

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:180

ANSWERED ON:25.07.2005

ASSISTANCE TO MODERNISE DAIRY SYSTEM IN KARNATAKA

Reddy Shri Karunakara G.

Will the Minister of AGRICULTURE be pleased to state:

- (a) the financial assistance provided by the Union Government to the Government of Karnataka to increase the production of milk and milk products during the last three years and the current year;
- (b) whether the Union Government has received request from the Government of Karnataka for providing more assistance to modernize dairy system in the State;
- (c) if so, the details thereof; and
- (d) the reaction of the Union Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a): Financial assistance provided by Government of India to Government of Karnataka to increase the production of milk from 2002-03 to 2004-05 and current year is given below:

Year Amount released (Rs. in lakhs)

2002-03	313.88
2003-04	589.00
2004-05	1592.56
2005-06	

(b)&(d): The Government of Karnataka has executed a Memorandum of Understanding in November 2004 with the National Dairy Development Board (NDDB) to get an assistance of Rs.250 crores from NDDB for undertaking modernisation of dairy system in the State.

A request was received from Government of Karnataka during January, 2005 for release of 30% of Rs.250 crores as grant or reimbursement of interest payable to NDDB on the loan portion of assistance of Rs.250 crores. After seeking clarification from NDDB, the Government of Karnataka was informed that the extent of loan and grant portion of the assistance to the KMF/Milk unions would be determined by NDDB only after the specific proposal/techno economic studies of each milk union/Federation projects are carried out, which will naturally cover the interest costs.