MILKFED PUNJAB

CITIZEN’S CHARTER

MARCH, 2010
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MILKFED-PUNJAB

The Punjab State Cooperative Milk Producers’ Federation Limited popularly known as MILKFED Punjab, came into existence in 1973 with a twin objective of providing remunerative milk market to the Milk Producers in the State by value addition and marketing of produce on one hand and to provide technical inputs to the milk producers for enhancement of milk production on the other hand.

Although the federation was registered much earlier, but it came to real self in the year 1983 when all the milk plants of the erstwhile Punjab Dairy Development Corporation Limited were handed over to Cooperative sector and the entire State was covered under Operation Flood to give the farmers a better deal and our valued customers better products. Today, when we look back, we think we have fulfilled the promise to some extent. The setup of the organisation is a three tier system, Milk Producers Cooperative Societies at the village level, Milk Unions at District level and Federation as an Apex Body at State level. MILKFED Punjab has continuously advanced towards its coveted objectives well defined in its byelaws.

Presently, about 6500 village level Societies having about 3.65 lacs farmers as members are functioning and supplying fresh milk to Milkfed through concerned District Milk Producers Unions.

11 District Cooperative Milk Producers’ Unions Ltd. covering entire State of Punjab with 9 Milk Plants are affiliated to Milkfed. The handling capacity of these 9 Milk Plants is 15.25 lacs litres per day,

Milkfed has two Cattle Feed Plants with 300 MT’s manufacturing capacity per day. Different types of cattle feed like ISI Type II, High energy & By-Pass etc. is being manufactured as per the requirement of milk producers. Besides, Milkfed has also introduced buffalo feed which has rich fat contents and meets the nutritional requirement of buffaloes.
Mission

Our mission is to be a leader in Dairy Industry in terms of quality of products. To support the Milk Producers in uplifting their rural economy, make all the Milk Unions viable and ensure quality Milk & Milk Products to consumers.

Vision

Our vision is to give best quality and safe products to customers and maximum remunerative price & technical inputs facilities to Milk Producers at village level. To achieve sales turnover of Rs. 2500.00 Crores by 2014-15 by ensuring more than 20% growth every year.

Objectives

a) To bring prosperity to Milk Producers in the State through assured market and remunerative prices all round the year.

b) To provide fresh hygienic milk to urban consumers at reasonable rates.

c) To ensure viability and growth of Milk Unions by converting surplus milk into products and ensure their marketing.

d) To modernize existing Plants and upgrade technology from time to time.

FUNCTIONS:

- To carry out activities for promoting production, procurement processing and marketing of milk and milk products for economic development of the farming community.

- Development and expansion of such other allied activities as may be conducive for the promotion of the Dairy Industry, improvement and protection of milch animals and economic betterment of those engaged in milk production.

- Purchase and/or erect building, plants, machinery and other ancillary equipment to carry out business.
• Establish research and quality control laboratories.
• Make necessary arrangements for transport of milk, allied milk products & commodities.
• Advise, guide, assist and control of the Milk Unions in all aspects of management, supervision and audit functions.
• Arrange to impart training to staff of all the member Unions and Societies.
• Market its products under its own trade mark/brand name with its Member Union’s trade mark/brand name. For marketing such products in up country market, Milkfed may open its Sales offices anywhere in the country.
• Promote the organisation of primary societies and assist members in organisation of Primary Societies.
• Advise the member Unions on price fixation, Public relations and allied matters.
• Undertake periodical supervision and statutory audit of the member Unions and the Societies affiliated to its member Union if authorised by the Registrar, Federation will have also powers to recommend liquidation of any member Union.
• Undertake or assist programmes of market research and development.
• Establish a Research & Development Association having independent existence to contribute to its funds and to raise funds for the same from member Unions as may be decided by the Board.
• Encourage fodder production by members or members of the affiliated societies.
• To own and rear herd of cattle as may be required to undertake the breeding programmes in the area.
• Prescribe and enforce standards of quality of dairy and allied products to be marketed by the Federation.
• Plan overall production programme of the Federation and its members keeping in view the market strategy.
• To undertake export of dairy and allied produce.
• To provide financial assistance/credit facilities to member Unions
MILKFED GROWTH RATE AT A GLANCE

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>UNIT</th>
<th>04-05</th>
<th>05-06</th>
<th>06-07</th>
<th>07-08</th>
<th>08-09</th>
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<td>FUNCTIONAL SOCIETIES</td>
<td>CUMMU.NOS.</td>
<td>6104</td>
<td>6101</td>
<td>5989</td>
<td>6155</td>
<td>6432</td>
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<td>MEMBERSHIP</td>
<td>CUMMU.NOS IN LACS</td>
<td>3.56</td>
<td>3.63</td>
<td>3.60</td>
<td>3.62</td>
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<tr>
<td>AVG. DAILY MILK PROC</td>
<td>LKG SPD</td>
<td>7.81</td>
<td>7.82</td>
<td>7.78</td>
<td>8.21</td>
<td>9.21</td>
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<tr>
<td>PEAK MILK PROC</td>
<td>LKG SPD</td>
<td>11.64</td>
<td>11.37</td>
<td>11.54</td>
<td>12.39</td>
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<td>A.I. CLUSTER SOCS.</td>
<td>COOMU.NOS.</td>
<td>341</td>
<td>388</td>
<td>433</td>
<td>504</td>
<td>595</td>
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<td>FODDER SEED SUPPLIED</td>
<td>M.Ts.</td>
<td>400.30</td>
<td>430.00</td>
<td>500.00</td>
<td>572.00</td>
<td>802.00</td>
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<td>CATTLE FEED SOLD</td>
<td>M.Ts.</td>
<td>66970</td>
<td>66750</td>
<td>73577</td>
<td>86174</td>
<td>93751</td>
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<td>AVG. DAILY CITY SUPPLY</td>
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<td>5.67</td>
<td>5.81</td>
<td>6.16</td>
<td>6.58</td>
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<td>42.49</td>
<td>41.92</td>
<td>61.11</td>
<td>56.38</td>
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<td>LAC PACKETS</td>
<td>12.20</td>
<td>16.89</td>
<td>19.16</td>
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<td>31.97</td>
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<td>SALE OF ICE-CREAM</td>
<td>LAC LITRES</td>
<td>10.23</td>
<td>12.18</td>
<td>15.61</td>
<td>17.68</td>
<td>16.06</td>
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<td>EXPORTS</td>
<td>RS.IN LACS</td>
<td>1142.28</td>
<td>713.67</td>
<td>1140.35</td>
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<td>1500.00</td>
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<td><strong>TURNOVER</strong></td>
<td><strong>RS.IN CRORES</strong></td>
<td><strong>653.00</strong></td>
<td><strong>675.00</strong></td>
<td><strong>760.00</strong></td>
<td><strong>931.00</strong></td>
<td><strong>1150.00</strong></td>
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**SCHEMES BEING IMPLEMENTED:**

A. **MAKING COMMUNITY BASED SILAGE PITS TO FULLFIL SHORTAGE OF GREEN FODDER IN KANDI AREAS.**

Milkfed has started community based silage pits in Kandi area of Hoshiarpur and Gurdaspur, which are solely dependent on rains. Scarcity of water seasonally and at times due to failure of monsoon it its year
round which result in scarcity of fodder for long duration. Importing fodder and even straw at high price increases the cost of production of milk making the activity unviable. The objective of this scheme is to enhance milk production in the Kandi area by minimizing the cost of production by ensure availability of green preserved fodder in the shape of silage during scarcity period. The Federation has constructed 50 silage making pits at Milk Producers Cooperative Society Level. It has equipped them with fodder chaffing machines to preserve available green fodder as silage. The society recovers its costs from member when they buy silage from the society. This scheme has been a success and numbers of societies have shown interest in this scheme.

One of the silage pits made in Kandi area of Gurdaspur District.

B. PROVIDING MILKING MACHINES TO DAIRY COOPERATIVE SOCIETIES AND PROGRESSIVE DAIRY FARMS.

Milkfed Punjab with a view to produce clean milk and to prevent disease like Mastitis, and to upgrade the milking technology has initiated a
scheme for providing milking machines to Dairy Cooperative Societies & Progressive Dairy Farms. This will also reduce the milking time and any other contamination & thus reducing the somatic cell count. With these machines even ladies are able to take care of a large herd as they don't have to depend on others to milk their cows. Milkfed provides 50% cost of the milking machine of the choice of farmers. Till now approximately 1000 milking machine have been installed in its milkshed area and an amount of Rs. 2.00 Crores has been given to member producer as subsidy.

Milking Machines installed at one of the dairy farms.

C. **INDUCTION OF MORE THAN 1200 COMMERCIAL DAIRY FARMS IN THE FOLD OF DAIRY COOPERATIVES.**

Procurement policy of Milkfed over the years was mainly focused for small & marginal farmers. With this policy milk procurement remained static for last 3-4 till 2006-07 years. In order to increase milk procurement Milkfed take off in a big way in the shortest possible period by shifting over in a phased manner from 2-3 milch animals to setting up of Commercial Dairy Farms of animals ranging between 20 to 200 cattles per Unit without disturbing present milk procurement system. Upto 31-3-09 Milkfed was in a position to bring around 1000 such Dairy Farms within the fold of Dairy Cooperatives. The Federation has a plan to induct
500 more Dairy Farms in the Cooperative fold during the year 2009-10 out of which more than 200 Commercial Dairy Farms have been included upto December, 2009.

Hi-tech commercial dairy farm brought under cooperative fold in District Ropar.

D. **WOMEN EMPOWERMENT PROGRAMME.**

Milkfed realized that Women participation in Dairy Cooperatives can help Rural women in becoming self confident, self reliant and can run Dairy Cooperatives more efficiently. Milkfed Punjab has undertaken Women Dairy Project in six districts namely Hoshiarpur, Ropar, Patiala, Jalandhar, Ludhiana and Amritsar under Support to Training & Employment Programme (STEP) at an out lay of Rs.8.37 crores with 90% grant from Govt. of India. Under this 390 women Dairy Cooperative Societies have been organized having around 20000 women beneficiary members. It is fact that at the household level dairying is largely the domain of women especially in small and marginal household families.
STEP Scheme constitutes providing support services for organizing, nourishing the Cooperative Societies for sustainable functioning. The process is coupled with creating awareness campaigns for the member women concerning management of the societies, enhancement of milk production by providing Breeding, Feeding and Managerial services to the beneficiaries. The programme also addresses the gender mainstreaming, health orientation and exposure of the member women to the process of empowerment in economic, social, political and legal sectors. Under this programme, Govt. of India has released Rs.591.46 lacs for implementation of the scheme.

During the year 2009-10, the Federation has a plan to prepare similar Project for remaining five Districts i.e. Sangrur, Bathinda, Faridkot, Ferozepur and Gurdaspur and has approached Govt. of India for sanctioning of Project & release of funds. In these districts 400 new exclusive Women Dairy Cooperative Societies would be organized with membership of 20,000.
E. **ESTABLISHMENT OF INTEGRATED BUFFALO DEVELOPMENT CENTRES IN KANDI, BET, TRANS, GHAGAR AND BORDER AREA OF PUNJAB.**

Fall in productivity of buffalo has been a cause of concern for Punjab. Buffalo being predominantly with poorer farmers has been hurting them resulting in closure of buffalo farms. To reverse the situation by improving the milk yield of buffaloes, Milkfed is going to implement the project through NGO for establishment of Integrated Buffalo Development Centre (IBDC). The funds under the project will be funded under RKVY Scheme of Govt. of India. Under this project 600 IBDC will be established and each of this IBDC will be operated by a local educated unemployed youths and will cover 5-6 villages with a radius of 5 Kms. to 10 Kms. The tendering process has been started and we are expecting to award the work by end of November. The objectives of the scheme are as under:-

a) To increase the percentage coverage of breedable population of buffaloes and cows under A.I. Programme.

b) To create an appropriate economic and production environment for the small dairy farmers who have very poor access to the existing services.

c) To improve productivity of the local milch animals, especially the buffalo through artificial insemination, balanced feeding, deworming, first aid services, vaccination and management.

d) To minimize the infertility problems through proper treatment of the animals by organizing infertility camps.

e) To reduce the risk of milch animals and calf mortality by protecting them through prophylactic vaccinations.
F. STATE DAIRY PLAN 2022

A workshop has been conducted by National Dairy Development Board and IIM, Ahmedabad/Banglore on 18.11.09 at Chandigarh in which the development of State Dairy Plan goals and objectives have been fixed.

National Dairy Development Board, which is the leading Dairy Development agency, has proposed a draft National Dairy Development Plan to increase the Milk Production from the current level of 102 Million tones to meet the projected demand of 180 Million tonnes by 2021-2022.

The National Dairy Plan focus on :-

i) Productivity measures to enhance milk production as the average annual increment production will have to increase from 2.5 Million tones now to 5 Million Tonnes over the next 15 years, and

ii) Strengthening and expanding infrastructure to procure, process and market milk through existing and new institutional structures.

The plan proposed to increase the share of organize section in milk production to 65% from the current 30% to ensure supply of quality milk to consumers.

Based on the above goals, National Dairy Development Board is developing a State Dairy Plan. As per the rough estimates under State Dairy Plan, MILKFED is working on an ambitious plan to increase its milk procurement to 48 lakh Kg/day by 2020. This will require huge efforts from all concerned for procurement, processing and marketing. We will have to increase our processing capacities by adding at least two fully automated mega dairies of about 10 lakh kg/day capacity. Each such dairy
will cost Rs.150 Crore. We are planning one each at Mohali and other at Sangrur (owned by Milk Union Ludhiana) and a new Powder Plant at Jalandhar of capacity 60 MT/day. MILKFED is planning to build a new 500 TPD Cattle Feed Plant at Khanna. We are also planning strengthening of Semen Station Capacity from 10 lac doses per year to 20 lac doses per year with the purpose to launch a Mega Breeding Programme for upgradation of Buffaloes and Cattles. Besides it is envisaged that all the Cooperative Societies are covered with the latest technology Automatic Milk Collection Systems to bring transparency and Bulk Milk Coolers for instant chilling of milk. This will help improving our supply chain of fresh milk and milk products. The most likely size of this plan is going to be around Rs.1500 Crore to be spent in 10 years. In the next 5 years Milkfed is planning to undertake the following projects:

- One Mega Dairy of 10 Lac Ltrs. Capacity per day.
- One Cattle Feed Plant of 500 MT per day at Khanna.
- Hi-Tech Semen Station of 10 Lac doses per annum.
- To cover all Milk Producers Cooperative Societies with the latest technology Automatic Milk Collection System and Bulk Milk Coolers for instant chilling of milk.

**CAPACITIES TO BE CREATED OUTSIDE PUNJAB**

Besides Projects coming up in the State Development Plan the following capacity creation projects are being planned at Federation level for gainfully utilisation of surplus milk available:

1) Milk Packing Station at Dehradun Capacity 50,000 Ltrs. Per day with budgetary outlay of Rs.10.00 Crores.
2) Milk Packing Station at Jammu capacity 50,000 Ltrs Per day with budgetary outlay of Rs.10.00 Crores.

3) Milk Packing Station in NCR of capacity 1.00 lac ltr. Per day expandable to 2.00 lac Per day with budgetary outlay of Rs.20.00 Crores.

**G. EXPANSION OF CATTLE FEED PLANTS**

At present Milked has two Cattle Feed Plants namely Cattle Feed Plant, Khanna and Ghania-ke-Banger of capacity 200 MTPD and 100 MTPD respectively to cater needs of Dairy Farmers of Punjab. With the aggressive extension work done by Milkfed and its affiliated Milk unions the demand of cattle feed has been increased considerably rather both the Cattle Feed Plants are running above 100% capacity.

Now, it has become difficult to meet the increasing demand of cattle feed with the existing capacity of Plants and future requirements, therefore, Milkfed has decided to expand the capacity of both the Cattle Feed Plants by 100 MTPD capacity. Milked is in process to undertake expansion of both the Cattle Feed Plant on turn-key basis from NDDB along with Term Loan at 8.5% interest which is linked with PLR of S.B.I.

Latest technology bypass protein plant installed at cattle feed plant, Khanna.

The total estimated cost for expansion and modernization of existing Cattle Feed Plants, Khanna from 200 MTPD to 300 MTPD would be
Rs.4.85 crores and for Cattle Feed Plant, Ghania-ke-Banger for expansion from 100 MTPD to 200 MTPD would be Rs.2.30 crores. Both the Cattle Feed Plants are profit making units since their installation.

**REHABILITATION OF MILK UNIONS UNDER GOVT. OF INDIA SCHEME**

Govt. of India has a Central Sector Plan Scheme “Assistance to Cooperatives” to provide financial assistance to Milk Unions suffering losses. Under this scheme financial assistance is being provided on 50:50 sharing basis between Govt. of India and Govt. of Punjab. The main objective of the schemes to provide assistance to such Milk Unions which are suffering losses to bring them out of red and serve the Milk Producers in a better way.

Six Milk Unions of Milkfed Punjab namely Jalandhar, Hoshiarpur, Bhatinda, Amritsar, Sangrur and Gurdaspur are under Rehabilitation. Rehab Projects of all these Milk Unions except Sangrur and Gurdaspur have been approved by Govt. of India and Govt. of Punjab has already released Rs.10.00 Crores @ 5.00 Crores each in the year 2007-08 & 2008-09 and Govt. of India has also released Rs.640.93 lacs to Milk Unions. Milk Unions wise outlay approved and funds releases are as under:

(Rs. In lacs)

<table>
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<tr>
<th>Milk Union</th>
<th>Total Outlay</th>
<th>Amount Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jalandhar</td>
<td>622.36</td>
<td>300.00</td>
</tr>
<tr>
<td>Hoshiarpur</td>
<td>231.86</td>
<td>231.86</td>
</tr>
<tr>
<td>Bhatinda</td>
<td>1360.00</td>
<td>300.00</td>
</tr>
<tr>
<td>Amritsar</td>
<td>1450.00</td>
<td>450.00</td>
</tr>
<tr>
<td>Milkfed</td>
<td>-</td>
<td>359.07*</td>
</tr>
<tr>
<td>Total</td>
<td>3664.22</td>
<td>1640.93</td>
</tr>
</tbody>
</table>

*Unspent amount from GOP grant lying with Milkfed for release to Milk Unions on receipt of matching grant from GOI

Rehab Projects of Milk Union Gurdaspur has been submitted to Govt. of India for consideration and approval. Rehab Plan of Milk Union Sangrur is under appraisal with NDDB and likely to be submitted to Govt. of India and latest by the end of February, 2010.
IMPROVEMENT OF QUALITY BY INVESTING IN LATEST TECHNOLOGY

Milkfed Punjab always endeavours to be leader in market in milk & milk products quality and we never miss an opportunity to carry out investments in latest technology, which can help in improving the quality. This approach has helped us to be number one Pouch Packed Milk Supplier in Chandigarh, Punjab and Himachal and our Milk Powder is sold minimum in market.

We are in a position to carry out export of our Desi Ghee to many countries in the near future. We propose to carry out the following investments towards improvement in quality.

a) Two Nos. Latest Milk Analyzer of high capacity i.e. Model FT 120 of FOSS Denmark will be installed at Ludhiana and Mohali at an approximate cost of Rs.60.00 lacs each. These Milk Analyzers can analyze Milk FAT, SNF, Lactos, added water etc. at a very fast speed.

b) We also propose to install minor milk analyzer manufactured by FOSS Denmark at all other Dairy Plants to test the milk proteins Lactos, SNF and Water, which can ensure quality of milk as far as adulteration of milk with spurious products for increasing SNF Protein is concerned.

c) We have already installed 1125 Automatic Milk Collections and 1301 Electronic Milk Tester at our Village Level Cooperative Societies. However we are in the process of install AMCs with facilities to analyze SNF alongwith FAT at our Chilling Centres and at most of the viable Milk Cooperatives Societies.

d) Large number of Bulk Milk Coolers for chilling of milk at village level Milk Producers Cooperative Societies likely to be installed in the coming years.
Milkoscan FT 120, The Versatile Dairy Analyser

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