

Cabinet approves revised national program for dairy development

March 19, 2025

Synopsis

The Union Cabinet, chaired by Prime Minister Narendra Modi, approved the Revised National Program for Dairy Development with a budget increase to Rs 2790 crore for 2021-2026. Aimed at modernizing and expanding dairy infrastructure, the program targets better market access and higher incomes for farmers, alongside generating employment.

The Union Cabinet, chaired by Prime Minister Narendra Modi, on Wednesday approved the Revised National Program for Dairy Development (NPDD), an official statement said.



The Revised NPDD, a Central Sector Scheme, has been enhanced with an additional Rs1000 crore, bringing the total budget to Rs 2790 crore for the 15th Finance Commission cycle (2021-22 to 2025-26). This initiative focuses on modernizing and expanding dairy infrastructure, ensuring the sector's sustained growth and productivity, it said.

The revised NPDD will impetus the dairy sector by creating infrastructure for milk procurement, processing capacity, and better quality control. It is intended to help farmers gain better access to markets, ensure better pricing through value addition, and improve the efficiency of the supply chain, leading to higher incomes and greater rural development.

The scheme consists of two key components: Component A is dedicated to improving essential dairy infrastructure, such as milk chilling plants, advanced milk testing laboratories, and certification systems.

It also supports the formation of new village dairy cooperative societies and strengthens milk procurement and processing in the North Eastern Region (NER), hilly regions, and Union Territories (UTs), especially in remote and backward areas. As per the statement, Component A also supports the formation of 2 Milk Producer Companies (MPCs) with dedicated grant support. Component B, known as "Dairy through Cooperatives (DTC)," will continue to foster dairy development through cooperation with the Government of Japan and the Japan International Cooperation Agency (JICA), as per the agreements signed.

The release said this component focuses on the sustainable development of dairy cooperatives and improving production, processing, and marketing infrastructure in the nine States (Andhra Pradesh, Bihar, Madhya Pradesh, Punjab, Rajasthan, Telangana, Uttarakhand, Uttar Pradesh, and West Bengal). The implementation of NPDD has made a huge socio-economic impact. It has already benefitted over 18.74 lakh farmers, created over 30,000 direct and indirect jobs, and increased milk procurement capacity by an additional 100.95 lakh litres per day.

The NPDD has also supported the promotion of cutting-edge technology for better milk testing and quality control. Over 51,777 village-level milk testing laboratories have been strengthened, while 5,123 bulk milk coolers with a combined capacity of 123.33 lakh litres have been installed. In addition, 169 labs have been upgraded with Fourier Transform Infrared (FTIR) milk analysers, and 232 dairy plants now have advanced systems for detecting adulteration, as per the statement.

It further added that the Revised NPDD is expected to establish 10,000 new Dairy Cooperative Societies, processing in the NER, and the formation of 2 Milk Producer Companies (MPCs) with dedicated grant support in addition to the ongoing projects of NPDD, to generate an additional 3.2 lakh direct and indirect employment opportunities, particularly benefiting women, who constitute 70 percent of the dairy workforce.

The statement further added that the Revised NPDD will transform India's modern infrastructure in sync with White Revolution 2.0 and will further support the newly formed cooperatives by providing new technology and quality testing labs.

This program will help improve rural livelihoods, generate jobs, and build a stronger, more resilient dairy industry that benefits millions of farmers and stakeholders across the country.

Source: <https://economictimes.indiatimes.com/news/economy/agriculture/cabinet-approves-revised-national-program-for-dairy-development/printarticle/119212394.cms>