Sub: Technical Support to SRLMs on Implementation of Dairy Value Chain Interventions – Recognition of NDDB Dairy Services as DAY-NRLM Support Organization (DNSO)

Dear Sir/Madam,

You may be aware that Deen Dayal Antyodaya Yojna (DAY-NRLM) is a leading poverty alleviation programme under the Ministry of Rural Development, Govt. of India. The central objective of DAY-NRLM is to bring about increase in the household incomes of the rural poor through sustained livelihood enhancements and improved access to financial and non-financial services. In this context, DAY-National Rural Livelihoods Mission has always believed in building partnerships with various stakeholders for improving effectiveness of the implementation of the Mission. As part of this partnership approach, DAY-NRLM has recognized NDDB Dairy Services as one of the DAY-NRLM Support Organizations (DNSO).

Milk is the single largest agricultural commodity in terms of value of output. Dairying in India is more inclusive, compared to crops. With a low Gini coefficient, dairying can play a major role in overcoming the challenge of achieving inclusive growth. Even during droughts, regular income flow throughout the year ensures lower agrarian distress. About 75% farmers are marginal and small in terms of land holding and while they own only 30% of farm land, they own almost 60% of female bovines. Women are the primary caretakers of livestock. About 75% of labourers involved in livestock are women. It has also been observed that a large percentage of SHG members borrow from Community Investment Fund (CIF), made available to them under NRLM, for purchasing milch animals.

The women dairy producers do not have access to any extension services, market information, productive assets that would contribute to plug the gaps in value chain and the critical backward-forward linkages, which can benefit them through value creation and value addition. There is a need to strengthen the existing value chains of the women dairy producers through improvement in the access to some basic resources. Successful interventions in dairy value chain development under NRLM would enable SHG women farmers to gain access to better inputs, linkage to the market and a regular source of income through dairying.

NDDB Dairy Services (NDS), a not for profit company, is a wholly owned subsidiary of the National Dairy Development Board. NDS has facilitated milk producers across India to get access to the market and obtain remunerative prices though establishment of Milk Producer Companies. The team has technical skills and expertise to set up Producer owned Institutions in rural areas and I believe that it will be in our interest to draw on their experience and insights in our work.
I request you to make the best use of this opportunity and establish partnership with NDDB Dairy Services. NDS would be in a position to assist the State Rural Livelihood Missions (SRLMs) in the following areas:

1. **Preparation of Project proposal and DPR:** Assist the SRLM in conducting the preliminary survey and estimation of marketable surplus.

2. **Formation of Producer companies:** Assist the SRLMs in activities for incorporation of the Producer Company, preparation of Memorandum of Association & Articles of Association and the registration of the Producer Company.

3. **Community mobilization:** mobilizing SHG members engaged in dairying into the Milk Producer Companies.

4. **Market linkage:** Assist the milk producer companies in establishing tie-ups with institutional buyers and supply to retail customers.

5. **Capacity Building:** Training of the staff and community members of the Producers’ Company.

In addition to the above mentioned areas, the SRLMs and NDS may mutually agree on other areas of collaboration.

With regards

Yours Sincerely

(Atal Dulloo)

To,

CEOs/ SMDs of SRLMs of 13 NRLP States
CC: MD, NDDB Dairy Services