one applicant cannot apply separately in different departments. Under the policy, all the applications will be submitted by the beneficiaries on this portal and Ease of Doing Business will be encouraged.
- (ii) For technical support and data analytics-based activities in the implementation of this policy, a Database Management and Project Facilitation Center will be established at the Headquarter level in the office of the Milk Commissioner. This Center will be operated with the help of subject experts, domain experts and will maintain coordination with district and state level Udyog Bandhu. The applications sent by the applicants through the portal will be examined by the Center and submitted to the pre-appraisal committee constituted at the headquarter level.

7- Reform of Pradeshik Cooperative Dairy Federation Limited (PCDF Ltd)

7.1- For the purpose of carrying out reforms in the PCDF Ltd, various options will be explored to operate it profitably in partnership with other progressive cooperative institutions or private institutions and this institution will be reformed.

7.2- Public investment will also be encouraged for the purpose of reforms in PCDF Ltd and efforts will be made to avail benefits under various schemes run by the Central Government.

7.3- Marketing system of the milk being collected by the milk societies will be liberalized, but the milk union will get the first priority on milk supply.

8- Implementation and monitoring of the policy

8.1- State Level Empowered Committee

For implementation and monitoring of the provisions under Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022, a State Level Empowered Committee will be constituted under the chairmanship of Agriculture Production Commissioner, UP Government, as may be prescribed by the Government. Secretaries in-charge of the relevant departments will be its members. Apart from this, representatives of cooperative organizations, representatives of industries and technical experts will also be members of this committee. Secretary in-charge, Dairy Development Department, Government of Uttar Pradesh will be the member secretary.

8.2- Appraisal Committee for evaluation and examination at administrative department level

Under this policy, an appraisal committee will be constituted under the chairmanship of Secretary in-charge, Dairy Development Department for evaluation and examination of proposals submitted by the Pre-Appraisal Committee at the government level, as prescribed by the government. Officers of the concerned departments, technical experts, finance experts will be its members and Milk ---

-- Commissioner, Dairy Development Department, Uttar Pradesh will be the member secretary of this committee.

8.3- Pre-Appraisal Committee for Evaluation and examination at headquarter Level

A Pre-Appraisal Committee will be constituted under the chairmanship of Milk Commissioner, Dairy Development Department, Uttar Pradesh for evaluation and examination of the proposals received under this policy at the headquarter Level, as may be prescribed by the government. Other officers of Dairy Development Department, Finance Controller and technical experts will be members of this committee.

8.4- Implementation and monitoring of the projects at district level

The monitoring of the activities being carried out under this policy will be done by the District Magistrate through Udyog Bandhu. For this purpose, Deputy Dairy Development Officer will also be nominated as a member in Udyog Bandhu committee.

8.5- A group of technical experts will be constituted by the government to prepare a Shelf of Projects, covered under technological upgradation/new technology.

9- Nodal Department

Dairy Development Department will be the nodal department for monitoring and implementation of the Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022.

10- Miscellaneous:

10.1- The State Level Empowered Committee shall be competent to interpret or clarify any provision of this policy.

10.2- Dairy Development Department will ensure implementation of this policy in a time bound manner by issuing necessary orders and guidelines.

10.3- Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022 will be effective for 05 years from the date of notification. Those units, which have been sanctioned various grants/concessions under the Uttar Pradesh Milk Policy-2018 till the date of notification of the new policy, will be allowed the remaining benefits as per the provisions of Uttar Pradesh Milk Policy 2018.

10.4- Hon'ble Chief Minister would be competent to amend this policy for removal of any difficulty.



(Dr. Rajneesh Dube)

Additional Chief Secretary
Dairy Development Department.