

## Dairy Entrepreneurship Development Scheme

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### **National Bank for Agriculture and Rural Development (NABARD)**

The department of Animal Husbandry, dairying and fisheries is implementing Dairy Entrepreneurship Development Scheme (DEDS) for generating self-employment opportunities in the dairy sector, covering activities such as enhancement of milk production, procurement, preservation, transportation, processing and marketing of milk by providing back ended capital subsidy for bankable projects.



### **Eligibility**

- Farmers, individual entrepreneurs, NGOs, companies, pensioners, groups of unorganized and organized sector etc. including self help groups, dairy cooperative societies, milk unions, milk federations etc.

- An individual will be eligible to avail assistance for all the components under the scheme but only once for each component.
- More than one member of a family can be assisted under the scheme provided they set up separate units with separate infrastructure at different locations. The distance between the boundaries of two such farms should be at least 500m.

### **Funding pattern**

- Entrepreneur contribution ( margin) - 10 % of the outlay (minimum)
- Back ended capital subsidy –25% for general and 33% for SC/ST.
- Effective Bank Loan - Balance portion, Minimum of 40% of the outlay

### **Repayment**

Period will depend on the nature of activity and cash flow and will vary between 3-7 years. Grace period 3 to 6 months in case of dairy farms and up to 3 years for calf rearing units

### **How to apply**

Approach the nearest Veterinary Assistant Surgeon, Block Veterinary Officer or the Chief Animal Husbandry Officer of the concerned District along with:

- Affidavit of being unemployed and not a defaulter of any bank or financial institutions
- Photocopy of Ration card/State Subject
- Land papers for mortgage if loan amount exceeds Rs.1.00 lac
- Photocopy of category certificate if any.
- Three passport size photographs
- Copy of driving license if the unit is Refrigerated vehicle
- Degree certificate of BV. Sc. &AH in case of Mobile/Stationery Veterinary Clinic.

The scheme is being implemented by National Bank for Agriculture and Rural Development (NABARD)

- To promote setting up of modern dairy farms for production of clean milk.
- To encourage heifer calf rearing, thereby conserving good breeding stock.
- To bring structural changes in the unorganized sector so that initial processing of milk can be taken up at the village level itself.



- To upgrade the quality and traditional technology to handle milk on a commercial scale.
- To generate self-employment and provide infrastructure mainly for unorganized sector.
- **Rate of Interest**

The rate of interest levied on the loans is set as per the bank and RBI's guidelines. The bank has an option to charge interest on the entire loan amount up till the subsidy is received. The interest rate will be charged from the date of receipt of the subsidy.

#### Repayment Tenure

The repayment period varies between 3 – 7 years, however, it depends on the type of activity and cash flow

#### Eligible Entities

- Farmers
- Single entrepreneurs
- Groups of unorganized and organized sectors
- Self-Help Groups (SHGs)
- Dairy Cooperative Societies
- Milk Unions and Federation
- Panchayat Raj institutions and many more

#### Subsidy Provided under DEDS

Subsidy under Dairy Entrepreneurship Development Scheme is provided only for those able to obtain bank loan sanction for the project. Financial institutions eligible to finance the scheme include:


- Commercial Banks
- Regional, Rural and Urban Banks
- State Cooperative banks
- State Cooperative Agriculture and Rural Development Banks
- Other institutions are eligible for refinancing from NABARD

For those dairy projects which are bank loan funded, NABARD provides a back-ended capital subsidy of 25% of the project cost for General Category and 33.33% for SC/ST


farmers. The entrepreneurs must contribute 10% of the total project cost for loans over Rs.1 lakh and a bank loan will be used to fund the balance portion.

### Key Features of DEDS

- The new DEDS scheme has multiple objectives; the primary aim is to help generate employment opportunities and up gradation of dairy industry infrastructure.
- Modern techniques and equipment meant to improve milk production, collection, processing, and improving the quality of milk. Dairy farms should be upgraded with the latest technology tools are the other objectives.
- The government initiative is also directed to increase the rearing of the best quality heifer calf with the intention to conserve better breeds for further development of dairy farms in the future.
- To introduce structural changes at the village level itself that will allow processing of milk at the initial stage.
- To offer better value of milk and milk products.



**NABARD**



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