



डेयरी विकास के लिए क्षेत्र विकास योजना - 2018-2023

AREA DEVELOPMENT SCHEME FOR
DAIRY DEVELOPMENT - 2018-2023

विजयनगरम
Vizianagaram

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT

आंध्र प्रदेश क्षेत्रीय कार्यालय, हैदराबाद

ANDHRA PRADESH REGIONAL OFFICE



विज़न

ग्रामीण समृद्धि के लिए राष्ट्रीय विकास बैंक.

VISION

Development Bank of the Nation for fostering rural prosperity.

मिशन

सहभागिता, संधारणीयता और समानता पर आधारित वित्तीय और गैर-वित्तीय सहयोगों, नवोन्मेषों, प्रौद्योगिकी और संस्थागत विकास के माध्यम से समृद्धि लाने के लिए कृषि और ग्रामीण विकास का संवर्धन.

MISSION

Promote sustainable and equitable agriculture and rural development through participative financial and non-financial interventions, innovations, technology and institutional development for securing prosperity.

प्राक्कथन

नाबार्ड राज्य के सभी जिलों के लिए संभाव्यता युक्त ऋण योजनाएं (पीएलपी) तैयार करता है जिनमें कृषि, संबंधित गतिविधियों, सूक्ष्म, लघु और मध्यम उद्यमों और अन्य प्राथमिकता प्राप्त क्षेत्रों की गतिविधियों में ऋण संभाव्यताओं के साथ-साथ, इन संभाव्यताओं को पूरा करने के लिए आवश्यक आधारभूत सुविधाओं व संयोजनों को भी विशेष रूप से दर्शाया जाता है। भारतीय रिज़र्व बैंक ने जिला विकास योजना तैयार करने के लिए अब नाबार्ड की पीएलपी को एक आवश्यक आधार दस्तावेज का दर्जा दिया है। वर्ष 2018-19 के लिए अब तक राज्य के सभी 13 जिलों से संबंधित पीएलपी जारी किए जा चुके हैं।

विभिन्न स्टेकहोल्डरों के बीच प्रभावी समन्वय के फलस्वरूप आंध्र प्रदेश में कृषि और संबंधित गतिविधियों के लिए आधारस्तरीय ऋण प्रवाह में पिछले कुछ वर्षों से लगातार वृद्धि देखी गई है। कृषि और संबंधित गतिविधियों के लिए वर्ष 2015-16 और वर्ष 2016-17 के दौरान कुल आधार स्तरीय ऋण प्रवाह क्रमशः ₹75,448 करोड़ और ₹78,114 करोड़ था जिससे स्पष्ट है कि राज्य की अर्थव्यवस्था के इस महत्वपूर्ण क्षेत्र के लिए बैंक ऋणों का प्रवाह अत्यंत संतोषजनक रहा है। तथापि, निवेश ऋण, जो कि कृषि क्षेत्र में पूंजी निर्माण के लिए अत्यंत महत्वपूर्ण है, का स्तर उत्पादन ऋण प्रवाह के समकक्ष नहीं है। गत दो वर्षों में निवेश ऋण, कृषि के लिए कुल ऋण प्रवाह का 24% रहा। निवेश ऋण में और अधिक वृद्धि आवश्यक है। उल्लेखनीय है कि 2016-17 के दौरान अखिल भारतीय स्तर पर कृषि संबंधी निवेश ऋण, कृषि संबंधी कुल आधारस्तरीय ऋण का 35% था।

नाबार्ड द्वारा दीर्घावधि प्रयोजनों के लिए ऋण प्रवाह को बढ़ाने के लिए प्रयास किए जा रहे हैं जिनमें विशिष्ट गतिविधियों के लिए क्षेत्र विकास योजनाएं तैयार करना, क्षेत्राबैंकों और सहकारी बैंकों को, इस प्रयोजन के लिए भारत सरकार द्वारा स्थापित दीर्घावधि ग्रामीण ऋण निधि (एलटीआरसीएफ) से रियायती दरों पर पुनर्वित्त उपलब्ध कराना, बैंकों के लिए प्रशिक्षण कार्यक्रम / कार्यशालाएं आयोजित करना आदि शामिल हैं। आंध्र प्रदेश में नाबार्ड द्वारा, सहभागी बैंकों और जिला विकास प्रबंधकों के गहन समन्वयन से 54 क्षेत्र विकास योजनाएं कार्यान्वित की जा रही हैं और इनके तहत चयनित निवेश गतिविधियों के लिए बैंकों द्वारा लगभग ₹418.02 करोड़ की राशि ऋण के रूप में प्रदान की गई है।

इस दृष्टिकोण की सफलता से प्रेरित होकर नाबार्ड ने निश्चय किया है कि इन योजनाओं की प्रक्रिया, तैयारी और कार्यान्वयन को और अधिक सुदृढ़ बनाया जाए। अब क्षेत्र विकास योजनाओं को नाबार्ड की आयोजना प्रक्रिया का एक अभिन्न अंग बनाया गया है तथा चयनित कृषि और संबंधित गतिविधियों से संबंधित दस्तावेज, जिनमें उनके तकनीकी-आर्थिक मानदंड, वित्तीय व्यवहार्यता और बैंकिंग योजनाएं इंगित होंगी, प्रत्येक जिले के लिए अलग-अलग प्रकाशित किए जाएंगे।

क्षेत्र विकास योजनाओं पर जिला स्तरीय दस्तावेज प्रस्तुत करते हुए मुझे अत्यंत प्रसन्नता हो रही है। इन योजनाओं को और इसे राज्य सरकार के लाइन विभागों, एसएलबीसी, एलडीएम और अन्य स्टेकहोल्डरों के साथ गहन समन्वयन से हमारे जिला विकास प्रबंधक और क्षेत्रीय कार्यालय द्वारा तैयार किया गया है। राज्य में कृषि क्षेत्र के विकास को गति प्रदान करने के लिए राज्य सरकार द्वारा चयनित योथ इंजनों को ध्यान में रख कर इन क्षेत्रों की पहचान की गई है। इस दस्तावेज में, 05 वर्षों (2018-19 से 2022-23 तक) की अवधि के दौरान क्षेत्र विकास योजनाओं के तहत जिले में ₹ 309.90 करोड़ से अधिक की कुल आधार स्तरीय ऋण संभाव्यता का आकलन किया गया है। राज्य सरकार द्वारा प्राथमिकता प्राप्त क्षेत्र को दी जा रही वरीयता को ध्यान में रखते हुए, इस दिशा में सभी स्टेकहोल्डरों के गहन प्रयासों से, इस संभाव्यता को निश्चित रूप से पूरा किया जा सकता है।

मैं जिला प्रशासन, लाइन विभागों, भारतीय रिज़र्व बैंक के अग्रणी जिला अधिकारी, अग्रणी जिला प्रबंधक, सहभागी बैंकों और जिला विकास प्रबंधक के प्रति आभार व्यक्त करता हूँ जिनके सहयोग से हम यह दस्तावेज तैयार कर सके हैं। मैं आशा करता हूँ कि इस सनराइज़ राज्य में कृषि क्षेत्र के अंतर्गत निवेश ऋण के प्रवाह में वृद्धि लाने के हमारे प्रयासों में सभी संबंधित सोत्साह भाग लेंगे।

के. सुरेश कुमार
मुख्य महाप्रबंधक
22 जनवरी 2018

Foreword

NABARD prepares district wise Potential Linked Credit Plans (PLPs) for all the districts in the State, which reflect the credit potential for agriculture, allied activities, MSME and other priority sector activities and also highlights the infrastructure and linkages required for realization of the identified credit potential. The PLPs have now been mandated by RBI to be the precursor to the District Credit Plans. PLPs (for all the 13 districts of the State) for 2018-19 has since been launched in the district.

The ground level credit flow in Andhra Pradesh for agriculture and allied activities has been showing an increasing trend in last few years with effective coordination among various stakeholders. Total ground level credit flow for agriculture and allied activities was ₹ 75,448 crore and ₹ 78,114 crore in 2015-16 and 2016-17, respectively indicating substantial flow of bank loans for this critical sector of the State's economy. However, the share of Investment Credit, which is crucial for capital formation in agriculture has not kept pace with the production credit flow and formed 24% of the total flow of credit for agriculture, in the last two years needing higher growth. It may be added that at All India level the share of Investment credit formed 35% of the total ground level credit for agriculture in 2016-17.

NABARD has been making efforts to increase flow of credit for long term purposes by preparing Area Development Schemes for specific activities, extending concessional refinance to RRBs and Cooperatives from the Long Term Rural Credit Fund created for this purpose by the Government of India, organizing training programmes/workshops for bankers', etc. In Andhra Pradesh, NABARD is implementing fifty four Area Development Schemes (ADS) in close coordination with participating banks and District Development Managers and an estimated amount of ₹418.02crore has been extended by banks as credit for the investment activities identified.

Encouraged by the success of this approach NABARD has decided to further consolidate the process, preparation and implementation of these Schemes. ADS will now be made an integral part of the planning process by NABARD and documents indicating Techno-economic parameters, financial viability and Banking Plans will be published, District wise, separately, for identified agriculture and allied activities.

I am very happy to present the District Level Document on Area Development Schemes which has been finalised by our DDM and Regional Office in close consultations with line departments of the State Government, SLBC, LDMs and other stakeholders. The growth engines identified by the State Government for spurring agriculture growth in the State have been taken into account while identifying the sectors. The document has estimated a total ground level credit potential of ₹ 309.90 crore, under the ADS in the District over a period of 5 years (2018-19 to 2022-23), which is definitely realisable if all the stakeholders make sincere efforts in this direction, in view of the priority accorded by the State Government to the Primary Sector.

I thank the district administration, line Departments, LDO RBI, LDM, participating banks, and DDM whose inputs made it possible for us to bring out this document. I hope our efforts to improve flow of investment credit in the agriculture sector of the Sunrise State will get enthusiastic participation from all concerned.

K. Suresh Kumar
Chief General Manager
22 January 2018

AREA DEVELOPMENT SCHEME ON DAIRY



**NATIONAL BANK FOR AGRICULTURE
AND RURAL DEVELOPMENT**

VIZIANAGARAM

1. Area Development Plan - Background

1.1 Poverty in rural India is the greatest challenge faced by the country today. As the size of agricultural land holdings are shrinking and agriculture becoming unviable for many, it is the landless, small and marginal farmers who are being pushed into poverty. The country is observing that several small farmers are abandoning agriculture and migrating in distress to the urban areas. The agriculture labourer is also finding it difficult to afford a square meal as the farmers are leaving their lands barren and moving on to other professions. This, in turn, is challenging both food security of our country and food inflation. This calls for immediate action for creating new opportunities in the villages and retain the farmers in agriculture.

1.2. In this context, the diversification of rural livelihoods from conventional cultivation to other farm and non-farm enterprises is strongly advocated by the policy makers and practitioners of rural development. In the farm-based livelihoods, dairy and other animal husbandry activities have been very promising and lucrative, especially for the small and marginal farmers. After success of AMUL followed by operation flood, the Indian dairy sector grew at a rapid pace transforming our country from milk-deficient nation to a global leader in milk production. However, the success of operation flood did not reach evenly to all parts of the country. There are still several regions which are very low in terms of milk production base. The barriers on technology and support services are still high in the dairy sector in certain areas and are not readily available to the poor. Lack of integrated approach to the problems in dairy is also one important reasons why some regions with high poverty are still left out in the development process.

1.3. Agriculture is the predominant economic activity in the district and majority of the population depend on production and marketing of crops. The GVA of the agriculture sector showed an impressive increase from 8.13% in 2015-16 to



14.03% in 2016-17. It contributes 27.59% of GSDP and major allocation of the bank finance is made for production of crops in District Credit Plan. The total geographical area of the district is 6.53 lakh hectares of which Net Sown Area is 2.67 lakh ha which forms 40.88% of total reporting area. Gross Cropped Area is around 3.73 lakh ha which forms 57.12% of total geographical area. Net irrigated area is 1.21 lakh ha which forms 32% of the Gross Cropped Area. There are 4.46 lakh farmers in the district, out of which 4.12 lakh are small and marginal farmers (1-2 ha) and 0.34 lakh are other farmers (more than 2 ha). Out of the total land holdings of 3.42 lakh ha, the SF/MF holdings constitute 2.20 lakh ha and other farmer constitutes 1.22 lakh ha. The average size of holding is 0.76 ha. The district is dependent on rainfall for agriculture activities. Vizianagaram district is a resource rich district with 18.3 % forest cover, rainfall of 1131 mm and Nagavali, Gosthani and Champavathi are the major rivers flowing across the district. Majority households are interested in dairy as more than 79% of total rural households of Vizianagaram district own cattle in comparison with 66% for Andhra Pradesh. However, the Livestock per rural household is only 1.51 which is low in comparison with that of 1.9 for Andhra Pradesh. The milk production in Vizianagaram district is between 4-5% of Andhra Pradesh which is low when compared to the potential of this district. As agriculture is mostly seasonal, dairy as allied activity assumes greater importance in rural areas as it supplements income and provides gainful employment. Female cattle population is 1.61 lakh and breedable buffalo population is 0.69 lakh in the district.

- 1.4 The milk production in the district during 2016-17 stood at 5.72 lakh MTs an increase of 13.49% over the previous year and the target for 2017-18 estimated at 6.70 lakh MTs. The milk production in the district was at 5.04 lakh MTs for the year 2015-16 and accounts for 4.55% of total state milk production. The animal reared by small farmers are mostly cross bred cows.



- 1.5 The agro-climatic conditions of Vizianagaram district are favourable for dairy development. The justification for preparing area development scheme on dairy is that milk production in the district is still at nascent stage, small and marginal farmers are mostly interested in dairy, rural households account for more than 75% of district population and more than 50% of rural families are engaged in livestock. The high presence of milk farmers, high availability of cattle, good dairy infrastructure and low production of milk is a paradox which requires attention. The availability of affordable credit, productivity enhancement techniques, animal care, risk mitigation instruments and a good facilitating institution will bring remarkable improvements in the dairy sector of the district. Primary sector mission of the State is to increase the milk production to 300 lakh MTs and demand from private dairy players like Visakha, Heritage, etc. is leading to increased demand for milk in the district.

1.6 Convergence with State Government programmes

Successful implementation of the Area Development Schemes would envisage convergence with all the Line Departments concerned with the activity, especially in the context of various schemes of the Government of Andhra Pradesh under implementation. It is expected that specific allocations would be made in the district by the Department concerned to cover the beneficiaries under the Area Development Scheme

2. Scheme Area

The scheme would be implemented in the Mandals of Kothavalasa, L.Kota, S.Kota, Bobbili, Cheepurupalli, Garugubilli, Gajapathinagaram, Nellimarla, Parvathipuram, Salur, Ramabhadrapuram and Badangi. The beneficiaries will be SF/MF only and will be financed through JLG mode without any security. Dairying is one of the predominant economic activities in the area proposed to be covered and the area is suitable for the activity. The area proposed to be covered has an established milk route of private dairies. The farmers who owns a little land or land less labourers can go for



a dairy of about 2 animals. The area selected in the district offers excellent scope for dairy farming. The existing CBC and Buffaloes, availability of veterinary care, procurement network and branch network for these Mandals are indicated below:-

Mandal	No. of CBC	No. of Buffaloes	Location of BMCU	Location & No. of Veterinary Hospital/ Dispensary/Clinics	Bank branches
Kothavalasa	3170	7740	Kothavalasa	01 VH and 02 VDs at Kothavalasa	SBI, Andhra Bank, Canara Bank, Syndicate Bank, Bank of Baroda, Corporation Bank, DCCB, Kotak Mahindra Bank and APGVB
L.Kota	5144	7378	--do--	03 VDs at L. Kota	SBI and APGVB
S.Kota	5597	8974	S.Kota	01 VH and 02 VDs at S.Kota	SBI, Andhra Bank, DCCB, Bank of India, Canara Bank, Corporation Bank and APGVB.
Bobbili	8307	1979	Bobbili	01 VH and 03 VDs at Bobbili	SBI, Andhra Bank, DCCB, AXIS Bank, Bank of Baroda, Bank of India, Central Bank of India, IOB, Karur Vysya Bank, OBC, Syndicate Bank, UBI and APGVB.
Cheepurupalli	7037	2033	Garividi	01 VH at Cheepurupalli	SBI, Andhra Bank, DCCB, Bank of India, Canara Bank, Indian Bank and APGVB.
Garugubilli	3304	1984	--do--	01 VH and 02 VDs at Garugubilli	Andhra Bank, Canara Bank and APGVB.
Gajapathinagaram	6285	2385	Gajapathinagaram	01 VH and 02 VDs at Gajapathi nagaram	Andhra Bank, APGVB, Bank of Baroda, Canara Bank, DCCB, IOB, Karur Vysya Bank and SBI
Nellimarla	10082	2526	Gurla	01 VH and 02 VDs at Nellimarla	Andhra Bank, APGVB, DCCB and SBI
Parvathipuram	4008	3271	Parvathipuram	01 VH and 04 VDs at Parvathipuram	Andhra Bank, APGVB, Bank of Baroda, Canara Bank, Central Bank of India, Corporation Bank, DCCB, HDFC Bank, ICICI, Karur Vysya Bank, Kotak Mahindra, UBI,Vijaya Bank and SBI
Salur	3398	1854	Ramabhadrapuram	01 VH and 02 VDs at Saluru	Bank, APGVB, Bank of AndhraIndia, Canara Bank, DCCB, HDFC Bank, IDBI, Karur Vysya Bank, UBI and SBI
Ramabhadrapuram	7956	860	Ramabhadrapuram	03 VDs at Ramabhadrapuram	Andhra Bank, APGVB, Corporation Bank and SBI
Badangi	7047	1316	--do--	02 VDs at Badangi	APGVB, IOB and SBI

3. Selection of Beneficiaries

Banks in association with Animal Husbandry Department will select the beneficiaries. All the beneficiaries selected will have previous experience in dairy. The minimum size of the unit will be

2 Cows / Buffaloes and only Small Farmers and Marginal Farmer will be covered under the scheme.

4. Forward and Backward Linkages

a) Source of animals and unit size

There are around 10 shandies in the district which are supplying good quality animals in the proposed scheme area. The Shandies are located in Parvathipuram, Bobbili, Balijipeta, Alamanda, Pedamanapuram, Kothavalasa, Atchuthapuram, Kandivalasa, Vizianagaram and Mopada. There are around 12 shandies in Srikakulam and 21 shandies in Visakhapatnam districts which supply very good cattle and nearer to the district. As the district has large number of small and marginal farmers, 2 Graded Murrah buffalo unit or 2 CB Cow unit will be provided to those interested in undertaking dairy farming. The purchase will be made in coordination with local Veterinary Doctor of A.H. Department.

b) Availability of Fodder, Concentrated Feed and Shelter

Landless and small farmers will be procuring fodder from fields and cultivated fodder will be purchased. Facilities available from Animal Husbandry (AH) /Milk Union, etc. will be made available to the farmers. Concentrate feed will be purchased from the towns like Kothavalasa, S.Kota, Bobbili, Cheepurupalli, Parvathipuram, Gajapathinagaram etc. and is available in different qualities in the market. The availability of shelter will be ensured by farmer as it is a small unit.

(c) Veterinary Services

The details of availability of veterinary and breeding services is indicated in the table at S.No.2. Gopalmitras are working in the area who can provide doorstep AI services. The services of nearest veterinary hospital/dispensary will be utilised for the animals in the scheme area. Animals will be vaccinated regularly against the contagious diseases with the help of local Animal Husbandry Department officials. Calf management will be taken care by the farmers through proper feeding and deworming to provide replacement stock for the farmers. Other facilities available from the AH Department like trainings, etc. will be utilized by the farmers involved in the scheme.



d) Marketing

Milk Procurement Centres are existing in most of the villages of the Mandals indicated. Milk will be procured twice daily and transported to the nearest Bulk Milk Cooling Unit mentioned in the table at S.No: 2. From the BMCU milk will be marketed by Visakha Dairy or other dairy units having BMCU. Alternatively, the borrowers can market their milk in nearby towns of Kothavalasa, L.Kota, S.Kota, Bobbili, Parvathipuram, Salur, Ramabhadrapuram, Gajapathinagaram, etc. whereby the returns can be further improved.

5. Capacity Building of the beneficiaries

SBIRSETI – State Bank Institute of Rural Self Employment Training Institute will provide training in dairy. Animal Husbandry Department is having 01 training centre and 02 Animal Husbandry Demonstration centres in the district which will aid in training to the beneficiaries.

6. Convergence with State Government programmes

Successful implementation of the Area Development Schemes would envisage convergence with all the Line Departments concerned with the activity, especially in the context of various schemes of the Government of Andhra Pradesh under implementation. It is expected that specific allocations would be made in the district by the Department concerned to cover the beneficiaries under the Area Development Scheme.

7. Techno Economic assumptions:

- 1+1 unit – Cross Bred cows / GM Buffaloes will be financed. Average milk yield of 13 litres/per day with good lactation period of around 285 days and average cost ranges from Rs.1,25,000/- [approx.] per unit (1+1).
- The loan will be released in two instalments only, viz. one for buying one animal and other after a period of 6 months completion to purchase second animal. Animal Husbandry Department will provide vaccination and other veterinary services.



- Animals which are recently calved (within 30 days of calving) with a female calf on foot (preferably) would be ideal as foundation stock. These animals will be purchased in two batches with an interval of 4 to 6 months between each batch, to maintain constant milk supply all through the year.
- The animal after calving will be inseminated in the second heat so that the inter calving period will not be prolonged. The services of local veterinarian or the lay inseminator available will be utilised for the purpose.
- The animals can be kept economically for a minimum of 5 lactations and then they will be culled.
- Income from sale of calves is not taken into consideration. Male calves will be sold within 1-3 months after birth and the income will be marginal. Female calves can be grown to replace the adults and the expenditure on feeding of these calves will compensate the replacement cost.
- The feeding of dairy animals comprises of fodder (Green and dry) and concentrate feed. Of the total fodder given, two thirds should be in the form of greens (Cultivated fodder and natural fodder) and one third should be dry fodder. Concentrate feed is given in proportion to their production (1 kg for every 2.0 litres of milk production) as well as for maintenance (1 kg per day).
- **Other Assumptions:** This ADS document has been prepared based on the broad discussions held with various stake holders in the district. The profitability parameters have taken into account the latest unit cost, current status of forward and backward linkages, existing marketing tie up etc. Further, the successful implementation of A DS and achievement of the stated objectives would depend on the field level techno-economic parameters and addressing the infrastructure needs. It would also largely depend on various interventions and initiatives by the concerned line departments and other stake holders.



The lactation charts for CBC / GMB are given below:

Lactation chart [CBC]

Year	I Batch		II Batch		Total	
	Lactation days	Dry days	Lactation days	Dry days	Lactation days	Dry days
I	260	105	180		440	105
II	280	85	260	105	540	190
III	285	80	260	105	545	185
IV	285	80	260	105	545	185
V	285	80	260	105	545	185

Lactation chart [GMB]

Year	I Batch		II Batch		Total	
	Lactation days	Dry days	Lactation days	Dry days	Lactation days	Dry days
I	250	115	180		430	115
II	280	85	215	150	495	235
III	265	100	215	150	480	250
IV	215	150	215	150	430	300
V	215	150	265	100	480	250

Feeding Schedule for Buffalo Unit

(A) Concentrate Feed	Lactation		Dry	
	Qty(Kg)	Price(₹/Kg)	Qty(Kg)	Price(₹/Kg)
(1) Maintenance Ration	1	18	1	18
(2) Production Ration	4	18	0	18
(3) Pregnancy Ration			1	18
(B) Green Fodder	20	1.5	20	1.5
(C) Dry Fodder	6	2.5	6	2.5

Feeding Schedule For Cross Bred Cow Unit

(A) Concentrate Feed	Lactation		Dry	
	Qty(Kg)	Price(₹/Kg)	Qty(Kg)	Price(₹/Kg)
(1) Maintenance Ration	1	18	1	18
(2) Production Ration	4	18	0	18
(3) Pregnancy Ration			1	18
(B) Green Fodder	20	1.5	20	1.5
(C) Dry Fodder	6	2.5	6	2.5



8. Project cost for dairy unit

S. No.	Particulars	(Cost ₹)
A.	Capital Cost	
i.	Cost of Graded Murrah Buffaloes/ CB Cows (2 animals @ ₹55,000 each)	110000
ii.	Other equipment @ ₹660 per animal	1320
	Sub Total	111320
B.	Working Capital	
I	Feed Cost (considered for one month)	3048
Ii	Insurance	4950
Iii	Veterinary services	2400
Iv	Other costs(electricity, transportation & labour)	2682
	Sub total	13080
	Total Outlay	124400
	Beneficiary Margin	24400
	Bank Loan	100000

Banks can finance through JLG Mode. Therefore, ₹1.00 lakh is taken as bank loan and the beneficiary's contribution worked out to ₹24,400/- which is 20% [approx.] of the project cost.

9. Banking Networks & Trends in Credit Flow :

Major Banks, branch network, sector wise credit flow in the district is summarized below:

(₹ in Lakhs)

Banking Sector	Number of Branches	GLC flow under Dairy during the last three years		
		2014-15	2015-16	2016-17
Commercial Banks	198	11793	3716	3048
RRBs	79			
Cooperative Banks	16			
Small Finance Banks	0			
mFIs	0			

Insurance

The animals will be insured. The scheme of the Animal Husbandry Department will be linked for the purpose subject to availability of funds and guidelines

Rate of Interest:

The interest varies depending on the bank's lending policy. The ROI assumed for working out economics is 13% p.a.



Refinance

For Area Development Schemes NABARD is providing concessional refinance and the rate of interest on refinance will be 50 basis points less than the normal rate on refinance. This is subject to the policy prevailing at the time of availing refinance from NABARD by the individual bank.

10. Financing Banks

The scheme will be implemented by all the branches of Commercial Banks, DCCB, APGVB located in the identified Mandals. The identified branches of the bank will ensure that beneficiaries with experience will be preferred. If need be, a training programme for select beneficiaries will be arranged with the help of SBRSETI and Department of Animal Husbandry. The scheme is phased over a period of 5 years. It is proposed to cover 30,990 dairy units @ 6198 units per year under the scheme with an estimated total financing outlay ranging between of Rs. 30990 – 34100 Lakh, as per the details given under :-

S.No	Proposed Bank	No. of Units per year [02 CBC / GMB]	Total No. of units over 5 years [02 CBC & GMB]
1	State Bank of India	1600	8000
2	Andhra Pradesh Grameen Vikas Bank	1300	6500
3	District Central Cooperative Bank	400	2000
4	Andhra Bank	700	3500
5	Canara Bank	400	2000
6	Syndicate Bank	100	500
7	Bank of Baroda	200	1000
8	Corporation Bank	200	1000
9	Kotak Mahindra Bank	100	500
10	Bank of India	200	1000
11	AXIS bank	50	250
12	Central Bank of India	100	500
13	Indian Overseas Bank	149	745
14	Karur Vysya Bank	200	1000
15	Oriental Bank of Commerce	50	250
16	Union Bank of India	149	745
17	Indian Bank	50	250
18	HDFC bank	100	500
19	ICICI	50	250
20	Vijaya Bank	50	250
21	IDBI	50	250
	Total	6198	30990



11. Physical and Financial programme.

The 30,990 units will be financed over a period of five years starting from the financial year 2018-19 to 2022-23. Tentative number of units targeted to be financed in each Mandal are as under:

S.No	Mandals to be Covered	Total units [2 CBC / GMB]
1	Kothavalasa	3250
2	L.Kota	500
3	S.Kota	2750
4	Bobbili	5750
5	Cheepurupalli	2250
6	Garugubilli	990
7	Gajapathinagaram	2500
8	Nellimarla	1500
9	Parvathipuram	5000
10	Salur	4000
11	Ramabhadrapuram	1500
12	Badangi	1000
	Total units	30990
	Total outlay [₹]	385,51,56000/-
	Total Margin Money [₹]	75,61,56000/-
	Total Bank Loan [₹]	309,90,00000/-

Note: Margin money @ 20% of the project cost must be contributed by the beneficiary and rest is bank loan.

Physical and Financial Phasing

Physical (No. of units/year)					Financial (Bank loan*/year) (₹Lakh)				
2018-19	2019-20	2020-21	2021-22	2022-23	2018-19	2019-20	2020-21	2021-22	2022-23
6198	6198	6198	6198	6198	6198	6198	6198	6198	6198

* - Bank loan is ₹ 1.00 Lakh per unit.



12. Project Profitability

(Amount in ₹)

S. No	Particulars / Years	I	II	III	IV	V	VI
I.	Income						
I	From sale of milk (₹24.00/ litre) @ 13 litres/day/animal	137280	168480	170040	170040	170040	163800
Ii	From sale of manure	1500	1500	2000	2000	2000	2000
Iii	Income from gunny bags	750	750	1000	1000	1000	1000
	Total Income	139530	170730	173040	173040	173040	166800
II	Expenditure (₹)						
I	Concentrate Feed	49410	61740	62190	62190	62190	62190
Ii	Green Fodder	15563	20475	20513	20513	20513	20513
Iii	Dry Fodder	8175	10950	10950	10950	10950	10950
Iv	Veterinary Aid	4800	4800	4800	4800	4800	4800
V	Electricity & Water	3000	6000	6000	6000	6000	6000
Vi	Insurance	4950	4950	4950	4950	4900	4900
Vii	Less Capitalised expenditure	12398					
	Total Expenditure	73500	108915	109403	109403	109403	109403
	Gross Surplus (₹)	66030	64125	60637	60637	60637	57397

Note: The above profitability calculations assume income/ expenditure at a particular rate and therefore will therefore undergo a change in tune with changes if any.

13. Financial Analysis

(Amount in ₹)

S. No	Particulars / Years	I	II	III	IV	V	VI
I.	Cost (Rs.)						
I	Capital Cost	111320					
Ii	Recurring Cost	73500	108915	109403	109403	109403	109403
Iii	Total Cost	184820	108915	109403	109403	109403	109403
II	Benefits (Rs.)						
I	Income	139530	170730	173040	173040	173040	166800
Ii	Closing Stock Value	0	0	0	0	0	0
	Total Benefits	139530	170730	173040	173040	173040	166800
	Net Benefits	-45290	64125	60637	60637	60637	57397
	Discount Factor	0.870	0.756	0.658	0.572	0.497	0.432
	Net Present Value	₹1,36,660/-					
	Benefit Cost Ratio (BCR) 1.32:1						
	Internal Rate of Return (IRR) of the Scheme >50%						



14. SWOT Analysis:

<p>STRENGTH</p> <ul style="list-style-type: none"> ➤ Dry fodder available in plenty as paddy is the main crop. ➤ SBRESTI training institute and Animal Husbandry services are available. ➤ Cross-bred cows are available in plenty. ➤ Conducive climate and infrastructure are available. ➤ Good supplementary activity in the scheme area for doubling the farmer's income. ➤ Adequate availability of forward and backward linkages in the scheme area 	<p>WEAKNESS</p> <ul style="list-style-type: none"> ➤ Foot and mouth disease is one of the major and dreadful diseases causing enormous harm to live stock development. ➤ Inadequate awareness among the farmers on scientific dairy farming ➤ Perennial fodder is insufficient and has to be developed.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> ➤ Growing demand for milk from consumers in the area due to increasing income level ➤ Proximity to demand centres / markets. ➤ Private dairies are ready to procure the milk. 	<p>THREATS</p> <ul style="list-style-type: none"> ➤ Climate change is recent threat. ➤ Cyclones hit the district every year.

15. Repayment period

The loan is repayable in 5 to 6 years and banks may follow monthly or quarterly repayment schedules.

Year	Income	Expenses	Gross Surplus	EMI Instalments	Net Surplus
I	139530	73500	66030	27300	38730
II	170730	108915	64125	27300	36825
III	173040	109403	60637	27300	33337
IV	173040	109403	60637	27300	33337
V	173040	109403	60637	27300	33337



14. Other items

Necessary support will be provided by the AH Dept. If any subsidy is available, based on the scheme guidelines the same will be claimed.

16. Implementation and Monitoring

- i) Initial approval at the DCC level
- ii) Mandal-wise allocation at JMLBC meetings
- iii) Review of the implementation in DCC and JMLBC meetings
- iv) Involvement of stakeholders' agencies in review meetings for ensuring the extension support services committed by them.
- v) Bank in coordination with milk procurement centre may monitor the performance of the unit. Assistance of local veterinarian also can be solicited for effective monitoring.

17. Conclusion

As discussed above, the identified villages have good potential for implementing the ADS with an out lay and bank loan of Rs. 385.52 crores and 309.90 crores respectively over a period of five years. With full scale implementation of this programme, 61980 good quality buffaloes/CBC can be purchased from the bank loans provided in the district covering 30,990 farmers. This will result in additional production of about 9.49 lakh litres of milk per day in the district. The scheme will provide additional income to the farmer families in addition to providing them nutritional security and help them in doubling their income. By utilising the dung for vermicompost they can provide good organic fertilisers to their fields also. By implementing the scheme and taking care of calves, farmers will be in a position to have their own replacement stock by the end of the scheme period.

The following are the short term and long term gains from the project:

- Ensure improved skills to the beneficiaries through exposure visits and capacity building programs



- Ensure proper animal-health care, breeding services and dairy support services at farmer's door step
- Enhance productivity of animals through proper breeding, feeding and management practices
- Ensure good returns through proper market linkages
- Ensure efficient use of by-products like dung for producing biogas, vermi-compost, compost etc.
- Mitigate risks in animal husbandry by providing animal insurance.



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Goal : To enhance credit outreach of banks and enable online monitoring of SHGs

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- Digitisation of all the SHG accounts for financial inclusion of the members
- Access to wider range of financial Services

19,068 Villages covered

1,31,261 Groups Covered

15,11,165 Members covered

11,29,881 Aadhaar users

16,79,361 Women covered

(Progress as on 14/09/2017)

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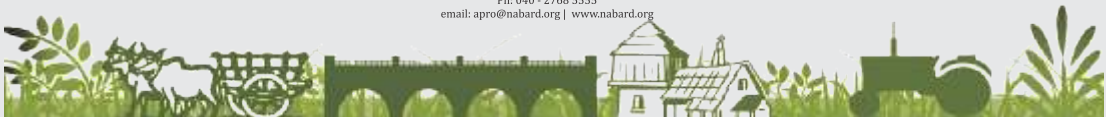
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