

critical component. Further, productivity of quality seed and planting material is to be upgraded which is critical for resource generation.

1.6.2 Against an expenditure of Rs.77.00 crore during the 11th Five Year Plan , an outlay of Rs.300.00 crore has been provided in 12th Five Year Plan. Against an expenditure of Rs.10.00 crore during 2011-12, an outlay of Rs.60.00 crore is provided in the Annual Plan 2012-13.

1.7 AGRICULTURAL FINANCIAL INSTITUTIONS

Ongoing Scheme

State Funded Scheme

AFI - 1 State Government contribution in the purchase of debentures of SADB

Outlay -Rs.1.00 crore

1.7.1 The Punjab State Cooperative Agricultural Development Bank is engaged in meeting the long term credit requirements of the farmers for the improvement of land, methods of cultivation, mechanization of farms, minor irrigation, soil conservation works, development of horticulture etc. and the diversified activities such as dairy farming, poultry farming, sheep/piggery, fish farming etc. in the state. The bank is advancing the loans for these developmental obligations of the state government in the interest of the increased agricultural production and to improve the economic conditions of the farming community in the state.

1.7.2 Under this scheme funds for advancement of long-term loans are collected through floating of debentures. In these debentures major contribution of 90% is subscribed by NABARD, whereas, the remaining 10% is subscribed by the state government and Government of India on matching basis i.e. 5% each. The Government of India's contribution is received on recommendations of NABARD. As such, with a small contribution from the state government of 5%, the bank collects the remaining 95% of funds from outside the state resources which are utilized for the development of the state.

1.7.3 Against an expenditure of Rs.12.00 crore during the 11th Five Year Plan , an outlay of Rs.5.00 crore has been provided in 12th Five Year Plan. Against an expenditure of Rs.1.00 crore during 2011-12, same outlay is provided in the Annual Plan 2012-13.

1.8 COOPERATION

Outlay – Rs.23.01 crore

1.8.1 Cooperative movement is very crucial for the agriculture sector of the state which has gained momentum in the post green revolution period by availing the facilities of

co-operative infrastructure, particularly ready and remunerative market for agricultural produce through creation of sufficient processing capacity pertaining to sugarcane, cotton & other agricultural produce. Today, co-operatives have pervaded almost all spheres of life including credit supply of articles of daily consumption, housing, milk supply & industrial cooperatives. It is imperative to sustain the cooperative credit structure to provide adequate financial assistance to the farmers.

1.8.2 Against an expenditure of Rs.57.26 crore during the 11th Five Year Plan , an outlay of Rs.128.29 crore has been provided in 12th Five Year Plan. Against an expenditure of Rs.3.50 crore during 2011-12, an outlay of Rs.23.01 is provided in the Annual Plan 2012-13. The major schemes are as under:-

Ongoing Schemes

Centrally Sponsored Schemes

CN-01/2 Financial assistance to dairy cooperatives to meet out their losses (50:50)

Outlay - Rs.5.00 crore

1.8.3 Under Operation Flood Programme launched by NDDB with financial assistance from World Bank and EEC much progress has been made in Punjab in establishing Dairy Cooperative. In the Cooperative Sector in the state there exists adequate facilities for handling, processing and marketing of milk. However, there is a wide gap between potential and performance of District Coop. Milk Unions. Most of the milk unions are saddled with accumulated losses for one reason or the other and have not been operating in viable manner. Further, progress of these milk unions depend on how soon these unions are put back on sound financial base. The financially unviable unions cannot serve the cause of the farmers and the very purpose for which these are established would be defeated. As a step to rehabilitate the financial and economic position. Government of India sanctioned Rehabilitation Project of all the six Milk Unions namely Hoshiarpur, Jalandhar, Bathinda, Amritsar, Gurdaspur & Sangrur. Rehabilitation assistance under this scheme is to be provided on 50% sharing basis by Government of India as well as Government of Punjab.

1.8.4 Against an expenditure of Rs.15.55 crore as 50% Government of India's share and Rs.19.40 crore as 50% state share during the 11th Plan, an outlay of Rs.38.28 crore each as 50% Government of India share and 50% state share has been provided in the 12th Five Year Plan. Against an expenditure of Rs.3.10 crore as 50% Government of India's share and Rs.2.50 crore as 50% state share during 2011-12, an outlay of Rs.5.00 crore each as 50% Government of India's share and 50% state share is provided in the Annual Plan 2012-13.

State Funded Scheme

Ongoing Schemes

CN-02/3 Financial assistance to dairy cooperatives for providing milking machines & other equipments to dairy farms and cooperative societies

Outlay –Rs.1.00 crore

1.8.5 The objective of the scheme is to improve the yield of milk and health of cattles. All farmers of the state having atleast 5-10 milch cattles and engaged in the dairy farming are being covered under this scheme. Milkfed, Punjab is mobilizing to establish commercial dairy units in the state for increasing milk production, milk procurement and upliftment of the rural economy of milk producers, milk cooperative societies & district cooperative milk unions. MOU has been executed with various banks for arranging soft term loan to the dairy farmers for establishment of new units or extension in the existing units. During last three years, Milkfed has been able to bring more than 2000 dairy farmers in the cooperative fold by arranging soft term loan for them.

1.8.6 The Federation shall also provide milking machines and other equipments to the Dairy Farms/Cooperative Societies on 50% subsidy. The cost of one milking machine is around Rs.50,000/- out of which 50% i.e. Rs.25,000/- is to be borne by milk society and balance 50% i.e. Rs.25000/- is subsidized by state government through Milkfed in the shape of grant-in-aid. It is proposed to provide 400 milking machines every year during the 12th Five Year Plan.

1.8.7 Against the expenditure of Rs.1.50 crore for 11th Plan, an outlay of Rs.5.00 crore has been provided in the 12th Five Year Plan. Against the expenditure of Rs.50.00 lac during 2011-12, an outlay of Rs.1.00 crore is provided in the Annual Plan 2012-13.

CN-03/5 Financial Assistance to Dairy Cooperatives for making silage pits for progressive Dairy Farms and Milk Producers in the State

Outlay - Rs.1.00 crore

1.8.8 Due to agro-climatic conditions, there is always shortage of green fodder during the months of May-June and October-November, which results in considerable downfall in milk production of milch animals, whereas during the months of July-August and February-March, there is abundance of fodder production in Punjab. To meet the shortage of green fodder during the months of May-June and October-November, it is proposed that silage making should be encouraged to check the downfall of milk production during these months. It is proposed to provide one time financial assistance for the construction of pucca silage pits of 50 MT capacity to 200 dairy cooperative societies & dairy farms every year during the 12th Five Year Plan.

1.8.9 Against an expenditure of Rs.50.00 lac during the 11th Five Year Plan , an outlay of Rs.5.00 crore has been provided in 12th Five Year Plan. Against an expenditure of Rs.50.00 lac during 2011-12, an outlay of Rs.1.00 crore is provided in the Annual Plan 2012-13.

New Scheme

CN-05 Financial assistance to dairy cooperatives for strengthening/augmentation of dairy processing and production capacities in cooperative sector in Punjab

Outlay – Rs.16.00 crore

1.8.10 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.

1.8.11 Presently the installed capacity of cooperative sector plants put together is 17.25 lakh litres per day. Milk Processing Plants of Milk Union Hoshiarpur, Gurdaspur, Jalandhar and Patiala were set up under the Operation Flood Programme of World Bank for handling the marketable surplus milk produced by the cooperative dairy farmers in these districts. With the passage of time old and obsolete processing equipments needs to be modernized and replaced by the state of art equipment to improve the milk processing/product manufacturing facility and to cut down the processing cost by way of saving the consumption of energy and to make the operations of these milk plants more viable.

1.8.12 In view of the above, for modernization of existing plants, an outlay of Rs.80.00 crore and Rs.16.00 crore has been provided under this new scheme for 12th Five Year Plan and Annual Plan 2012-13 respectively.