

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

**Notification**

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

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

**Dr. Rajneesh Dube**  
Additional Chief Secretary

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

Copy forwarded to following for information and necessary action:

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

By Order

**(Pankaj Kumar Singh)**  
Under Secretary

# **Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022**



**Dairy Development Department  
Uttar Pradesh**

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# Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022

## 1. Vision

Uttar Pradesh is the largest milk-producing state in the country, which contributes about 16 percent to the country's gross milk production. Only about 10 percent of the marketable surplus milk is being processed by the organized sector in the state, whereas India's average milk processing is about 17 percent. There is a huge gap between the milk processing capacity and the amount of marketable surplus milk in the state, for which there is a huge potential for investment in new industries in this area. In the changing environment, on one hand, the disposable income of the people is increasing, and the public is becoming aware of the importance of balanced nutrition, and on the other one, new technology and raw material (milk) are available in sufficient quantity for milk processing and manufacturing of value-added milk products, given which there is a great need to convert the potential of the dairy sector into reality by motivating the investors and entrepreneurs.

For this purpose, by increasing capacity utilization, creating new processing capacity, and increasing means of livelihood by making maximum use of technological upgradation and information technology to ensure maximum benefits for the Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022 is being proposed. With this policy, along with creating employment, nutrition security will also be ensured, as the state is moving towards a one trillion-dollar economy.

## 2. Objectives

Following are the objectives of the Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022:

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

### **3. Areas covered for financial subsidy and concessions under the dairy industry sector**

Various F.P.O (Farmer Producers Organization)/ M.P.C (Milk Producers Companies), state's cooperative and government institutions and private sector entrepreneurs, others as determined by the government, will be given benefits in the following areas: -

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

### **4. Permissible financial subsidy, concessions and facilities for the units of the dairy industry established in the state**

#### **4.1 Capital Investment Subsidy**

Capital Investment Subsidy of 10% of the cost of plant machinery, technical civil works and spare parts, to the extent of maximum Rs. 5.00 crore shall be provided for the establishment of milk processing and milk products manufacturing units or expansion (in case of at least 25% increase in the existing capacity) of milk processing and milk products manufacturing units in all the districts of the state.

#### **4.2 Interest Subvention**

##### **(a) Establishment of new milk processing and milk products manufacturing unit**

For the establishment of new milk processing and milk products manufacturing dairy unit, a maximum of Rs. 10.00 crore support will be admissible, with interest payable on loan taken for plant machinery, technical civil works and spare parts at the rate of 5% of the rate or less, maximum for a period of 5 years.

##### **(b) Establishment of new Cattle feed and cattle nutritional products manufacturing unit**

For new cattle feed and cattle nutritional products manufacturing unit to be set up, reimbursement of Rs. 7.50 crore will be admissible with interest payable on loans taken for plant machinery, technical civil works and spare parts at the rate 5% or less, maximum for a period of 5 years.

**(c) Technological up-gradation within the dairy plant**

For technological upgradation in existing dairy plant like SCADA System, New Generation Technology, 5% or less rate of interest payable on the loan taken for the installation of machinery and equipment etc., subject to a maximum of Rs 2.50 crore for 5 years.

**(d) New technology in the field outside of the dairy plant**

For Traceability and quality control equipment in the field outside of the dairy plant, an amount of Rs. 1.00 crore will be admissible, with interest payable on loan taken for automatic milk collection unit (other than milk chain) at the rate of 5% or less, maximum for 5 years.

**(e) Establishment of Cold Chain**

For Refrigerated Van / Insulated Van / Road Milk Tanker, Bulk Milk Cooler, Ice Cream Trolley, a maximum of Rs. 1.00 crore will be admissible with the rate of interest paid on the loan taken for the establishment and purchase of cold chain system etc. as 5% or less, for a maximum of 5 years.

**(f) Interest subvention on expansion of milk processing and milk products manufacturing unit**

For plant and machinery in case of minimum 25% increase in existing capacity, reimbursement of maximum Rs. 2.50 crore will be allowed at the rate of 5% or less interest payable on the loan taken for the purchase of a maximum of 5 years.

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

For Plant and machinery in case of minimum 25% increase in existing capacity, Reimbursement up to a maximum of Rs. 2.00 crore will be admissible at the rate of 5% or less interest payable on the loan for 5 years

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

For the establishment of field plant machinery of units manufacturing ice cream etc. and value added milk products coming under the micro and small enterprises sector like Cheese, ice-cream reimbursement of maximum Rs. 2.00 crore will be allowed at the rate of 5% or less interest payable on the loan in 5 years.

**4.3- Market Development and Brand Promotion Provisions**

The following subsidy and concessions will be made available for market development and brand promotion for marketing of Milk Processing and Milk Products Manufacturing Units:

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

- (iii) 50 percent of the unit cost subject to a maximum of Rs. 5.00 lakh per beneficiary on sending sample of the product to other countries to encourage the export of the products by them to the milk processing units established in the state. This subsidy will be limited to one unit to one country and one sample.

#### **4.4- Provision for Standardization Incentive**

A subsidy of maximum Rs. 5.00 lakh. will be reimbursed as under the Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022, for the purpose of grading and standardizing the products of the milk processing-based units and cattle feed manufacturing units related to Micro, Small and Medium Enterprises (MSME) for Internationally acceptable quality/environmental certification and accreditation such as ISO-14001, ISO 22000, HACCP and Sanitary/Phytopsanitary certification etc. (50% against the fees and testing charges actually paid ).

#### **4.5-Provision for Patent/Design Registration**

Under the Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022, organizations such as Milk Processing and Milk Products Manufacturing Unit, cattle Feeds and cattle Nutritional Products Manufacturing Unit, Milk Processing Unit under Micro, Small and Medium Enterprises (MSMEs) will be provided a one-time subsidy of 75 percent of the fees paid to the institutions, a maximum of Rs. 5.0 lakh subsidy reimbursement towards registration of patents/designs.

#### **4.6-Electricity Duty**

After providing the assessment of the amount admissible by the Electricity Department from the departmental budget, electricity duty paid for new milk processing units in a period of 10 years will be reimbursed. This reimbursement will be done only for power purchase from State Electricity Distribution Companies or Electricity Distribution Licensees.

#### **4.7-Stamp Duty**

The amount of stamp duty paid for the purchase of land or leased land for the Unit established under this policy shall be reimbursed from the departmental budget on the basis of estimates provided by the Stamp Department Government of U.P.

For determination of the eligibility of the proposals under this policy on the principle of 'first come first serve' shall be applied area/category-wise as mentioned in Para-3, as determined by Government. The 'first' projects shall be those, which have been sanctioned for incentive under the policy and subsequent government orders. The payment of incentive for the Unit shall be done only after the commencement of commercial operations.

### **5. Human Resource Development**

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

(ii) Training will be given for upgradation of the technical and financial skills of Managers, professionals and employees of Micro and Small Units related to Milk Industry like-Farmer Producer Organization (F.P.O.), Milk Producer Companies (M.P.C.) and Co-operative Societies.

(iii) Government/Semi-Government and national level reputed institutions will conduct the above training, as prescribed by the government.

## **6. Dedicated Portal and Database Management and Project Facilitation Centre**

(i) A dedicated portal for implementation and monitoring of this policy will be developed and operated by Dairy development department. It will be integrated with relevant portals like Udyog Bandhu/Nivesh Mitra etc., so that one applicant cannot apply separately in different departments. All the applications will be submitted on this portal by the beneficiaries under the milk policy and to promote Ease of doing business.

(ii) Establishment of Database Management and Project Facilitation Centre at Headquarter level in the Milk Commissioner's office for technical support and data analytics-based activities in the implementation of this policy. This centre will be operated by subject experts, in collaboration with domain experts and will maintain coordination with Udyog Bandhu at district and state level. The submitted application through the portal will be examined by this Centre and the report will be forwarded to the pre-appraisal committee constituted at the headquarter level.

## **7. Reform of Pradeshik Cooperative Dairy Federation Limited (PCDF Ltd.)**

7.1- Various areas will be explored to reform the PCDF in partnership with other progressive cooperative institutions or private institutions and improvement shall be made.

7.2- Public investment will also be promoted for the purpose of reforming the PCDF and benefits of various schemes run by the Central Government will also be used.

7.3- The marketing system of milk being collected by the milk societies shall be liberalized. But the first priority of milk supply will be that of the milk union.

## **8. Implementation and monitoring of milk policy**

### **8.1- State Level Empowered Committee**

Under the Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022, State level empowered committee will be constituted, as may be prescribed by the government under the chairmanship of Agriculture Production Commissioner, Government of Uttar Pradesh for implementation and monitoring of the provisions.

Secretaries in-charge of the relevant departments will be its members. In addition to representatives of cooperative organizations, representatives of industries and technical experts are also members of this committee. Secretary-in-charge, Department of Dairy Development, Government of Uttar Pradesh will be its member-secretary.

### **8.2- Appraisal Committee for Evaluation and Examination at Administrative Department level**

Under this policy, on the basis of proposals submitted by the Pre-Appraisal Committee at the government level an Appraisal committee under the chairmanship of Secretary in-charge, Dairy Development Department for evaluation and Examination shall be constituted, as may be prescribed by

the Government. Officers of the concerned departments, Technical experts, finance experts will be its members and Milk Commissioner, Dairy Development, Uttar Pradesh will be the member-secretary of this committee.

### **8.3-Pre-Appraisal Committee for Evaluation and Examination at HQ Level**

The proposals received under this policy are to be evaluated and examined at the headquarter level. Pre-appraisal committee will be constituted under the chairmanship of Milk Commissioner, Dairy Development, Uttar Pradesh, as prescribed by the Government. In this, other officers of Dairy Development Department, Finance Controller and technical experts will be the members.

### **8.4- Implementation and monitoring of the project at district level**

The activities done under this policy will be monitored by the District Magistrate. This will be done through Udyog Bandhu. For this purpose, Deputy dairy Development officers will be a nominated as members in -a Udyog Bandhu committee.

**8.5-** Constitution of a Group of Technical experts to prepare Shelf of projects covered under policy will be formed.

## **9. Nodal Department**

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

## **10. Miscellaneous:**

10.1- The State Level Empowered Committee will be competent to elaborate or explain any provision of the Policy.

10.2- Implementation of the policy will be ensured by the Dairy Development Department by issuing necessary Government orders and guidelines in a time bound manner.

10.3- Uttar Pradesh Dairy Development and Milk Products Promotion Policy-2022, will be effective for 05 years from date of notification. Those units, which have been granted various subsidies/concessions before the new policy issuance under the Uttar Pradesh Milk Policy-2018 will continue to receive balance benefits as per the provisions of Uttar Pradesh Milk Policy-2018.

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

**(Dr. Rajneesh Dube)**

Additional Chief Secretary  
Dairy Development  
Department.