

Dairy Theme Highlights

March 2007

Linkages

- Dairy Unions for feed supply
- Indian Immunological Ltd for Medicines, vaccines, dewormers
- Dept of Animal Husbandry for vaccines (FMD)
- HDFC Chubb / other Insurance Co.(United India,Oriental Insurance) for animal insurance
- Mother Dairy/ Dairy Union for milk marketing
- BAIF for paravet training and AI support

Highlights of the business plan for milk marketing

- Break even for financial viability : 30,000 lpd procurement
- Need to mobilize 6,000 rearers in 150 villages
- Avg procurement : 200 lpd/village (40 % of marketable surplus)
- Need to mobilize
 - Rs. 6 crore to induct 4,000 animals
 - Rs. 1.2 crore for dairy infrastructure and equipments
 - Rs. 3 crore as working capital

Team Highlights (as of October 2006)

Teams	Investment in Rs. (lakh)	Add. Output (KL)	Add. Income (lakh-Rs)	Av income in 6 months /Family (Rs)
Dausa	6.5	178	12	3,800
Lohardaga	35	484	6.3	1,740
Barhi	5	26	1.5	3,000
Dholpur	123	830	50	4,860
Godda	29	112	5.2	1,704
Deoghar	1.5	-	-	-
Total	200	1630	75	

Critical Financial parameters of Milk Marketing

Particulars	Present expenses(Rs) at 14,500 lpd	As per business plan (Rs) at 30,000 lpd	Variance
BMC/ chilling cost	0.55	0.40	0.15
Inward transportation	0.85	0.40	0.45
Outward transportation	0.80	0.80	0
PC running cost	0.64	0.27	0.37
Chemicals	0.10	0.10	0
Lease rent	0.27	0.27	0
Total	3.21	2.24	1.57
Procurement price from Mother Dairy			Rs. 17.50/litre
Price to producer			Rs. 15.00/ litre
Available for running the business			Rs. 2.50/litre

Teams Highlight (as of March 2007)

Team	No. of Rearers	Source of Finance	SMS involved	SP involved	Status of PO
Lohardaga	311	RSVY & Bank loan	1	18	Registered
Barhi	50	Dept of Cooperation & Bank loan	1	2	Registered
Deoghar	25	TWC & Bank loan	1	1	-
Godda		TWC & Bank loan	0	0	-
Dholpur	1,760	DPIP & Bank loan	2	87	-
Dausa	615	DPIP & Bank loan	2	7	-
			7	115	

Cross cutting issues

- Productivity enhancement
- Breed maintenance/improvement
- Designing system
- Development of Community resource persons
- Large scale resource mobilisation
- Developing indicators for family level output, outcome, impact
- Developing business plan
- Reaching scale for financial viability of PI
- Required work on both family and Institution level
- Building stake and ownership of the community in PI

Buffalo Rearing



Artificial Insemination



Members pouring Milk to MCC



NGC Initiative



NGC Initiative



Dairy Sector in India (conti...)

- GDP – 5% from dairy (agriculture 21%)
- Buffalo milk -57% (CAGR -4%)
- Cow (CAGR 1.2%)
- 70% of milk comes from semi-medium / small, marginal & landless
- 22% rural landless are involved in Dairy
- Livestock wealth distribution is more equitable than land
- 70 million household produce milk
- 11 m are organised into 1 lakh DCS
- Growth is in peri-urban areas
- In-house rearing is increasing

Animal husbandry in Rajasthan

- 10% area of India, 5% population, 18.7% animal resources, 1% water resource
- Water starve state – 60% area falls in the *Thar* – Great Indian desert – arid and driest (230 mm annual rain fall) region.
- 19% state Domestic product
- 10% India's milk production
- 42% Mutton production
- 42% Wool production

Dairy sector in Rajasthan

- Major economic activity of the arid region
– 30 to 50% income. Stable livelihood.
- Tribal keep cattle not for milk production.
- Rearers – Gurjar, Dhakar and Jat.
Additionally Yadav, Khuswa, Jatav, s/f.
- Buffalo rearing popular - keeps 1 to 3
- Financing for animal procurement by the trusted Dudhiya who also buy back milk.

Animals in Rajasthan (2003 census)

- Cows – 10.9 m (decreasing with 1.5% pa)
- Buffalo – 10.5 m (growing with 1.3% pa)
- Sheep – 9.8 m (decreasing with 5.3% pa)
- Goat – 16.8 m (no change)
- Camel – 0.5 m (decreasing @ 0.15% pa)

Dairy infrastructure & and milk yield

- Huge marketable Surplus. Many private dairy set up milk chilling plants. RCDF procures 6 to 10 lakh lpd. Mother dairy's procurement plan is large. All offers competitive price. Around Rs 15 pl.
- Scope for our target community is high
- Dholpur
 - 2.5 lakh lpd of surplus milk in 416 vills (avg 500 litres per village)
 - 14 private dairies collects milk through dhudiya network
 - Chilling capacity : around 3 lakh lpd
- Alwar
 - 5 lakh lpd of surplus-able milk. (average 500 litres per village)
 - 4 private dairies collects milk through dhudiya network
 - Chilling capacity : around 6 lakh lpd

Constraints

- Low productivity in spite large number.
- 60% cows are of non-descriptive breed
- 80% buffalos are non-descriptive breed
- Shrinking common grazing field
- Government infrastructure for animal health is ineffective and not accessible to small rearers
- 10% breed-able female covered by AI
- Lack of finance, extension support (health care, insurance, input-output linkages)

Perspective in Rajasthan

Rajasthan

- Goal for next 5 years
 - Provide livelihoods to 10,000 families (women)
- By
 - Quality Buffalo induction through loans and/or grants
 - Ensuring basic health services for animals
 - Improved rearing and management practices
 - Breed maintenance
 - Inputs (feed & medicine) supply and Insurance services
 - Availability of fodder and water
 - Market linkage for sale of milk
 - Organizing producers in to Coop/PCs
 - Overall promotion and trustee-ship role for PO

Thank you