

R.O.C.No.14020 /PP1/20

O/o the Director of Animal Husbandry
and Veterinary Services,
No.571, Annasalai, Nandanam,
Chennai-35, Date 23.07.2020

From
The Director of Animal Husbandry &
Veterinary Services,
Chennai - 35.

To
List enclosed.

Sir

Sub : Animal Husbandry Department - Animal Husbandry
Infrastructure Development Fund for Rs.15,000 crores -
Seeking fund for dairy, meat and processing units-
Regarding.

Ref: Govt Ir no.7396/A&C.2/2020-1, dated 21.07.20

You may be aware that animal husbandry and dairying constitutes an important economic activity in Tamil Nadu, supporting the economy for nearly 60% of the rural population. It is also an accepted fact that rural employment and incomes can be boosted by the growth of this sector. In recent years, livestock output has grown at a rate of about 5% a year, which is higher than the growth in agricultural sector. Tamil Nadu contributes 5.287% to the total value of output from livestock in the country. The contribution of livestock sector to the Gross State Value Added (GSVA) is 5.47% and that to the Agriculture and allied activities is 45.62%. During 2011-12 the gross value added estimate (at current prices) of livestock which was Rs.26,179.44 crore in the State increased to Rs.78,744.09 crore during 2018-19.

Food Processing potential in Tamil Nadu

Food processing sector is considered as a sunrise sector that provides immense opportunities for farmers and processors alike. The availability of a large raw material production base in Tamil Nadu promises significant scope for the development of this sector in Tamil Nadu. As per the 19th quinquennial livestock census, Tamil Nadu ranks 1st in respect of Poultry, 4th in Sheep, 7th in Goats, 13th in Cattle and 14th in Buffalo population in the country. Tamil Nadu, possess 4.438% of India's livestock population and contributes 4.39% to our

country's milk production and 7.881% to meat production. The State produces 18.291% of the total eggs produced in India, next only to Andhra Pradesh (18.671%).

The estimated milk production, which was 54.74 lakh Metric Tonnes (LMT) during 2005-06 in Tamil Nadu increased to 77.42 LMT during 2017-18. Likewise, the estimated egg production which was 62,225 lakh numbers during 2005-06 has increased to 1,74,161 lakh numbers during 2017-18 and the estimated meat production (including poultry meat) which was 1,18,616 MT during 2005-06 increased to 6,03,352 MT during 2017-18.

With a majority of the population consuming products of animal origin, there is a good opportunity for increasing the processing capacity of meat by establishing facilities for egg and meat processing. With a steady increase in production of livestock products, the scope for investments in food processing sector is enormous. Given the raw material supply advantage and a population that spend a high proportion of their disposable income on food, there is a potential to nurture mutually beneficial relationships with food processing, food retail and related supply chain organizations who could realize significant business growth opportunities.

Food processing is a priority sector for the Government of Tamil Nadu. With total consumption of the food and beverage segment in India expected to increase from US\$ 369 billion to US\$1.142 trillion by 2025, output of the food processing sector (at market prices) is expected to increase to US\$ 958 billion for the same period. Immense opportunities are available in processing, food retail, transport, logistics and related infrastructure sectors to players in the food processing value chain.

Among the segments which are growing at a very fast pace in India, the segments of Dairy food Savory snacks / Ready meals, Pet food, and Bakery are witnessing high growth opportunities for existing as well as new industry players. These segments are dependent on the raw material base of Animal Husbandry sector including milk, meat, eggs, meat by products like blood, animal casings, and hence the development of animal husbandry sector is important for growth in food processing sector.

An indicative scope for food processing in Products of livestock origin is given below.

1. Opportunities for investment in Dairy / Milk sector

Dairy Production by establishing large commercial dairy units besides establishing facilities for Primary Processing like Grading and Refrigeration, Secondary Processing facilities like establishing processes for diversification and preparation of products, Tertiary Processing including production of value added products. Opportunities are also available in production / manufacturing of Dairy/Food Processing and packaging Equipment, different dairy cultures, including dairy biologics, enzymes, probiotics, and other coloring materials for food processing and Manufacture of Ingredients involved in the making of different dairy products like ghee, condensed milk, and cheese etc.

2. Opportunities for investment in Feed and Fodder production

Establishing fodder banks, Conservation and storage of dry fodder and establishing Mini and major cattle feed plants, Urea-molasses brick manufacturing units, compound feed manufacturing units, complete feed block making units.

3. Opportunities for investment in eggs, meat and meat products sector

Modern processing and cold chain infrastructure is a huge opportunity given the changing preference of Indian consumers for clean and safe meat and meat products.

In this context, **the Government of India has announced the implementation of Animal Husbandry Infrastructure Development Fund at an overall outlay of Rs.15,000 crore for the establishment of Dairy, meat and poultry food processing industries.**

The salient features of AHIDF are

- Eligible entities are Farmer Producer Organisations, Private companies, Individual Entrepreneur, Section 8 companies and MSME
- Eligible activities for availing benefits are Dairy processing and Value added products, Meat processing and value added products, Animal feed manufacturing facilities and strengthening of existing plants including mini, medium and large animal feed plant, TMR block making unit, Bypass protein unit, mineral mixture plant, enriched silage making unit and feed testing lab.

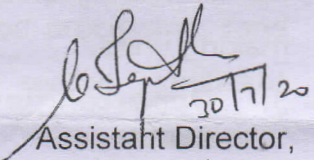
- Loan upto 90% of project cost through scheduled bank, 10% beneficiary contribution for Micro and small enterprises and 15% for Medium enterprises and 25% for other categories with 3% interest subvention.

The guidelines for implementation of the Scheme are annexed along with.

I request that the same may be widely circulated among the members of your organization and make them aware of the opportunities. I request that you may make the best use of the opportunities for a mutually beneficial partnership which will be a win-win situation for both the farmers and entrepreneurs. Any clarifications in this regard will be provided by our officials in your District. You may also approach this office for further information.

Sd/-A.Gnanasekaran,
Director,
Animal Husbandry and Veterinary Services,
Chennai-35

// true copy forwarded //


30/7/20
Assistaht Director,
Animal Husbandry and Veterinary Services,
Chennai-35