

**ANIMAL HUSBANDRY, DAIRYING AND  
FISHERIES DEPARTMENT**

**DAIRY DEVELOPMENT**

**POLICY NOTE  
2017-2018**

**DEMAND No.8**

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MINISTER FOR MILK AND DAIRY DEVELOPMENT

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Government of Tamil Nadu  
2017

## INDEX

<b>S. No</b>	<b>SUBJECT</b>	<b>PAGE NO</b>
1	INTRODUCTION	2-3
2	DAIRY DEVELOPMENT DEPARTMENT	3-11
3	THREE TIER STRUCTURE OF DAIRY COOPERATIVES	11-13
4	MIILK PRODUCERS' CO-OPERATIVE SOCIETIES	13-15
5	DISTRICT COOPERATIVE MILK PRODUCERS' UNIONS	15-24
6	TAMIL NADU CO-OPERATIVE MILK PRODUCERS' FEDERATION LIMITED(TCMPF)	24-43
7	SCHEMES	43-52
8	MAJOR PROJECTS	52-58
9	SPECIAL SERVICES TO MILK PRODUCERS	58-62
10	STAFF WELFARE MEASURES	62-64
11	DEPARTMENT OF AUDIT FOR MILK CO-OPERATIVES	64-70
12	CONCLUSION	70-71

## **DAIRY DEVELOPMENT DEPARTMENT POLICY NOTE 2017-2018**

*"With an objective of ushering in the Second White Revolution and encouraging animal husbandry activity which is a component of agriculture and instrument for improving rural economy and activity to provide self-employment for women.....my Government has given unprecedented importance ..... and implemented many schemes for Dairy Development Department and Animal Husbandry Department".*

**Dr J Jayalalitha**  
- **Hon'ble Former Chief Minister**  
(Speech on 23.09.2015)

## **1. INTRODUCTION**

The Co-operative Movement in India began in 1904. The Anand Milk Union Ltd (Amul) started in 1946 at Anand, Gujarat, is a sterling example of successful Dairy Co-operative Organization.

Operation Flood (OF) programme was started by National Dairy Development Board (NDDB) in 1970 with an objective to create Nationwide milk grid.

As the milk cooperative movement spread across the country, "**White Revolution**" began in India and India became the largest milk producer in the world. All this was achieved not merely by mass production but production by the mass.

India produced 155.491 Million Tons (4144 lakh litres per day) of milk in 2015-16, which is 18.5% of the world production.

Tamil Nadu ranks among the top ten milk producing States of the country with a daily production of 193 lakh litre per day and fourth among the Co-operatives in India with a daily procurement of 28.50 lakh litre per day (LLPD).

In Tamil Nadu, Aavin has taken various steps like attractive procurement price to milk producers, huge investment in dairy infrastructure at Society, District Union and State Federation level, and encompassing the priceless milch cows distributed to poor families for uplifting of rural economy have been taken to achieve the fruits of a **“Second White Revolution”**.

## **2. DAIRY DEVELOPMENT DEPARTMENT**

### **2.1. Objectives of the Dairy Development Department**

1. To organize Milk Producers' Cooperative Societies in villages to safeguard the milk

- producers from the exploitation of the private traders.
2. To pay regular and remunerative price to the milk producers based on the quality of milk.
  3. To work towards bringing the un-organized dairy sector into an organized structure.
  4. To ensure availability of cattle feed, green fodder and provide veterinary inputs and health care to milch animals.
  5. To ensure availability of quality milk and milk products to the consumers at reasonable rates.
  6. To strive to uplift rural economy and empowerment of women.

## **2.2. Strategies adopted to achieve the objectives**

To achieve the objectives of the Dairy Development Department, the following activities are being undertaken:

1. Providing Artificial Insemination service to cattle, insurance of cattle, inputs like fodder seeds and cuttings for fodder cultivation to milk producers in dairy co-operative sector.
2. Strengthening of clean milk production at village level through necessary education and milk testing.
3. Implementation of various Schemes of State and Central Government.
4. Strengthening and increasing the handling capacity of Dairies functioning in Dairy Cooperative sector.
5. Opening of new parlours, sales points, formation of new milk routes, consumer societies and sale of milk cards.

### **2.3. Administrative Structure of the Department**

The Dairy Development Department in Tamil Nadu was set up in the year 1958 with Commissioner for Milk Production and Dairy Development (CMPDD) as its head of

department who is also the ex-officio Managing Director of Tamil Nadu Cooperative Milk Producers Federation. He is also the Functional Registrar of all the 3 tier milk co-operatives and discharging the statutory functions under the provisions, the Tamil Nadu Co-operative Societies Act, 1983 (TNCS Act) and Tamil Nadu Co-operative Societies Rules, 1988 (TNCS Rules).

There are 29 Circle Deputy Registrars (Dairying) with delegated powers to discharge administrative and statutory functions in the districts as per the TNCS Act 1983 and TNCS Rules, 1988. This Department functions with a cadre strength of 805 employees in various cadres including field staff.

#### **2.4. Election to Milk Co-operatives**

A member of a Milk Producers' Cooperative Society (MPCS) as provided in the TNCS Act 1983 and TNCS Rule 1988 shall be



eligible either to participate or vote, only if he/she has poured **300 litres of milk or poured milk for 120 days in a year**, to a MPCS during the period commencing **from the previous cooperative year till 30 days** prior to the date of election to the MPCS. Elections to milk cooperatives were conducted during 1996-97.

However in the absence of elected board, from 2001 onwards, the management of the milk cooperatives was vested with the Special Officers appointed under TNCS Act 1983. Later, when elections proposed in 2007 were stopped, the management was again brought under the control of Special Officers.

The State Government constituted a State Cooperative Election Commission in the year 2013, with the CMPDD functioning as the State Election Officer and the Deputy Registrars (Dairying) as District Election Officers for the

milk cooperatives. Accordingly, elections were conducted for the Board of Directors of milk cooperatives at all the three levels and elected Boards assumed charge on 09.05.2013 at primary level, on 11.6.2013 at district level and on 17.07.2013 in the State Federation. In respect of newly registered societies, the management of the societies is vested with the interim Board and elections are conducted within a period of six months. Democratic spirit of cooperative movement could be seen from the fact that women are extensively involved in the administration of dairy cooperatives across the State.

## **2.5. Primary Milk Consumers' Co-operative Societies**

Milk Consumer Cooperative Societies are formed to ensure prompt and regular supply of hygienic and quality milk and milk products at

reasonable rates to the consumers. They receive milk sachets and milk products from Federation / District Cooperative Milk Producers' Unions and distribute it to consumers.

There are 62 Milk Consumer Co-operative Societies functioning across the State. In Chennai City and suburban areas alone, 49 Milk Consumers Cooperative Societies are selling nearly 3.40 lakh litre of milk per day.

## **2.6. Budget for 2017-2018**

A sum of Rs.118.63 crore has been provided in the Budget for 2017-2018. Out of this, projected Revenue expenditure is Rs.53.63 crore and the Capital expenditure is Rs. 65.00 crore.

**Table 1: Budget Allocation for Year  
2011-2012 to 2017-2018 (Annexure – I)**

<b>Year</b>	<b>Allocation (Rs. in Crore)</b>
2011-2012	65.72
2012-2013	51.25
2013-2014	35.97
2014-2015	81.91
2015-2016	98.18
2016-2017	101.21
2017-2018	118.63

## **2.7. Quality Control Laboratory**

To ensure quality of milk and milk products, a Quality Control Laboratory was functioning under the control of the CMPDD at Madhavaram Milk Colony, Chennai till 2011, as per the powers delegated under MMPO 1992 and samples taken from both cooperative and private dairies were tested in this lab. After implementation of Food Safety Act, 2006 and Rules 2011 with effect from 5.8.2011, this Department was no longer vested with the

power to test private dairy samples, and thereafter milk samples from the cooperatives are being tested to ensure the quality.

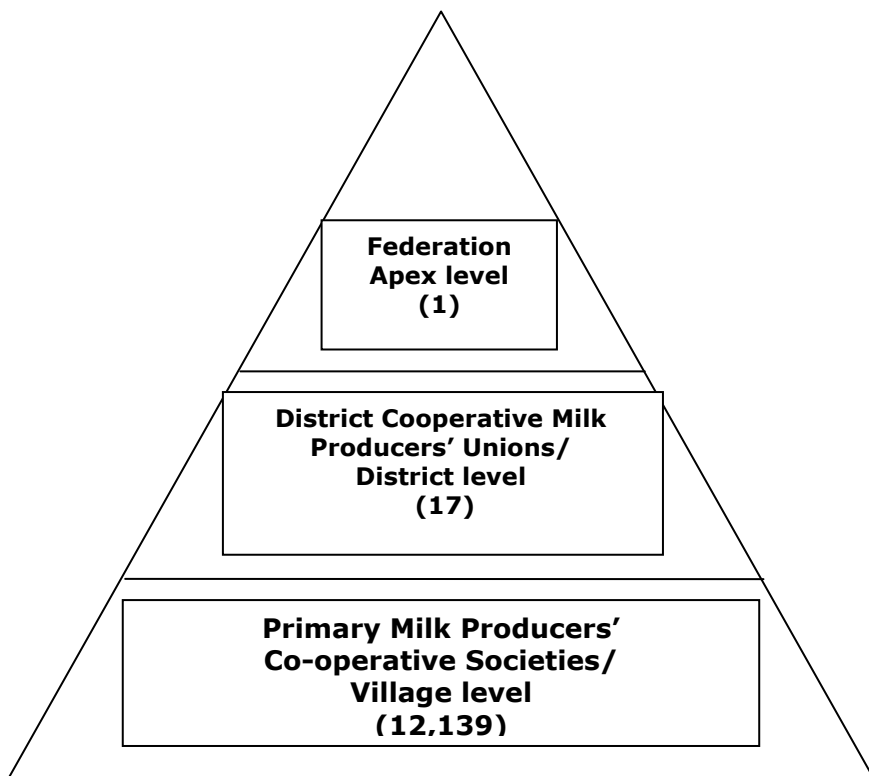
### **3. THREE TIER STRUCTURE OF DAIRY COOPERATIVE.**

**Tier-1-** 25 members from a village can form a Primary Milk Producers' Cooperative Society (MPCS). This is the base level of the 3 tier system which procures milk from the milk producer members and supply milk to District Unions in which they are affiliated as members.

**Tier-2-** - District Cooperative Milk Producers' Unions (DCMPU) are the Central Societies at District level, wherein the village level MPCS functioning in the jurisdiction are members. The Unions procure surplus milk from

the MPCS, process and market it to milk consumers locally and send the excess milk to Chennai Metro Dairies / Feeder Balancing Dairies for sale/conversion.

**Tier-3** - - The Tamil Nadu Cooperative Milk Producers' Federation (TCMPF) is the State level society wherein all the District Cooperative Milk Producers' Unions are members. Federation is marketing milk and milk products in the brand name of "**Aavin**".



#### **4. MILK PRODUCERS' CO-OPERATIVE SOCIETIES**

The basic requirement to form a primary Milk Producers' Cooperative Society is at least 25 independent milk producers residing in the area of operation of the proposed society.

There are 12,139 Primary Milk Co-operative Societies at village level, out of which 1,793 societies are Women Milk Producers' Co-operative Societies. These primary milk Co-operative societies procure around 35 lakh litre of milk per day from its members and after selling around 4.5 LLPD locally, send the balance milk to District Unions.

The Primary Milk Producers' Cooperative Societies pay a remunerative price based on the quality of milk procured from the farmers. With effect from 01.11.2014, the procurement price for cow milk and buffalo milk is Rs.28 and Rs.35 per litre respectively. Societies share the profit with their producer members.

It is proposed to revive the 2492 dormant MPCS in a phased manner by analyzing the reasons for dormancy.



Further to strengthen the veterinary services, Artificial Insemination is being done to milch animals of the members of milk cooperative society at their door step through Veterinarians and trained Village Level Workers. Timely Artificial Insemination is essential for yielding one calf per year. During the year 2016-17, a total of 20.45 lakh Artificial Inseminations were carried out.

The primary societies in coordination with Animal Husbandry Department carry out FMD vaccination twice a year (March and September) covering around 17.00 lakh milch animals under cooperative ambit.

## **5. DISTRICT COOPERATIVE MILK PRODUCERS' UNIONS**

There are 17 District Cooperative Milk Producers' Unions in Tamil Nadu covering all the revenue districts. The management of District Cooperative Milk Producers' Union is vested with

an elected Board, headed by its President. The administrative head of the DCMPU is the General Manager. The following is the approved cadre strength of DCMPU.

**Table 2: Approved Cadre Strength in District Cooperative Milk Producers' Unions**

<b>S. No</b>	<b>Name of the Post</b>	<b>Cadre Strength</b>
1	General Manager	17
2	Deputy General Manager	23
3	Asst. General Manager	83
4	Manager	363
5	Deputy Manager	329
6	Extension Officer	302
7	Office Staff	498
8	Driver	255
9	Technical staff and Helper	2,349
	<b>Total</b>	<b>4,219</b>

These District Unions procure milk from member MPCS and transport it through milk collection route vehicles to the nearest Bulk Milk Cooler (BMC) / Chilling Centre / Dairy for further

processing. The District Unions also help the Deputy Registrars (Dairying), in organizing village level societies.

The District Unions, after meeting their local demand, send milk to Federation dairies for processing and sale in Chennai. The surplus milk is being sent to Feeder Balancing Dairies (FBDs) at Madurai, Erode, Salem, Krishnagiri and Tiruvannamalai for conversion into Butter and Skimmed Milk Powder. During the year 2016-17, 10,517 MTs of Butter and 17,427 MTs of SMP were produced by these FBDs from the surplus milk. During 2017-18, it is proposed to reduce conversion and increase milk sales.

### **5.1. Milk procurement in DCMPU**

The average milk procurement during 2016-17 was 28.50 LLPD as against 28.97 LLPD in 2015-16. An all time high procurement of 31.77 lakh litres was achieved on 03.08.2016.

The details of milk procurement over last few years are as follows:

**Table 3: Milk Procurement by DCMPU**

<b>Sl. No.</b>	<b>Year</b>	<b>Average milk procurement per day (in lakh litre)</b>
1	2010-2011	20.67
2	2011-2012	21.40
3	2012-2013	24.36
4	2013-2014	23.22
5	2014-2015	23.68
6	2015-2016	28.97
7	2016-2017	28.50*

\*Slight reduction due to prevailing drought.

Necessary action is being taken to increase the procurement of milk during the year 2017-18.

**Table 4: District Union wise Milk Procurement (average litre per day) (Annexure – II)**

<b>S. No.</b>	<b>Name of the Union</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
1	Kanchipuram Thiruvallur	56,000	75,391	81,598	1,03,083	1,26,688	97,812
2	Villupuram	1,52,000	1,79,514	1,72,545	1,70,793	1,96,861	2,09,878

3	Vellore	2,52,000	2,97,743	2,81,123	2,84,965	3,06,169	3,05,089
4	Dharmapuri	1,09,000	1,45,698	1,28,230	1,21,778	1,73,079	1,78,698
5	Salem	4,24,000	4,67,218	4,49,553	4,56,480	5,11,652	4,97,708
6	Erode	2,31,000	2,49,478	2,34,053	2,32,371	3,07,112	2,99,428
7	Coimbatore	2,30,000	2,38,545	2,33,918	2,18,175	2,81,468	2,62,369
8	Nilgiris	17,000	17,617	15,722	15,045	15,828	14,223
9	Madurai	1,68,000	1,93,177	1,76,140	1,93,988	2,68,765	2,59,329
10	Dindigul	40,000	46,052	41,011	46,091	63,651	63,575
11	Trichy	2,94,000	3,14,746	3,04,085	3,12,077	3,94,829	4,11,508
12	Thanjavur	42,000	54,165	51,170	50,352	53,769	52,466
13	Pudukottai	14,000	18,177	15,112	29,473	42,718	42,810
14	Sivagangai	33,000	43,923	47,313	49,040	56,645	61,435
15	Virudhunagar	12,000	16,414	15,443	16,552	15,964	16,663
16	Tirunelveli	58,000	68,935	66,954	58,798	73,167	69,193
17	Kanyakumari	9,000	9,561	7,890	9,250	9,097	7,570
	<b>Total</b>	<b>21,40,000</b>	<b>24,36,353</b>	<b>23,21,860</b>	<b>23,68,311</b>	<b>28,97,463</b>	<b>28,49,755</b>

## 5.2. Milk sales in DCMPU

The average milk sales during 2016-17 was 9.52 LLPD as against 9.29 LLPD in 2015-16.

The details of milk sales over last few years are as follows:

**Table 5: District Union-wise Milk Sales**

Sl. No.	Name of the District Union	Avg. Milk Sales Litre Per Day					
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Kanchipuram -Thiruvallur	7,560	6,103	6,161	9,987	9,022	12,576
2	Villupuram	30,086	26,435	24,718	22,982	19,790	21,329
3	Vellore	87,847	79,164	79,896	81,563	69,609	69,173
4	Dharmapuri	21,690	20,888	25,060	27,806	23,588	24,953
5	Salem	1,76,854	1,75,746	1,86,777	1,88,094	1,84,667	1,89,922
6	Erode	79,371	72,483	71,867	72,533	66,276	66,114
7	Coimbatore	1,58,175	1,48,606	1,49,880	1,49,010	1,37,578	1,42,015
8	Nilgiris	16,543	16,226	17,955	17,315	16,501	16,493
9	Madurai	1,46,605	1,57,789	1,64,767	1,60,159	1,53,843	1,56,317
10	Dindigul	15,155	13,668	14,756	13,707	11,117	10,757
11	Trichy	1,11,284	1,12,991	1,20,382	1,18,974	1,16,436	1,17,873
12	Thanjavur	19,529	18,766	20,556	22,329	20,114	22,440
13	Pudukottai	6,830	6,819	8,336	10,941	10,789	11,616
14	Sivagangai	27,605	27,807	30,274	31,967	28,713	28,952
15	Virudunagar	10,623	8,768	7,378	6,012	4,118	5,127
16	Tirunelveli	48,818	47,508	47,063	42,910	41,546	41,926
17	Kanyakumari	13,825	14,576	16,068	14,939	15,399	15,348
	<b>TOTAL</b>	<b>9,78,400</b>	<b>9,54,343</b>	<b>9,91,894</b>	<b>9,91,228</b>	<b>9,29,105</b>	<b>9,52,931</b>

Further to increase the sales, extension of marketing is taken up. New marketing zones will also be created.

### 5.3. Feeder Balancing Dairies (FBDs)

There are five Feeder Balancing Dairies functioning in Tamil Nadu viz Erode, Salem, Krishnagiri, Madurai and Tiruvannamalai.

The purpose of establishing Feeder Balancing Dairies is to convert the surplus milk into Skimmed Milk Powder and Butter. The total skim milk drying capacity of all FBDs is 90 MT per day (Erode-40 MT, Salem-10 MT, Dharmapuri -10 MT, Madurai-10 MT and Tiruvannamalai-20MT). Further the Federation has proposed to establish additional Powder plants in the needy area. In 2017-18 it has been proposed to study feasibility of establishing additional powder plant.

#### **5.4. Cattle Feed Plant - Erode**

Nutrition plays a key role in animal productivity and fertility. Erode Milk Union is operating a cattle feed plant since 1982 with a production capacity of 100 MT per day. This has been expanded to manufacture 150 MT per day cattle feed at a cost of Rs.20.36 crore and inaugurated on 18.03.2017 by Hon'ble Chief Minister.

During the year 2016-17, Erode Cattle feed plant has produced 21,331 MTs of cattle feed.

The off-take of cattle feed supplied through Aavin has increased 13 times over the last six years.

During 2017-18, it has been proposed to increase the supply of Cattle Feed to 72,000 MT. This will facilitate increase in quantity and quality of milk.

**Table- 6: CATTLE FEED SUPPLY DETAILS**  
**(in MTs) (Annexure – III)**

<b>YEAR</b>	<b>TOTAL QUANTITY SUPPLIED (IN MTs)</b>
2010 - 11	4,612
2011 - 12	15,046
2012 - 13	31,093
2013 - 14	53,292
2014 - 15	51,702
2015 - 16	58,652
2016 - 17	60,770



In order to increase the Cattle feed supply to members, it has been proposed to purchase Cattle feed from other sources.

### **5.5. Mineral Mixture Plant**

Mineral Mixture plays a vital role in fertility, milk quality and general health of milch cows. Four mineral mixture plants are functioning at Villupuram, Tiruchirapalli, Tirunelveli and Erode. During 2017-18 it has been proposed to increase the supply of Mineral Mixture supply to 1500 MT.

**Table 7: MINERAL MIXTURE SUPPLY DETAILS 2011 - 17 (in MTs) (Annexure – IV)**

<b>YEAR</b>	<b>TOTAL QUANTITY SUPPLIED (IN MTs)</b>
2011 – 12	171.60
2012 – 13	131.10
2013 – 14	390.67
2014 – 15	244.42
2015 - 16	966.08
2016 – 17	1,314.73

It has been proposed to install one more mineral mixture plant in the year 2017-18. Due to this, the milk productivity and the quality of milk will improve.

## **6. TAMIL NADU CO-OPERATIVE MILK PRODUCERS' FEDERATION LIMITED (TCMPF)**

TCMPF is the apex body in the 3 tier system of Dairy Co-operative. It was established on 01.02.1981 and took over all the commercial activities such as milk procurement, processing, packing and marketing of milk and milk products from the Tamil Nadu Dairy Development Corporation which was till then handling the above functions. Headquarters of the TCMPF is located at Aavin Illam, Madhavaram Milk Colony, Chennai. Overall management of the Federation vests with the elected Board of Directors of the Federation.

The present Board assumed office on 17.7.2013. The day to day administration of the Federation is looked after by the Managing Director.

The Federation lifts milk from various District Unions and markets the milk in Chennai Metro fulfilling the demand of milk consumers under the brand name of '**Aavin**'.

The Federation provides necessary technical support to the Unions, including marketing assistance.

There are three Milk Dairies at Madhavaram, Ambattur and Sholinganallur, one Milk Product Dairy at Ambattur and one Dairy Cum Powder plant at Tiruvannamalai functioning under the control of the Federation. The approved cadre strength of the TCMPF is furnished below.

**Table 8: TCMPF Cadre Strength**

<b>S.No</b>	<b>Name of the Post</b>	<b>Cadre Strength</b>
1	Managing Director	1
2	Joint Managing Director	1
3	Chief Vigilance Officer	1
4	General Managers	9
5	Deputy General Managers	24
6	Assistant General Managers	60
7	Managers	108
8	Deputy Managers	173
9	Executives	448
10	Drivers	234
11	Technical Staff & Helper	1,031
<b>TOTAL</b>		<b>2,090</b>

### **6.1. Madhavaram Dairy**

Madhavaram Dairy is the oldest dairy in Tamil Nadu established to handle 50,000 litre of milk per day under Colombo Plan in 1962 with the assistance of New Zealand Government.

At present the handling capacity is increased to 5 LLPD by strengthening the

infrastructure at a cost of Rs.7 crore in the last six years.

Madhavaram Dairy distributes milk to consumers of North Chennai through 47 hired route vehicles, 20 private agency vehicles and 2 Milk Consumer Co-operative Society (MCCS) milk routes.

This Dairy has been certified with IS/ISO 9001:2008, IS 15000:1998 (HACCP) and IS/ISO 14001:2004(EMS).

During this year milk cold room facilities will be strengthened.

## **6.2. Ambattur Dairy**

Ambattur Dairy was installed with a capacity of 2 LLPD in the year 1976. The handling capacity is increased to 5 LLPD through strengthening of infrastructure at a cost of Rs.7.5 crore in the last six years to meet the

increased demand of consumers of Central Chennai.

This Dairy has been certified with ISO 9001:2008, IS 15000:1998 (HACCP) and IS/ISO 14001:2004(EMS).

During this year milk cold room facilities will be strengthened.

### **6.3. Sholinganallur Dairy**

Sholinganallur Dairy, the first automated dairy in South India was set up in 1996, with an installed capacity of 4 LLPD. The plant was initially designed for bulk milk despatch in tankers to the tune of 3.50 LLPD for milk vending booths and 50,000 litre as sachet milk. Subsequently, to cater to the changing market scenario and demand, bulk despatch was switched over to sachet milk in a phased

manner and the dairy is now handling 4.50 lakh litre of milk per day.

During the last six (2011-17) years, the handling capacity of this dairy has been increased to 6 LLPD by strengthening the infrastructure at the cost of Rs.10 crore to meet the increased demand of South Chennai and its peripheral consumers.

Further installation of Concentrated Solar Thermal System (CST) for generating steam of 1,000 – 1,100 kg/ sq cm per day at a cost of Rs.100 lakh for replacing usage of furnace oil to the tune of 100 – 110 litre per day with savings of Rs.12 lakh per annum.

This Dairy is certified with IS/ISO 9001:2008, IS 15000:1998 (HACCP) and IS/ISO 14001: 2004(EMS).

In the year 2017-18 handling capacity of the effluent treatment plant will be increased.

#### **6.4. Tiruvannamalai Dairy Cum Powder Plant**

A Dairy Cum Powder Plant with a handling capacity of 2 lakh litre of milk per day and powder plant capacity of 20 MT per day has been established on 11.11.2014 at Ammapalayam Village in Tiruvannamalai district as a unit of TCMPF at a total cost of Rs.72.60 crore with financial assistance from NABARD.

New additional warehouse to store 250 MT of Butter and 500 MT of Skimmed Milk Powder (SMP) has been established at a cost of Rs.476.50 lakh.

This Dairy has been certified with ISO 22000:2005 (FSMS).

In the year 2017-18 milk by-products will be manufactured by utilizing the existing facility.



## **6.5. Ambattur Products Dairy**

The Products Dairy at Ambattur was established in the year 2003 by shifting the earlier Product dairy functioning from 1976 at Ayanavaram. A new product dairy at Ambattur was established at a cost of Rs.23.46 crore during 2015. This new plant has the capacity to manufacture 15,000 litre of Ice Cream and 1,000 Kg. of Paneer per day. 75% capacity utilisation has been achieved in Ice Cream production in the inaugural year.

In the same premises, a 40,000 litre per day capacity fermented products unit (curd, butter milk, lassi, etc) at a cost of Rs.9.18 crore has been completed, and inaugurated by the Hon'ble Chief Minister on 21.09.2016.

109 varieties of milk products are being prepared at Ambattur Products Dairy and distributed to retail outlets through 22 contract

vehicles and 5 Reefer vehicles. Ice Cream and few other Milk products are also distributed through 3 Reefer vehicles to all districts in the State.

Three more Reefer vehicles are added to the fleet at a cost of Rs 81.00 lakh and the same has been flagged off by the Hon'ble Minister for Dairy Development on 19.05.2017.

Aavin introduced curd in 1/2 kg sachet on 19.04.2017. It has been proposed to introduce premium curd in 1 Kg bucket pack, Dry fruit nut powder mix, Rasgulla, New Chocolate varieties and Cookies to cater the needs of consumers.

In the year 2017-18 it has been proposed to introduce milk by-product every month.

#### **6.6. Nucleus Jersey and Stud Farm (NJ&SF), Udhagamandalam**

The Nucleus Jersey and Stud Farm of Federation was established in 1973. It consists

of two divisions' viz. Bull Mother Farm and Stud Farm. Stud Farm is located in an area of 37.725 acres of land leased from the Forest Department, and Bull Mother Farm is located in an area of 46.33 acres of Revenue land.

### **6.6.1. Bull Mother Farm**

Bull Mother Farm maintains high pedigree cows of Jersey breed, to produce genetically superior bulls for production of quality frozen semen for breeding purposes. In the same location in Kakkathope, cultivation of Oats, Maize & Kikuyu grass is also undertaken for fodder requirement of the farms.

### **6.6.2. Stud Farm**

Stud farm maintains Pure Jersey, Crossbred Jersey, Pure Holstein Friesian and Cross Bred Holstein Friesian bulls for frozen semen production. Frozen semen is supplied to all the

District Cooperative Milk Producers' Unions (DCMPU) in the State which in turn distributes it to the Artificial Insemination Centres under their control for artificial insemination of the cows belonging to the members of the Milk Producers' Cooperative Societies. Presently, there are around 134 bulls at the Stud Farm, out of which 95 are under Semen collection. 11 imported bulls viz. 10 pure Jersey and one pure Holstein Friesian are also being maintained in the farm. The farm produces around 16.00 lakh doses of frozen semen straws per year.

During 2017-18, it has been proposed to induct 25 new bulls for semen collection and to produce around 18.00 lakh doses of frozen semen straws.

## **6.7. Buffalo Frozen Semen Station (BFSS), Erode**

This unit undertakes the task of distribution of Frozen Semen Straws (white cattle) produced at NJ&SF, Ooty to all milk Unions based on their requirement. The present off-take by Unions is around 1.67 lakh per month.

This Unit also distributes around 10,000 Nos. of Buffalo Frozen Semen Straws per month, procured from Animal Husbandry Department to Unions.

Rearing of Breeding Bull calves produced through Progeny Testing Programme (PTP) is also being carried out in this Unit.

In 2017-18, 20 acre land will be brought under fodder cultivation at Pudukudi farm in Thanjavur District.

## **6.8. Dairy Herd Improvement Programme Actions (DIPA), Erode**

DIPA unit is also functioning at Erode. The activities of DIPA unit are:

### **6.8.1. Progeny Testing Programme (PTP)**

In order to select superior cross bred bulls for breeding milch animals, progeny testing programme is being implemented by the Federation with the financial assistance of the Government of India in Salem, Erode, Dharmapuri, Coimbatore, Trichy, Madurai and Tirunelveli DCMPUs.

### **6.8.2. Field Performance Recording Programme (FPRP)**

Under FPRP, the milk yields of the Jersey crossbred cows are recorded and elite cows are mated with proven bull semen to produce superior cross bred bull calves.

FPRP is being implemented by the Federation in 8 District Unions viz. Salem, Dharmapuri, Erode, Coimbatore, Trichy, Madurai, Dindigul and Tirunelveli with the financial assistance of the Government of India.

So far 332 Crossbred Jersey bull calves have been distributed for frozen semen production to the four frozen semen stations under Cooperative sector and Animal Husbandry Department.

## **6.9. Milk Sales**

The Federation is marketing Aavin milk in Chennai Metro and its suburban areas. Aavin is the largest selling brand in Chennai Metro. On an average 11.35 lakh litre of milk is being marketed per day in Chennai Metro.

**Table 9: Selling Price of Milk**

S. No	Type of Milk	Sachet colour	Specification		Rate per 500 ml pack (in Rs.)	
			FAT %	SNF %	Card	Max. retail price
1	Double Toned Milk	Magenta	1.5	9.0	16.50	17.00
2	Toned Milk	Blue	3.0	8.5	17.00	18.50
3	Standardized Milk	Green	4.5	8.5	19.50	20.50
4	Full Cream Milk	Orange	6.0	9.0	21.50	22.50

### **6.10. Infrastructure available for Marketing in Metro**

The Federation is marketing “Aavin” milk and milk products in the Chennai Metro and its suburban areas. The “Aavin” range of products is very popular among the consumers. The Federation has a well knit network to ensure that milk and milk products reach more number of consumers.



**Table 10: Marketing Network details:**

<b>S. No.</b>	<b>Infrastructure</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
1	Distribution Routes	113	117	119	132
2	Zonal Offices	16	16	16	16
3	Milk Depots	470	470	433	437
4	Delivery Points	311	311	361	376
5	Parlours	93	93	114	147
6	Milk Whole Sale Distributors	47	71	71	83
7	Milk Consumers' Cooperative Societies	49	49	49	49
8	Franchise Retail Outlets	184	202	451	556
9	Products Distribution Routes	14	16	25	33

**Table 11: Product Marketing in Chennai Metro For the Year 2016-17**

**(Annexure – VII)**

S. No.	Name of Product	Unit	Total	
			Quantity	Value (Rs. in Lakh)
<b>I</b>	<b><u>Ambattur Products:</u></b>			
1	Ice Cream	Litre.	12,09,158	2,555.73
2	Long life Gulabjamun	Kg.	48,144	155.71
3	Khoa	kg	3,07,296	1,221.83
4	Milk Peda	Kg	23,842	91.95
5	Paneer	Kg	63,860	194.04
6	Butter Milk	Litre.	5,98,232	162.44
7	Mysore Pa	Kg	42,538	187.86
8	Yoghurt	Nos.	88189	15.11
9	Lassi 200ml	Litre	2,40,626	236.15
10	Curd 200 ml	Litre.	4,34,973	296.59
11	Hot Milk	Litre.	8,32,051	415.33
12	FM "N" Rich Bottle	Nos.	2,47,178	46.14
13	Milk Shakes	Nos.	29,697	18.60
14	FM - Badam-thro dispenser	Litre.	9,896	9.89
15	Snack items	Nos.	2,61,898	103.99
16	Milk Chocolates	Nos.	1,87,286	51.58
17	Special Sweets	Kg	7,874	56.47
	<b>Sub-Total (I)</b>			<b>5,819.44</b>
<b>II</b>	<b><u>Union Products:</u></b>			
1	Butter (Cooking)	MT	1,036.18	3,598.90
2	Butter (Table)	MT	22.41	78.06
3	Ghee	MT	1,770.75	6,729.95
4	Standardized Milk (Tetra pack)- 1000 MI	Nos.	24,194.00	16.35
5	Flavoured Milk 200 MI	Nos.	15,44,477	274.78

6	Maavin 200ml	Nos.	1,04,957	14.38
7	Milk Shakes in Tetra pack	No's	29,00,784	484.81
8	Aavin Delite (T.Fino)	Litre	1,01,905	51.14
9	Skimmed Milk Powder	Kg	41,662	122.66
10	Badam Mix Powder	Kg	87,600	337.71
11	Butter Milk in Tetra Pack	No's	3,42,281	50.66
12	Ooty Tea	Kg	1,357	1.92
	<b>Sub-Total (II)</b>			<b>11,761.95</b>
	<b>Grand Total (I)+(II)</b>			<b>17,581.38</b>

### **6.11. Sales Revenue (Federation and Unions)**

The Turnover of the Federation and the District Unions has more than doubled in 2016-17 to Rs.5281 crore, when compared to the Turnover of Rs.2369 crore in the year 2010-11. **(Annexure – VIII).**

### **6.12. Future marketing Strategies.**

- Engaging 30 marketing executives on contract basis with performance based incentives to improve sales.

- 12 new marketing zonal offices are to be established in the year 2017-18 to cover sub-urban areas.
- Aavin parlours will be installed in all the schools with a strength of more than 3,000 students.
- 7 regional marketing offices will be formed across the State to expand the market and to meet the growing demand for Aavin milk and milk products.

### **6.13. Consumer Care and Support Cell**

The Federation is operating a **24X7 Consumer Care and Support Cell** equipped with a **Toll Free No.1800-425-3300** at the Marketing Office, Nandanam from 04.09.2003. The consumers can contact the Consumer Care and Support Cell for getting their grievances redressed early. During the year 2016-17, totally 647 complaints were received and rectified.

In 2017-18 meeting will be conducted with the consumers, resident association representatives to get suggestions for improving the sale performance and action will be taken to improve marketing development activities.

## **7. SCHEMES**

### **7.1. National Programme for Dairy Development (NPDD)**

The erstwhile schemes of Strengthening Infrastructure for Quality and Clean Milk Production (SIQ&CMP), Intensive Dairy Development Programme (IDDP), and Assistance to Cooperatives (ACS) – Rehabilitation of Unions were merged to form National Programme for Dairy Development (NPDD) from 2014-15 onwards.

### **7.1.1. Objectives of NPDD:-**

The main objective of the NPDD scheme is to create infrastructure at the village level to procure quality milk from milk producers in a transparent manner.

Under NPDD, a sum of Rs.40.16 crore has been sanctioned for 3 projects in the Federation and the District Unions of Trichy and Madurai for the year 2014-15 to 2016-17. A New Processing plant with a capacity to process one lakh litre per day was established in Padalur in Perambalur District. The same was inaugurated on 07.03.2017 by our Hon'ble Chief Minister. A new milk condensing plant with a capacity to condense one lakh litre per day was installed in Madurai dairy as replacement for the old condensing plant.

The Central Government has released Rs.17.40 crore out of the total grant amount Rs.18.08 crore.

During the year 2017-18 work will be extended by obtaining the balance amount.

During the current year 2017-18, a comprehensive proposal has been submitted to the Government of India at an outlay of Rs.15.824 crore to provide automatic milk collection testing units for 720 MPCs procuring more than 500 litre per day. In addition 220 villages procuring around 500 litres of milk per day are to be provided with Bulk Milk Chilling Units at their door step.

## **7.2. National Agriculture Development Programme (NADP)**

NADP Scheme funding plays a vital role in strengthening of Statewide installation of the

State of the Art equipments at an investment of Rs.202.95 crore.

Some of the major projects taken up during the last six years are:

1. Milk Cold room facility for storing three lakh litre of milk.
2. Butter Deep Freezer facility of 894 MT capacity in Erode, Salem and Coimbatore.
3. 25 high speed and 11 normal speed packing machines with thermal printing technology.
4. New product dairy at Ambattur for manufacturing 15,000 litre of Ice Cream per day and 1,000 Kg. of Paneer per day.
5. Sterilizer and 200 ml packing machine for UHT Plant at Salem.
6. To Strengthen own milk transportation facility 48 Road Milk Tankers are purchased.



7. Aseptic filling machine 1000ml @ 6000 packs / hour at Salem dairy.

Under this scheme, for the year 2017-18, four project proposals for Rs.33.42 crore have been approved by the State Level Sanctioning Committee. **(Annexure – V)**

### **7.3. Schemes under financial assistance of NABARD**

State Government has given the much needed impetus to the dairy cooperative industry by providing grant assistance under NABARD Rural Infrastructure Development Fund (RIDF). During 2014-15, 2015-16 and 2016-17 a sum of Rs.158.67 crore was sanctioned.

Some of the significant works carried out with these funds are as follows:

1. A renovation of cattle feed plant to manufacture 150 MTPD cattle feed in Erode.
2. Modernization and expansion of Coimbatore Dairy from 2 LLPD to 5 LLPD.
3. One lakh litre milk packing and cold room in Vellore Dairy.
4. Hi-tech Parlours in Tirunelveli, Kanyakumari & Dharmapuri.
5. 33 Bulk Milk Coolers (BMCs) with 1.65 lakh litre capacity per day in Erode (27), Dharmapuri (5) & Virudhunagar (1).

## **7.4. National Dairy Plan-I (NDP)**

### **7.4.1. Progeny Testing Programme**

Under National Dairy Plan, Progeny Testing Programme is being implemented in Crossbred Jersey Cows, at a total outlay of Rs.39.28 crore.

The scheme is implemented from 2012-13 in five District Unions, viz. Vellore, Villupuram, Erode, Salem and Trichy and it is envisaged to produce 247 High Genetic Merit (HGM) bulls under the scheme by 2018-19.

Based on the performance of the daughters on various parameters like milk yield, milk quality, lactation period etc. the bulls are ranked, thereby producing proven semen for increased milk production.

#### **7.4.2. Strengthening of Semen Station, NJ&SF, Ooty**

Under National Dairy Plan, Semen Station at Nucleus Jersey and Stud Farm, Ooty is strengthened with a grant of Rs.1434.74 lakh. Under this project, there is a provision for construction of Quarantine station at Erode, Rearing Station at Pudukudi and civil works for strengthening of NJ&SF, Ooty apart from compound wall provision at Pre-quarantine

station, Attur. In addition, various lab items, farm equipments and ICT items have also been procured under the scheme.

### **7.4.3. Village Based Milk Procurement System (VBMPS)**

Under National Dairy Plan I, Village Based Milk Procurement System (VBMPS) programme is implemented in six milk unions viz., Salem, Coimbatore, Erode, Vellore, Trichy and Kancheepuram-Thiruvallur.

Under this scheme, 14 Bulk Milk Coolers (BMCs), 279 Automatic Milk Collection Units (AMCUs) and 1333 Cans have been provided. Training to society staff, society board members and milk producers is also being undertaken. The total project Outlay is Rs.1,255.37 lakh and the project is for three years from 2014-15 to 2016-17 and has been extended for a further period of 2 years i.e. up to 2018-19.

Through implementation of this project, in addition to clean milk production there will also be an increase in quality of raw milk.

#### **7.4.4. Ration Balancing Programme (RBP)**

Under National Dairy Plan I, Ration Balancing Programme (RBP – Phase I) is being implemented in eleven milk unions viz., Salem, Coimbatore, Erode, Villupuram, Vellore, Trichy, Madurai, Dindigul, Dharmapuri, Thirunelveli and Kancheepuram - Thiruvallur at a total project cost of Rs.2,176.22 lakh commencing from 2014-15 to 2018-19.

The programme is aimed at reducing the feeding cost by preparing least cost formula with the locally available feed material. The least cost formula advice have issued to 1.85 lakh members so far covering 2.0 Lakh members. This has resulted in reduction in cost of feeding

by Re.1 to Rs.3 per litre and increase of 300-500 ml milk production per animal.

## **7.5. Integrated Dairy Management System (IDMS)**

The project is designed to integrate all the activities from village level Cooperative societies to Federation level through computerization and automation at a cost of Rs.46.55 crore. The Government of India has sanctioned Rs.18.34 crore as 100% grant-in-aid.

This project is expected to be completed by December 2017.

## **8. MAJOR PROJECTS**

### **8.1. Expansion of Madurai Dairy**

Madurai dairy, one of the oldest in India was started in 1967 with an installed capacity of 50,000 LPD. Now this has been expanded to handle 5.0 LLPD at a cost of Rs 37.54 crore.

2.0 LLPD capacity milk packing block with 2.0 lakh litre capacity milk cold room, Integrated refrigeration system. Installation of Homogenisers, Pasteurisers have added to the capacity.

## **8.2. Ultra High Temperature (UHT) Processing Plant in Sholinganallur Dairy**

A new UHT milk plant with Aseptic packing unit to process and pack 1.0 lakh litre of milk per day is in progress in Sholinganallur Dairy at a cost of Rs.34 crore. The unique feature of the product is that it can be stored for 90 days at normal room temperature. This project is expected to be completed by Jan'2018. This project aims at expanding Aavin's market share by attracting the high end consumers and export market.

### **8.3. Enhancement of storage facilities for Butter and Milk Powder**

In order to be self contained in storage capacity and ensure uninterrupted supply, 1,000 MT storage capacity for Skimmed Milk Powder and 1,330 MT of butter was created. In addition, 1,120 MT Butter storage capacity is under construction in the dairies of Tirunelveli, Madurai, Tiruvannamalai and Trichy at a cost of Rs.10.51 crore. 1,725 MT Milk Powder storage capacity is under construction in the dairies of Madurai, Tiruvannamalai, Trichy and Coimbatore at a cost of Rs.4.74 crore. The entire work is likely to be completed by August 2017.

### **8.4. Customer facilitation center cum Corporate Office building at Nandanam**

Foundation stone for the Customer facilitation center cum corporate office building at Nandanam was laid by Hon'ble Chief Minister on 15.7.2015. The nine floor building work with



an extent of 1,13,000 square feet has been entrusted to Tamil Nadu Police Housing Corporation. The entire work is expected to be completed by October 2017.

### **8.5. Hi-Tech Parlours**

In order to enhance the visibility and the brand image of Aavin, hi-tech parlours with children play and parking area, air conditioned seating arrangements have been created in Chennai metro and in District Headquarters. 16 Hi-Tech parlours in Chennai Metro at a cost of Rs.10 crore and 27 Hi Tech parlours in Districts at a cost of Rs.8.68 crore have been completed.

### **8.6. Usage of non-conventional energy in Dairies**

To promote green initiatives Aavin has taken steps to introduce non-conventional energy in dairying activities. In this direction,

8 dairies, 4 chilling centers and 100 bulk milk coolers have been provided with solar water heaters to produce 1.11 lakh litre of hot water (80°C) per day.

**One Concentrated Solar Thermal System (CST)** (set of two) has been installed at Salem Dairy. One more such CST (set of two) has been commissioned at Sholinganallur dairy. Now a new project is under way in Madurai dairy to run the dairy using solar energy during day time and will be commissioned by October 2017.

### **8.7. Ultra High Temperature (UHT) Processing Plant at Salem Dairy**

A new Ultra High Temperature (UHT) milk processing plant is being constructed in Salem District Co-operative Milk Producers' Union. The cost of the project is Rs.27.00 crore. This plant will have the capacity to process and pack 6000 litre of UHT milk in one hour.

The UHT plant is expected to be commissioned by August 2017.

### **8.8. Ice Cream Plant at Madurai Dairy complex.**

A 20,000 litre per day capacity ice cream plant is being established in Madurai dairy complex. This ice cream plant can be expanded up to 30,000 LPD. Bhoomi pooja for the new ice cream plant was held on 28.04.2017. The construction work is entrusted to NDDDB, Anand on turn key basis. The project is expected to be completed by December 2018.

### **8.9. Ultra High Temperature (UHT) Flavoured Milk Plant at Madurai.**

A new Ultra high temperature (UHT) flavoured milk processing plant is being constructed in Madurai District Co-operative milk producers' union at a cost of Rs.40 crore. This plant will have the capacity to process and

pack 20,000 LPD of flavoured milk under UHT process. The keeping quality of the flavoured milk will be 90 days. Bhoomi pooja for the new flavoured milk plant was held on 28.04.2017. The project is expected to be completed by January 2019.

## **9. SPECIAL SERVICES TO MILK PRODUCERS**

The main objective of the milk cooperatives is to protect the interest of the milk producers.

### **9.1. Supply of subsidized Cattle Feed and Mineral mixture**

Cattle feed and Mineral Mixture is being supplied by the District Cooperative Milk Producers' Unions with subsidy of Rs.2 to 4 per Kg and Rs. 25 per kg respectively from their own funds. Due to this, the off take of cattle feed supplied through Aavin has been increased by 13 times during the last six years. A sum of

Rs.10.35 crore has been utilized towards the supply of 46,281 MT of subsidized cattle feed and Rs.97 lakh towards 389 MT of subsidized mineral mixture in 2016 – 17.

### **9.2.The Restructured Peraringnar Anna Co-operative Milk Producers' Welfare Fund.**

The Restructured Peraringnar Anna Co-operative Milk Producers' Welfare Fund has been created, in order to increase the loyalty of the milk producers of the primary milk cooperative societies and to assist them in times of distress.

The above Welfare fund is being implemented from 18.11.2013 in which the producer is contributing Re.1 per month while the District Union and society concerned contribute 50 paisa each per month per producer towards their share to the above Fund. A sum of Rs.1.75 Lakh will be released to the milk producer who meets with a fatal accident or

loses more than one organ and a sum of Rs.75,000 will be paid in case of loss of one organ. Financial assistance of Rs.10,000 is also being paid towards education /marriage.

The scheme was inaugurated by the Hon'ble Chief Minister of Tamil Nadu on 15.07.2015. So far, a sum of Rs.1.28 crore has been sanctioned benefitting 73 milk producers.

### **9.3. Payment of Incentive to Milk Producers by Unions**

The surplus income over and above the expenditure earned by the District Unions is being shared with the milk producers by way of incentives. Depending on the surplus generated by the particular district union, this incentive amount normally ranges from 60 paise per litre to Rs.1.60 per litre. A sum of Rs.157.22 crore has been paid as incentive to 3,48,019 milk producers during 2011-16, while only a

sum of Rs.30.22 crore was paid during 2006-11.

**(Annexure – VI)**

**9.4. Payment of bonus to Milk Producers by Primary dairy cooperative societies.**

Whenever the society earns profits, 50% of profit is 'ploughed back' to the member milk producers as provided in the by-laws of Milk Producers' Cooperative Societies (MPCS) by way of dividend on share capital, patronage rebate and bonus for the value of milk supplied by them to the society.

A sum of Rs.85.73crore has been paid as bonus, dividend and patronage rebate during 2016-17, by which 2.89 lakh members were benefitted.

**9.5. Installation of Bulk Milk Coolers**

Bulk Milk Coolers (BMC) at the Village level aims at maintaining the initial quality of

milk by avoiding transportation to Chilling centres /Dairies and also improving the keeping quality. So far, 341 BMCs with chilling capacity of 15.14 lakh litre per day have been installed. It is now envisaged to install 500 litre / 1000 litre capacity BMCs to cover the MPCs procuring 500 LPD over a period of Five years.

## **10. STAFF WELFARE MEASURES**

1. The new health insurance scheme of Government extended to the employees of Federation and District union with effect from 01.01.2017.
2. Ex-gratia pension scheme to the retired employees of Federation / Union implemented with effect from 16.12.2016.
3. Promotion was given to 15 Dairy Development Department employees, 115 District Cooperative Milk Producers' Union employees and 107 Tamil Nadu



Cooperative Milk Producers' Federation employees during the year 2016-17.

4. Similarly, through direct recruitment 21 new appointments were made in Dairy Development Department, 582 in District Cooperative Milk Producers' Unions and 141 in Tamil Nadu Cooperative Milk Producers' Federation.
5. During Pongal festival, Productivity linked incentives are being paid to the employees of Federation and District unions.
6. Bonus and ex-gratia are being paid to the employees of Federation and District Unions during Deepavali festival.
7. The department provides uniforms to the society employees.
8. Milk products are distributed as gift to the employees of the Federation and District Unions during Pongal and Deepavali festivals.

9. As a means of encouragement to the employees of Primary Milk Cooperatives, based on their service seniority, an additional remuneration of Rs. 300/- to Rs.1,000/- per month, was given to them with effect from 01.10.2015.
10. To implement own cadre system and for administrative convenience, the posts of Superintendents and Assistants in the Ministerial Service have been converted as Cooperative Sub Registrars and Junior Inspectors.
11. Residential quarters in Madhavaram milk colony are being renovated at a cost of Rs 4.12 crore.

## **11. DEPARTMENT OF AUDIT FOR MILK CO-OPERATIVES**

The Department of Audit for Milk Co-operatives has been created as a separate department, to conduct statutory audit for

Milk Cooperatives, exclusively. The department conducts audit of Tamil Nadu Cooperative Milk Producers' Federation Ltd., at State level, 17 Cooperative Milk Producers' Unions at District level and Milk Producers/Consumers' Cooperative Societies at Primary level.

### **11.1. Cadre Strength**

The Department has been sanctioned with **333** permanent posts, out of which **299** personnel are being deputed from the Cooperative Department and the Treasuries and Accounts Department. The remaining posts are filled up by the Department of Audit for Milk Cooperatives.

**Table 12: Cadre Strength of Department of Audit for Milk Cooperatives**

<b>Name of the cadres</b>	<b>Strength</b>
Director	1
Joint Director	1
Deputy Director (Accounts)	1
Regional Deputy Director	5
Assistant Director	59
Senior Cooperative Auditor	224
Junior Cooperative Auditor	7
Ministerial Service	10
General Subordinate Service	8
Basic Service	17
<b>Total</b>	<b>333</b>

### **11.2. Development of Infrastructural facilities**

To fulfill the objective of completing the audit on time with quality and to ensure better administration at all levels,

(i) Government has sanctioned **Rs.10.66 lakh** for computerization of Directorate and Madurai Regional Office.

(ii) **6** vehicles have been allotted by the Government to the Head Quarters, Joint Director and all the Regional Deputy Directors.

### **11.3. Audit for Federation**

Statutory Audit of Tamil Nadu Cooperative Milk Producers' Federation for the year **2015-16** has been completed and audit certificate was issued within the statutory time limit. Half yearly Audit of the Federation for the first half year of **2016-17** was also completed and report was issued. The Audit for the year **2016-17** is in progress.

### **11.4. Audit for District Unions**

Statutory Audit of **17** District Cooperative Milk Producers' Unions for the year

**2015-16** have been completed and audit certificates were issued within the statutory time limit. Half Yearly Audit for the first half year **2016-17** for all the District Cooperative Milk Producers' Unions have also been completed and reports were issued. Audit for the year **2016-17** is in progress in all the DCMPUs.

As on **15-6-2017**, Test Audit of **6** DCMPUs for the year **2016-17**, namely, Pudukottai, Sivagangai, Thanjavur, Trichy, Villupuram and Virudhunagar have been completed.

### **11.5. Audit for Primaries**

During the year **2016-17**, Statutory Audit of **10669** Primary Milk Producers' Cooperatives / Milk Consumers' Cooperative Societies for the year **2015-16** have been completed and audit certificates were issued. Audit for the year **2016-17** have been commenced in all the Primaries as per Audit Programme.

### **11.6. Audit Fees & Fundamental Rule Costs**

During the year **2016-17**, a sum of **Rs.76.35** lakh was collected towards audit fees for undertaking statutory audit in Milk Cooperative societies and also a sum of **Rs.109.81** lakh was collected towards Fundamental Rule 127 cost for undertaking concurrent audit in State Federation, District Cooperative Milk Producers' Unions and Primaries and remitted into Government Account.

### **11.7. Audit Review (Accounts) Committee Meetings**

Audit Review (Accounts) Committee Meetings have been conducted regularly to facilitate the rectification of audit objections relating to Milk Cooperatives. During the year **2016-2017**, rectification reports in respect of

**91** audit objections of District Cooperative Milk Producers' Unions and **1006** audit objections in respect of Primary Milk Producers'/Consumers' Cooperative Societies, were placed before the committee for review and treated as settled

### **11.8. Training and Development**

To improve professional competency, audit personnel of the department have been exposed to various training programmes. Refresher Training Programmes have also been conducted for the auditors of the department with the financial assistance sanctioned by the Government.

### **12. CONCLUSION**

Under the dynamic leadership of the Hon'ble Chief Minister, the present Government has initiated a series of effective measures to improve procurement and processing of milk



both quantitatively and qualitatively, coupled with an innovative and aggressive marketing strategy, which has enhanced the visibility of the brand name "Aavin".

The Federation and most of the District Unions are continuously making profit, thus ensuring remunerative and prompt payment to the milk producers.

Infrastructure has been strengthened as never before in the history of Aavin through various Central / State schemes and own funds to handle the ever increasing milk procurement and consumer demand.

Doubtless, Aavin is all set to scale new heights in the Dairy industry and will achieve International standards in the coming years.

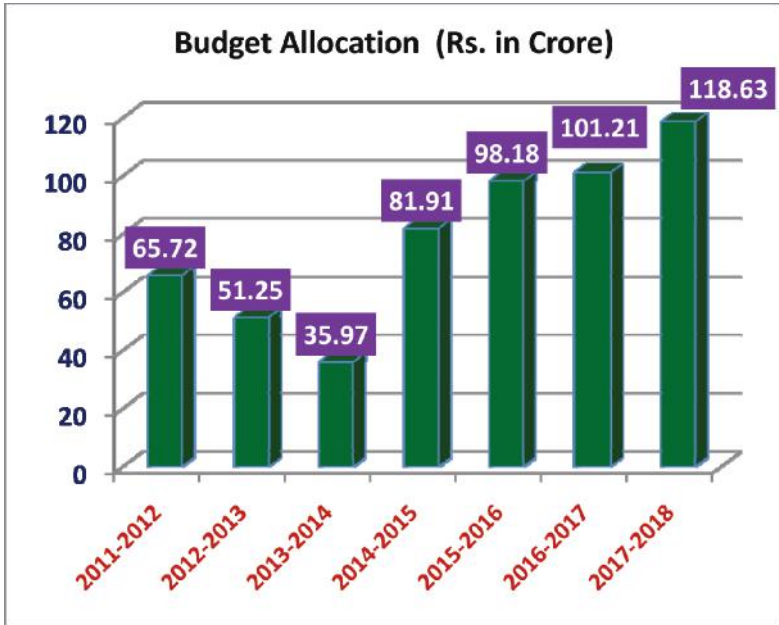
**K.T.Rajenthralaji**  
**Minister for Milk and**  
**Dairy Development**

## Milk Cooperative Sector at a glance

S. No	Items	
1	Total number of Milk Producers' Coop. Societies	12,139
2	Milk Producers' Co-operative Societies formed during 2016-17 (in Nos.)	137
3	Total Number of members in Milk Producers' Cooperative Societies (In Lakh)	20.04
4	Number of milk pouring members (In lakh)	4.60
5	Milk Production by societies ( In LLPD)	31 to 36
6	Number of District Cooperative Milk Producers Union	17
7	State Level Federation	1
8	Milk Procurement by Unions (In LLPD)	26 to 31
9	Milk marketing in Chennai City (In LLPD)	11.35
10	Milk marketing in District Unions (In LLPD)	9.53
11	Number of Union Dairies	18
12	Number of Federation Dairies	5
13	Handling Capacity of Union Dairies (In LLPD)	29.07
14	Handling Capacity of Federation Dairies (In LLPD)	14.15
15	Number of Chilling Centres	35
16	Handling Capacity of Chilling Centres (In LLPD)	14.75
17	Number of Bulk Milk Cooler Units	341
18	Chilling Capacity of Bulk Milk Cooler units (In LLPD)	15.14
19	Number of rural milk collection routes	740
20	Number of milk distribution routes at the level of District Unions	274
21	Number of milk distribution routes in Chennai Metro	132
22	Number of Powder plants (Erode, Salem, Madurai Dharmapuri District Unions and Federation)	5
23	Capacity of powder plants for drying Milk (MT/day)	90
24	Butter storage capacity (in MT)	3,184

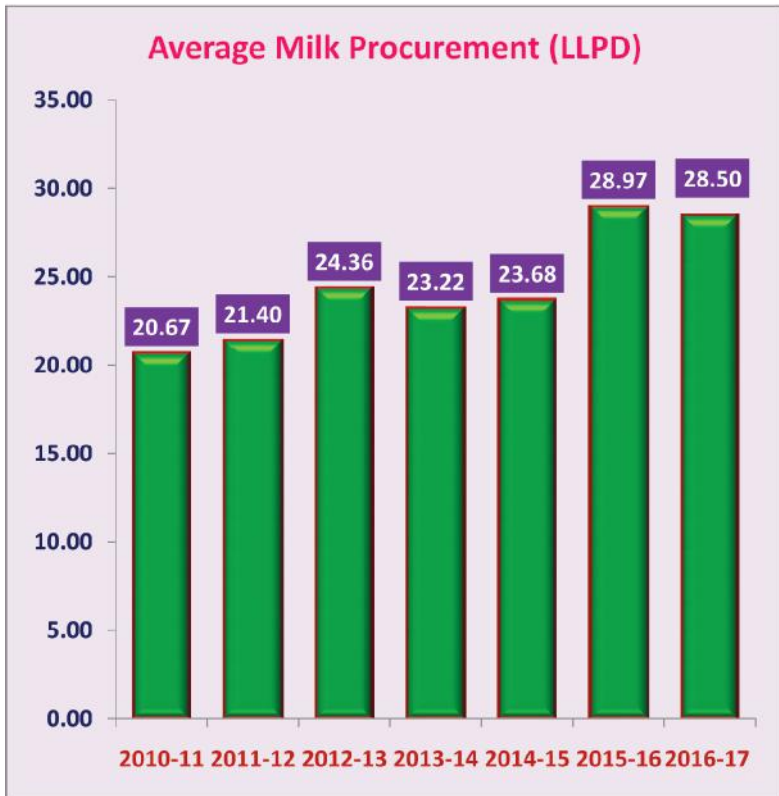
## Annexure - I

### Budget Allocation for the Year 2011-12 to 2017-2018



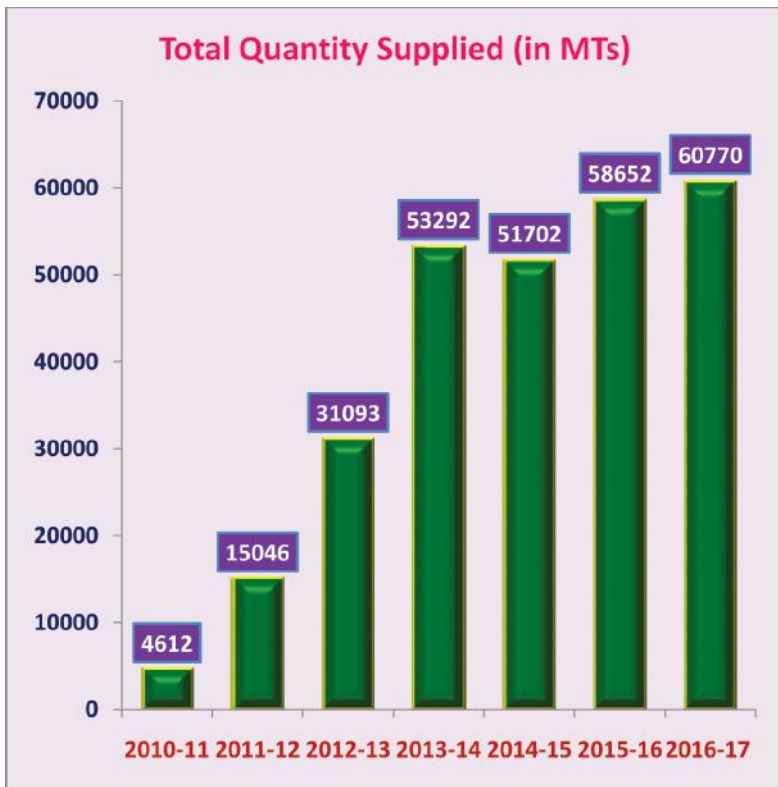
## Annexure - II

### Milk Procurement by DCMPUs



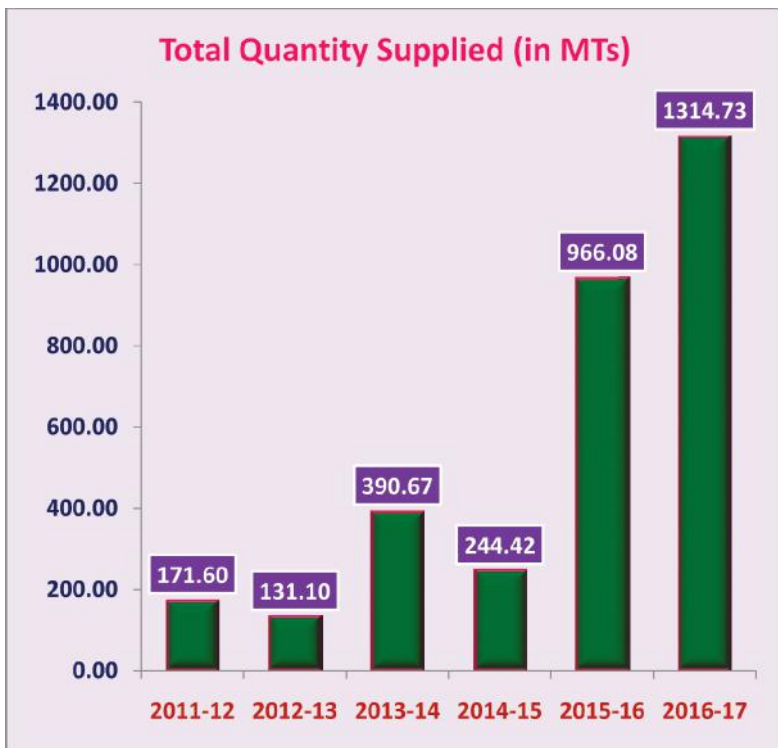
## Annexure - III

### Cattle Feed Supply



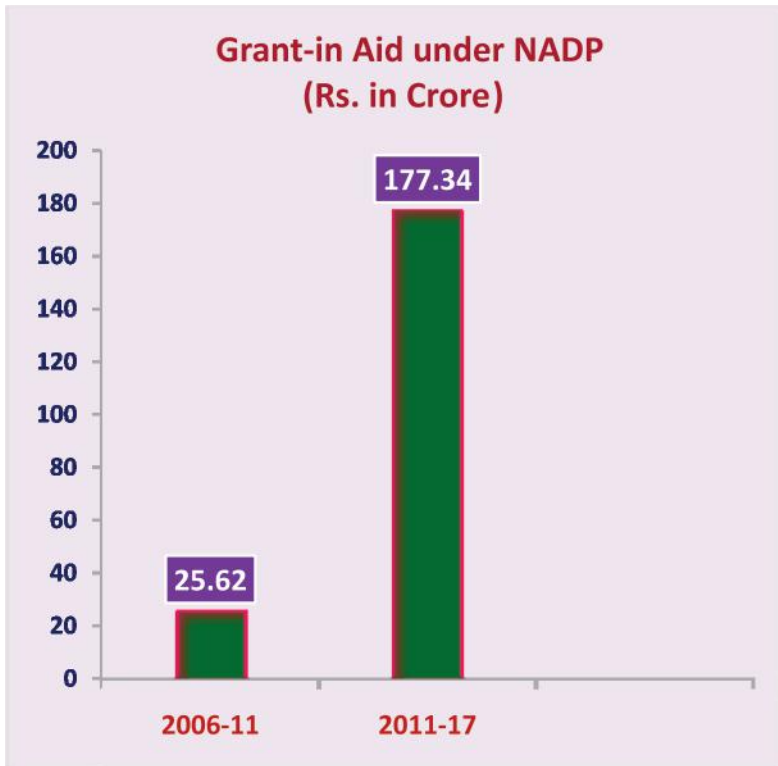
## Annexure - IV

### Mineral Mixture Supply



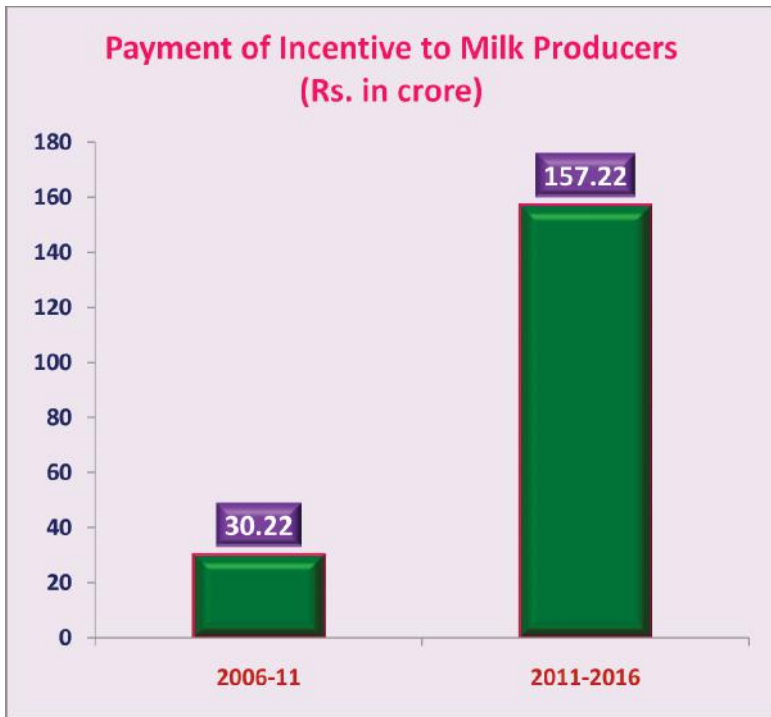
## Annexure - V

### National Agriculture Development Programme (NADP)



## Annexure - VI

### Payment of Incentive to Milk Producers





## Annexure - VII

### Range of Aavin Milk Products

<b>Sweets</b>	<b>Ice cream varieties</b>	<b>Fermented Products</b>	<b>Coagulated and other products</b>
<ul style="list-style-type: none"><li>• Sugared Khoa</li><li>• Dates Khoa</li><li>• Mysorepa</li><li>• Long life Gulabjamun</li><li>• Milk Peda</li></ul>	Ice cream cups Family packs in bricks, bowls Cassata Ball Ice cream Chocobar Mango Duet Pineapple Duet Classic Cone Kulfi Bar Ice Candies Premium variety Ice Cream in cups	Sweetened Yoghurt Curd sachets Spl.Curd in cups Lassi sachets Probiotic Curd Probiotic Lassi Butter milk	<b>Paneer and others</b> <ul style="list-style-type: none"><li>• Unsugared Khoa</li><li>• Flavoured milk</li><li>• Nutties</li><li>• Chocolate</li><li>• Milk Chocolate</li></ul>

**Union-wise milk handling capacity**  
**(Litre per Day)**

S. No	Name of the Union	Processing capacity of Dairies		Chilling capacity				
		No	Capacity	Chilling Centre		BMC		Total
				No	Capacity	No	Capacity	
1	Salem	1	5,00,000	3	2,10,000	50	1,99,000	4,09,000
2	Coimbatore	1	5,00,000	4	1,30,000	24	1,14,000	2,44,000
3	Madurai	1	5,00,000	1	1,00,000	14	58,000	1,58,000
4	Erode	1	3,00,000	3	1,35,000	66	3,24,000	4,59,000
5	Trichy							
	a) Tiruchirapalli	1	1,50,000	3	2,30,000	42	2,00,000	4,30,000
	b) Padalur	1	1,00,000	0	0	0	0	0
6	Dharmapuri	1	2,00,000	2	60,000	21	93,000	1,53,000
7	Vellore	1	1,50,000	4	2,30,000	38	1,76,000	4,06,000
8	Villupuram	1	1,00,000	2	1,40,000	19	78,000	2,18,000
9	Tirunelveli	1	1,00,000	4	90,000	12	58,000	1,48,000
10	Kancheepuram- Thiruvallur	1	50,000	2	60,000	11	45,000	1,05,000
11	Nilgiris	1	50,000	1	10,000	6	11,000	21,000
12	Sivagangai	1	50,000	2	20,000	12	52,000	72,000
13	Virudhunagar	1	50,000	1	10,000	1	5000	15,000
14	Pudukottai	1	35,000	0	0	0	0	0
15	Dindigul	1	30,000	2	40,000	12	50,000	90,000
16	Thanjavur	1	26,000	1	10,000	13	51,000	61,000
17	Kanyakumari	1	16,000	0	0	0	0	0
	<b>Total</b>	<b>18</b>	<b>29,07,000</b>	<b>24</b>	<b>400,005</b>	<b>187</b>	<b>15,14,000</b>	<b>29,89,000</b>
	<b>Metro Dairies</b>							
a	Central Dairy	1	3,50,000					
b	Ambattur	1	4,00,000					
c	Sholinganallur	1	4,00,000					
d	Product Dairy	1	65,000					
e	T.V.Malai (TCMPF)	1	2,00,000					
	<b>Total</b>	<b>5</b>	<b>14,15,000</b>					
	<b>Grand Total</b>	<b>23</b>	<b>43,22,000</b>					

**(Annexure – VIII)**

**Sales Revenue (Federation and Unions)  
Rs. in crore**



## Milk Procurement at MPCS



## Bulk Milk Cooler



## Can Reception Facilities



## Milk Processing Plant



## Milk Packing Machines



## Milk Cold Storage Room - Salem



## Padalur Dairy-Perambalur District



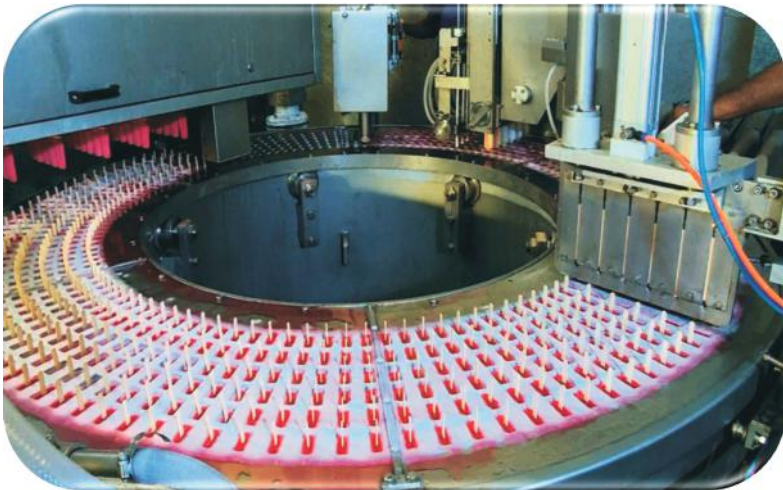
## Aavin Products



## Ambattur Product Dairy



## Ice Cream Candy Unit-Ambattur





## Chocobar Production Unit- Ambattur



## UHT Aseptic Plant- Salem



## UHT Products



## UHT Aseptic Plant- Salem



## Fully Automated Dairy - Coimbatore



## Hi-Tech Parlour - Madurai



## Hi-Tech parlour-Dindigul



## Inauguration Of Free Door Delivery of Aavin Products- Chennai



## Inauguration Of Reefer Vehicle For Ice-Cream Transportation-Chennai

