

**DIRECTORATE OF ANIMAL HUSBANDRY & VETERINARY
SERVICES,ODISHA,MANGALABAG, CUTTACK**

EXPRESSION OF INTEREST

Government of India, with the support of Govt. of Odisha and NABARD is going to establish a Poultry Estate with a capacity of 2.00 lakh layer birds in the State of Odisha. The State Level Sanctioning Committee set up by the department of Fisheries and Animal Resources Development Government of Orissa is looking for a reputed agency having proven track record in running poultry hatcheries and establishing poultry farm infrastructure as Facilitator for the project.

The EOI should reach to the undersigned latest by 5.00 pm on 26th April 2010, 5 PM. Interested parties may visit the website <http://www.orissaahvs.com> for further details about the scheme. They should apply with all particulars and proof of their experience. The contact person is Deputy Director, Poultry Development, DAH&VS, Mangalabag, Cuttack (Mob. 09437305390).

Director Animal Husbandry & Veterinary
Services Odisha cum Member Convener, SLSMC

8. Why are you willing to be a facilitator (Please mention in 100 words):

Signature

Name : _____

Seal

Date _____ Place: _____.

**OPERATIONAL GUIDELINES ON CENTRALLY SPONSORED SCHEME
FOR ESTABLISHING “POULTRY ESTATES”**

1. Background

1.1 India produces an estimated 53.5 billion eggs per annum, with per capita availability of 42 per annum. It has recorded an average growth rate of 7-8% over the years. Even more astounding was growth in production of poultry/chicken meat from only 0.12 million metric tonnes in 1981 to 2.0 million metric tonnes presently, a phenomenal growth of 15% per year, on an average. The Indian poultry industry with an annual output value of nearly Rs. 20,000 crore provides direct & indirect employment to about three million people catering primarily to domestic market.

1.2 This has been made possible by policies / interventions of Government, proactive role of private sector and entrepreneurs and large scale funding by the financial institutions. However, these efforts resulted in unequal growth with development being mainly concentrated in few states. A considerable segment in the poultry sector is still unorganized and is spread over in the form of small units in far-flung areas that still needs organized effort to exploit the existing potential. Training and marketing continue to be the weakest links in various poultry development programs. With all these weaknesses, poultry development programmes under the cooperative sector were not able to make a dent.

1.3 Poultry related activities have become highly scientific and to survive marginalization, small farmers have to work in groups. Further, most crucial linkages (both forward and backward) have to be set-up for enabling small farmers to directly participate in marketing operations, as far as possible.

It is envisaged that the current scheme will enable small and marginal farmers including landless farmers, women and other socio-economically weak segments, educated unemployed youth to take up poultry farming as an income generating activity in organized way.

Government of India, with the support of Govt. of Odisha and NABARD is going to establish Poultry Estate in the State of Odisha. Initially Baripada of Mayurbhanj District have been identified for setting up of one Layer Poultry Estate in an area of approximately 50 Acres. Interested NGOs, Companies, Farms, Agencies, Integrators, Govt. Departments having experienced in the relevant field are eligible to apply. He will be responsible for creation of

common infrastructure viz. development of land, supply of electricity & water, internal road, fencing, Biosecurity measures. The EOI should reach to the Director Animal Husbandry & Veterinary Services Odisha cum Member Convener, State Level Sanction & Monitoring Committee (SLSMC), Mangalabag, Cuttack latest by 26th April 2010, 5 PM.. The decision of the SLSMC for selection of the facilitator is final.

2. Poultry Estates

Poultry Estates will have establishments of small farmers who will organize and form societies- thus accruing both, benefits of economies of scale and achieve better market opportunities with promotion of quality products, instilling confidence in consumers. Creation of estates is primarily envisaged on line of other industrial estates where majority of facilities will be made available within an area to facilitate both backward and forward linkages. As far as Poultry Estates are concerned, State Government will provide facilities in terms of land on lease, development of estate area, electricity and water supply, training, common facilities like feed mixing, storage, etc. Entrepreneurs who will set up either layer or broiler units in these estates will be assisted with interest free loan provided they adopt scientific production methods. State Governments may also be considering providing incentives like tax holidays & waiver from sales tax, etc. Direct participation of farmers in Poultry Estates can lead to sale of wholesome & hygienic product at a better price. The scheme to establish Poultry Estates is envisaged as a unique attempt not only to have a specific outcome from few estates but also to turn mindset of a large section of private producers, who mostly work on short-term gain policy compromising on either quality of products or cutting down costs, showing little regard to poultry health, bio-security and waste disposal protocols. Success of these estates will enable the way poultry farming should be done and may be we may not need a law or act to impose quality and bio-security norms upon a self-disciplined industry.

2.1 Objectives of the Scheme:

The objective of the scheme will be to establish **two** poultry estates, either layer or broiler depending on the demand, to:

- Encourage small & marginal farmers, educated & unemployed youth, women, socially & economically backward section of the society to take up activities of poultry sector in a compact area by providing required infrastructure and related facilities.

- Achieve economies of scale by adopting cluster approach, better resource sharing etc. Putting technical-backstopping, training and operation procedures in place in these units to prevent risk of loss from breach of biosecurity and disease.
- Restore consumer confidence in products from these estates and encourage brand-recognition and therefore ensure a steady market. Farmers may exploit opportunity provided by these estates to become exporters of poultry products.

Eventually, these model poultry estates should have a snowball effect and propel private sector to pay attention to bio-security issues, hygienic, pollution-free production and most important of all, welfare of primary farmer etc.

2.2 Area of Operation

2.2.1 These farming estates may be established in low poultry-intensive areas (nontraditional areas for poultry) or States where commercialization/ intensification of production has not yet taken place but potential exists. The list of eligible areas / states are given in **Annexure I**. As only two estates are approved on pilot basis, States which come forward to provide land, necessary infrastructure and share 25% of the infrastructure cost will be given preference.

2.2.2 Depending on the demand, the estates will be housing either layers or broilers. Both the birds, however are not allowed in a single estate.

2.3. Allotment of Land and Selection of a Facilitator

2.3.1 The first step will be to allot land and other facilities required for undertaking poultry farming in a common place for small farmers. Each estate will be either for layers or for broilers. An estate would be requiring about 50 acres of land. State Governments should take initiative and allot land for establishing an estate taking into account the suitability of the activity to the area, potential to benefit scheduled castes and scheduled tribes and create employment opportunities etc.

2.3.2 A State Level Sanctioning and Monitoring Committee (SLSMC) is constituted by the Regional Office of NABARD which will be chaired by the Principal Secretary / Secretary (AH) of the State Government with members from NABARD, financing bank and DAH. Once the State Government comes forward to establish poultry estate, the SLSMC shall decide on the suitability of the land keeping in view factors like distance from water bodies, existing farms, connectivity, migratory birds flying route, etc, and if found suitable, will invite proposals from

NGOs, companies, integrators and Government departments for working as a facilitator.

2.3.3 The agencies who are applying have to submit a detailed action plan as to how they want to proceed in the matter.

2.3.4 SLSMC shall scrutinize the proposals and identify a facilitator and recommend to GoI through NABARD.

2.3.5 Once a facilitator for an estate is approved, that agency will be responsible for creation of common infrastructure like supply of electricity and water, internal roads, fencing, footbath/footdip and other bio-security measures like waste disposal system outside the individual units; but within the estates. This expenditure subject to a ceiling of Rs 200 lakh will be given on grant basis and will be shared by Central and State Governments in the ratio of 75:25. The grant assistance will depend on the number of units to be housed in the estate. A minimum of 50 units should be there in each estate and the maximum number of units that can be housed in an estate shall be 100. The facilitator would work under the overall supervision of the SLSMC as per the conditions laid by them. SLSMC has the right to remove any facilitator if they deviate from the guidelines or act against the interest of the beneficiaries.

2.4. Selection and Training of Beneficiaries

2.4.1 An advertisement shall be given by the facilitator in the local dailies calling for applications from interested persons. The requisites such as the social and financial status of the candidates shall be given in the advertisement. Preference will be given to women, SC/ST, educated unemployed youth and economically backward section of the society.

2.4.2 A committee comprising representatives of NABARD, district Animal Husbandry Department, DRDA, lead bank and facilitator shall select the candidates from out of the applicants.

2.4.3 The facilitator shall arrange for training of the selected beneficiaries under the guidance of local Animal Husbandry Department.

2.4.4 The selected beneficiaries will be organised into a society, which will be responsible for running the estate under the guidance of the facilitator.

2.4.5 The land shall be given by the State Government to the society / individual beneficiaries on long term lease so that a charge can be created in favour of the financing bank. Modalities of the lease shall be decided by the SLSMC in consultation with the financing bank.

2.5 Creation of Infrastructure for Feed Manufacturing

The input industry of poultry like feed manufacturing units should be connected to the efforts of

establishing estates. These units shall be located nearby. Similarly disease investigation labs may have to be in a place, accessible by the beneficiaries. Assistance to eligible activities like feed manufacturing or poultry disease investigation labs should be facilitated.

2.6 Components, which can be supported under the scheme in each estate

I. Common Items of Expenditure:

- 1 Publicity for launching the scheme: upto Rs.5.50 lakh per state as grant.
- 2 Creation of common infrastructure like roads, electricity and water supply, bio security measures, etc, within the estate but outside the individual units and also managerial subsidy
to the estate: upto Rs.200 lakh per estate as grant.
- 3 Selection and Training of 100 beneficiaries in two stages: upto Rs.12.50 lakh per estate as grant
- 4 Planning and Escort services to Beneficiaries: upto Rs.17.00 lakh per estate as grant.
- 5 Common facilities at Stage II (for processing and storage, etc, after 2 years of functioning):
upto Rs.17.00 lakh per estate as grant.

II. Individual Proposals:

6. Interest free loan to 100 beneficiaries (upper limit) in each estate.

S.No	Activity	Interest Free loan	Margin
1	2000 bird layer unit	50% of total financial outlay subject to a ceiling of Rs 3.00 lakh	10% (minimum)
2	2000 bird broiler unit* (all in all out system)	50% of total financial outlay subject to a ceiling of Rs 1.20 lakh	10% (minimum)

* contract farming is suggested in case of the broilers as it is well established and will ensure supply of inputs, technical guidance and marketing. Further the margin money to be provided by the beneficiaries would be less as term loan is provided for construction of sheds and purchase of equipment. Accordingly, the recurring expenditure for 1st operating cycle is not to be included in the total financial outlay for broiler units.

7. Input Services (Feed Manufacturing Unit in the case of layer estates) – upto Rs.25 lakh for

each estate as 50% grant.

2.7 Preparation of Projects

I. For Common Facilities:

The facilitator will prepare a detailed project report for creation of infrastructure and submit to the SLSMC, which after scrutiny will sanction the eligible amount subject to the deposit of State Government's share with the concerned Regional Office of NABARD. The amount shall be released by NABARD Regional Office to the facilitator on obtaining confirmation from their Head Office.

The eligible amount for land and infrastructure development shall be released in two instalments, the first instalment will be released immediately after sanction of the project and the second and final instalment on submission of utilisation certificate for the first instalment amount released .

Utilisation of the first instalment shall be verified by the representatives of State Animal Husbandry Department and NABARD and the second instalment shall be released on receipt of a satisfactory report.

II. For Individual Units

The facilitator will coordinate with the local banks for sanction of loans to the selected farmers under the scheme. They shall help the farmers in applying for loan from a bank in the vicinity. The banks will adhere to their own appraisal norms for sanctioning the projects.

Wherever the banks are not very familiar with the appraisal of any project, they can consult concerned NABARD Regional Office for guidance.

The financing bank will sanction the entire loan amount, i.e., the project cost excluding the party's margin. Documentation may be done for the entire loan amount. The bank then shall apply through their controlling offices in the format given in **Annexure II**, to the Regional Office of NABARD for sanction of Interest Free Loan.

The unit cost may vary depending on the local conditions. However, assistance under the scheme is restricted to 2000 bird layer (1:2 system) and broiler units (all in – all out). The SLSMC may consider fortnightly (500 birds) or monthly batches (1000 birds) of broilers depending on the local conditions . However, interest free loan (IFL) is restricted to the ceiling indicated at 2.6(II).

The banks, if they so desire, can disburse the loan before receipt of IFL, in which case they can charge interest on the entire loan amount till they receive the IFL portion. On receipt of IFL, interest shall be charged on their loan component only and no interest shall be charged on the

IFL. However, this will not confer any right on the bank / beneficiary for the IFL component which shall be sanctioned / released subject to the project's eligibility and availability of funds from Government of India.

III. Role of Facilitator

- To develop the infrastructure for establishment of poultry estates
- To identify the beneficiaries for poultry estates.
- To organise training programmes for them under the guidance of Animal Husbandry Department.
- To coordinate with banks for sanction of loans to the identified beneficiaries.
- To mobilize the beneficiaries to form cooperative societies and guide them
- To arrange for supply of inputs and marketing of output.