ANIMAL HUSBANDRY, DAIRYING, FISHERIES AND FISHERMEN WELFARE DEPARTMENT

DAIRY DEVELOPMENT

POLICY NOTE
2026-2027

DEMAND NO.8

C. VIJAYALAKSHMI

MINISTER FOR MILK AND DAIRY DEVELOPMENT

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Government of Tamil Nadu
2026

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MILK PRODUCTION AND DAIRY DEVELOPMENT DEPARTMENT POLICY NOTE

1. INTRODUCTION

Dairying has been an integral part of Tamil Nadu's culture, economy and rural life since the Sangam age. Classical Tamil literature vividly portrays cattle rearing and dairy farming as symbols of prosperity, self-reliance and sustainable livelihoods.

"…… ஆய்மகள்
அளைவிலை உணவிற் கிளையுடன் அருத்தி
நெய்விலைக்கட்டிப் பசும்பொன் கொள்ளாள்
எருமை, நல்ஆன் கருநாகு பெறூஉ உம்
மடிவாய்க் கோவலர் குடிவயின் சேப்பின்
இருங்கிளை ஞெண்டின் சிறுபார்ப்பு அன்ன
பசுந்தினை மூரல் பாலொடும் பெறுகுவிர்.

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Perumpanattrupadai describes the wisdom of the pastoral (Mullai) community, where the proceeds from the sale of buttermilk and ghee were reinvested in livestock rather than ornaments, reflecting a tradition of productive investment, resilience and economic prudence. The verse also celebrates the hospitality of the pastoral community, where wholesome food prepared with fresh milk symbolised abundance and well-being. These literary references underscore the enduring importance of dairying in sustaining rural livelihoods in Tamil society.

That legacy continues today. Dairying remains one of the most dependable sources of income for rural households, providing year-round employment and financial security, particularly to small and marginal farmers and women. Beyond its economic significance, the sector plays a vital role in ensuring nutritional security by making

- The note opens from Perumpanattrupadai, where proceeds from buttermilk and ghee were reinvested in livestock rather than ornaments - dairying as productive investment in Sangam literature.

quality milk and milk products accessible to the population at affordable price.

India is the world's largest milk producer, with a production of 247.87 million tonnes during 2024–25. Tamil Nadu contributes 11.44 million tonnes, accounting for 4.61% of the country's milk production. The State ranks 11th in total milk production and 5th in cooperative milk procurement in India. Over the last seven years, Tamil Nadu has increased its milk production from 8.36 million tonnes to 11.44 million tonnes, registering a growth of 36.84%, while per capita milk availability has improved from 390 grams to 407 grams per day (Source: Basic Animal Husbandry Statistics 2025).

- India produced 247.87 million tonnes of milk in **2024-25** - the largest in the world. Tamil Nadu's 11.44 million tonnes is 4.61% of that.
- Tamil Nadu ranks 11th in total milk production but 5th in cooperative milk procurement - the organised share is stronger than the raw output rank suggests.
- Milk production rose from 8.36 to 11.44 million tonnes in seven years - 36.84% growth - and per capita availability from 390 to 407 grams a day.

The dairy sector in Tamil Nadu has witnessed significant progress in recent years through increased milk production, expansion of processing infrastructure and diversification of value-added dairy products. At present, about

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35% of the State's milk production is handled by the organised sector, comprising cooperative and private dairies, around 15% is retained for household consumption, and the remaining 50% is handled through the unorganised sector.

The cooperative dairy sector serves as a vital link between milk producers and consumers through an integrated system of procurement, processing and marketing. By assuring remunerative prices, prompt payment and a reliable market for milk, it provides dairy farmers with a stable source of income while reducing market uncertainties. Equally important, it ensures that consumers have access to safe, hygienic and nutritious milk and a wide range of quality dairy products at affordable prices. The Department strengthens this value chain through scientific breeding, artificial insemination, animal health care, fodder development, balanced cattle feed, livestock insurance, credit facilitation and

About 35% of milk goes through the organised sector, 15% is kept for household use and 50% moves through the unorganised sector - half the market is still outside the system.

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farmer capacity building. These interventions enhance the productivity and reproductive efficiency of milch animals. Further, the Government of Tamil Nadu is committed to transforming the dairy sector into a modern, efficient and farmer-centric enterprise through sustained investments in milk procurement, processing infrastructure, value addition, market expansion and cooperative strengthening to enhance farmer's income and to improve nutritional security.

2. MILK PRODUCTION AND DAIRY DEVELOPMENT DEPARTMENT

The Milk Production and Dairy Development Department was established in 1958 to promote dairy development and strengthen the cooperative dairy movement in Tamil Nadu. With effect from 1st August 1965, the statutory and administrative control of Milk Cooperative Societies was transferred from the Cooperation

- The Milk Production and Dairy Development Department was established in **1958**; control of milk cooperative societies moved from the Cooperation Department to it on 1 August **1965**.

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Department to the Dairy Development Department.

The commercial operations of the Department were subsequently transferred to the Tamil Nadu Dairy Development Corporation, established in 1972 under the Companies Act. All commercial activities have been vested with the TCMPF, since 1st February 1981.

Commercial operations passed to the Tamil Nadu Dairy Development Corporation in **1972** and to the **TCMPF** from 1 February **1981**.

2.1 Vision

"To transform Tamil Nadu's dairy sector into a modern, value-added and farmer-centric ecosystem by enhancing productivity, strengthening organised milk procurement, improving feed and fodder security, expanding processing and value addition, modernising market access and building capacity across the dairy value chain over the next five years."

2.2 Mission

The Department is committed to achieving the following objectives:

Enhancing Animal Productivity

- **Increase average milk yield from 7.84 kg/day to 8.84 kg/day through:**
    - Genetic improvement of dairy animals.
    - Strengthening reproductive health management.
    - Balanced nutrition and scientific fodder management.
    - Comprehensive animal healthcare services.
- **Increasing Milk Production**
    - Expand the milch animal population through the use of sex-sorted semen and embryo transfer technology.

The productivity target is to raise average yield from 7.84 kg a day to 8.84 kg through genetics, reproductive health, nutrition and animal healthcare.

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- Reduce the inter-calving period through improved breeding management.
- Promote scientific calf rearing practices.
- Ensure timely and affordable veterinary and animal healthcare services.

- **Strengthening Cooperative Milk Procurement**
  - Organise new Milk Producers Cooperative Societies (MPCS) in uncovered and underserved areas.
  - Enroll new dairy farmers into existing cooperative societies.
  - Revive inactive members by facilitating access to credit for the purchase of milch animals and providing extension and input services.
  - Establish Model MPCS as one-stop service centres for dairy farmers.

- Promote transparency through digital and spot acknowledgement of milk procurement.
- Strengthen welfare measures and extend financial assistance to cooperative members.
- Ensure timely Direct Benefit Transfer (DBT) of milk payments and incentives.
- Expand village-level milk collection infrastructure through milk collection centres.

- **Capacity Building**
  - Organise exposure visits, training and skill development programmes for dairy farmers on scientific dairying, breeding and animal husbandry practices.
  - Build the capacity of cooperative employees in quality milk procurement and handling.

- Promote entrepreneurship in dairying and allied sectors.

2.3 Administrative Structure

The Milk Production and Dairy Development Department functions under the Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department of the Government of Tamil Nadu. The Commissioner for Milk Production and Dairy Development is the Head of the Department and functions as the Functional Registrar of all Milk Cooperative Societies in the State. The Commissioner for Milk Production and Dairy Development also serves as the Managing Director of Aavin and is assisted by an Additional Milk Commissioner, a Deputy Milk Commissioner (Co-operation) and two Deputy Registrars at the Head Quarters.

At the field level, the Department functions through 29 Circle Offices. Each Circle is headed by a Deputy Registrar (Dairying), supported by

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Cooperative Sub-Registrars and Senior Inspectors, who oversee the registration, supervision and strengthening of MPCS across the State.

The administrative structure of the Department is presented in the flow chart given in Annexure – 1.

2.4 Functions of the Dairy Development Department

As the Functional Registrar of Milk Cooperative Societies, the Commissioner for Milk Production and Dairy Development exercises the powers conferred under the Tamil Nadu Cooperative Societies Act, 1983 and the Tamil Nadu Cooperative Societies Rules, 1988. The Department performs the following key functions:

- Registration of new societies.

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- Revival and strengthening of dormant societies.
- Inspection, supervision and statutory oversight of milk cooperative societies.
- Resolution of disputes relating to cooperative societies.
- Conduct of elections to the Boards of Management of cooperative societies at all three tiers.
- Initiation of statutory action on inspection and audit observations to ensure sound governance and protect the interests of cooperative members and the public.

Prior to the implementation of the Food Safety and Standards Act, 2006 and the Food Safety and Standards Rules, 2011, the Commissioner functioned as the State Registrar under the Milk and Milk Products Order, 1992 and the Prevention of Food Adulteration Act, 1954. Following the enactment of the Food Safety legislation, these regulatory functions were

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transferred to the Food Safety Department. The Commissioner continues to serve as a member of the State Monitoring Committee constituted under the Food Safety and Standards Act, contributing to the monitoring and promotion of the quality and safety of milk and milk products in the State.

2.5 Objectives of the Dairy Development Department

The Department is committed to:

- Ensuring remunerative prices to milk producers.
- Providing safe, hygienic and quality milk and value-added dairy products to consumers at affordable prices in compliance with Food Safety and Standards Authority of India (FSSAI) standards.
- Strengthening transparency, accountability and good governance in dairy cooperative institutions.

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- Integrating unorganised milk producers into the organised cooperative sector.
- Promoting sustainable growth of the dairy sector in line with the State's overall economic development.
- Improving feed and fodder availability to support enhanced animal productivity.
- Modernising dairy operations through the adoption of advanced technologies across Milk Producers Cooperative Society (MPCS), District Cooperative Milk Producers Union (DCMPU) and the Tamil Nadu Cooperative Milk Producers Federation (TCMPF).
- Building the capacity of milk producers, cooperative employees and other stakeholders through continuous training and skill development.
- Extending incentives and welfare measures to improve the livelihood of dairy farmers.

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3. DAIRY COOPERATIVES IN TAMIL NADU

Tamil Nadu has adopted a three-tier dairy cooperative structure since 1981, providing an integrated framework for milk procurement, processing, marketing and farmer support.

- **Tier I –MPCS:** Established at the village level, these societies constitute the foundation of the cooperative dairy network by procuring milk directly from member producers and providing essential input and extension services.
- **Tier II –DCMPU:** Functioning at the district level, these unions comprise the MPCS within their jurisdiction and undertake milk processing, quality assurance, value addition and marketing.
- **Tier III –TCMPF:** The Federation is the apex cooperative institution, with all DCMPU as its members.

- The three-tier structure since **1981**: village **MPCS**, district **DCMPU** and the State federation **TCMPF** - the Anand pattern applied to Tamil Nadu.

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4. MILK PRODUCERS CO–OPERATIVE SOCIETIES (MPCS)

The MPCS constitute the foundation of the three-tier dairy cooperative structure based on the Anand Pattern. Established at the village level, these societies serve as the primary interface between dairy farmers and the cooperative system by procuring milk directly from producers and linking them to the organised dairy sector through the DCMPU.

Milk Producers Cooperative Societies at village level follow the Anand Pattern - the model that made Amul, adopted here as the base tier.

Originally established as Milk Supply Cooperative Societies for local milk marketing, these societies have evolved into MPCS, enabling village milk producers to market their milk through the cooperative network while availing a range of input and support services. Today, they form the backbone of Tamil Nadu's dairy cooperative movement and play a pivotal role in improving farmer's incomes and rural livelihoods.

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4.1 Structure and Functions

MPCS are organised at the village level to procure milk from their members. After meeting local demand, the surplus milk is transported to Bulk Milk Coolers (BMCs), Chilling Centres or dairy plants operated by the DCMPU.

All milk producers residing within the operational area of a society and owning milch animals are eligible to become members. Wherever feasible, exclusive Women's MPCS and Scheduled Caste MPCS are also established to promote inclusive participation in the cooperative movement.

- Exclusive Women's and Scheduled Caste **MPCS** may be formed in the same village as an existing society - the one exception to the no-overlap rule.

In addition to milk procurement, the societies facilitate the supply of cattle feed, mineral mixture and other essential inputs, besides providing access to breeding, veterinary and animal health services. As on 30.06.2026, 8,851 MPCS are functioning across Tamil Nadu.

- 8,851 Milk Producers Cooperative Societies were functioning as on **30.06.2026**, with **11.03 lakh** members of whom **3.16 lakh** pour milk.

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4.2 Process of forming MPCS

To expand the cooperative network, a minimum of 25 milk producers from a village may apply to the concerned Deputy Registrar (Dairying) for registration of a new MPCS.

- A new **MPCS** needs at least 25 milk producers applying to the Deputy Registrar (Dairying), after a field survey of production potential, routes and viability.

Before registration, a detailed field survey is conducted by Senior Inspectors (Milk) and officials of the DCMPU to assess milk production potential, livestock population, milk routes, infrastructure, financial viability and milk quality. Care is taken to ensure that the proposed society does not overlap with the operational area of an existing society. However, exclusive Women's and Scheduled Caste MPCS may be established in the same village wherever feasible without affecting the functioning of existing societies.

After completing the statutory requirements, including submission of necessary documents by the Chief Promoter, the Deputy Registrar (Dairying) registers the society in accordance with

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the provisions of the Tamil Nadu Cooperative Societies Act and Rules.

During 2026-27, it is proposed to establish 355 new MPCS in untapped potential areas, each with a minimum milk procurement of 250 litres per day. This initiative is expected to generate an additional procurement of about 88,000 litres of milk per day and bring nearly 10,600 new dairy farmers into the cooperative fold.

- 355 new societies are proposed for **2026-27**, each procuring at least 250 litres a day, adding about 88,000 litres and 10,600 farmers.

4.3 Membership

Any dairy farmer who is 18 years or above, resides within the operational area of the society, owns milch animals and is willing to supply milk through the cooperative is eligible to become a member.

Membership of Women's MPCS is restricted to eligible women residing within the operational area.

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To strengthen the cooperative network, inactive members who have discontinued milk supply will be identified and encouraged to rejoin through village-level awareness campaigns, enrollment drives and greater access to welfare schemes, veterinary services and other support provided by Aavin.

The detailed membership particulars of all MPCS are furnished in Annexure–2.

4.4 Board of Directors

Each MPCS is administered by an elected Board of Directors headed by the President.

A member who has supplied at least 300 litres of milk or poured milk on 120 days during the previous cooperative year (up to one month prior to the election) is eligible to be included in the electoral roll.

To vote in **MPCS** elections a member must have supplied **300 litres** or poured milk on 120 days in the previous cooperative year - participation, not just membership, carries the franchise.

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The Board consists of 11 Directors, ensuring adequate representation for women and Scheduled Castes/Scheduled Tribes.

- An **MPCS** board has 11 directors - 6 general, 3 women and 2 from Scheduled Castes or Tribes.

Table 1: The composition of Board of Directors of an MPCS

Category	Number of Directors
General	6
Women	3
Scheduled Castes / Scheduled Tribes	2
Total	**11**

At present, elections to the MPCS are pending due to the revision of electoral rolls by the Tamil Nadu State Cooperative Election Commission (TNSCEC). Until elections are conducted, the affairs of the societies are being managed by Administrators.

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4.5 Functions of MPCS

The MPCS perform the following key functions:

- Procure milk from members based on quality standards and supply it to the DCMPU, BMCs and Chilling Centres (CCs).
- Ensure timely payment of milk cost directly to the bank accounts of producers at regular intervals.
- Share profits with members through bonus, incentives and patronage rebates, wherever the societies operate profitably.
- Provide essential input services such as cattle feed, mineral mixture, veterinary care, artificial insemination and extension support.
- Facilitate access to institutional credit for animal maintenance and purchase of new milch animals.

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- Implement Government and cooperative development programmes aimed at improving milk production, productivity and farmer's incomes.

With **8,851** village-level societies functioning across the State, the MPCS remain the cornerstone of Tamil Nadu's dairy cooperative movement, ensuring assured market access, timely payments and comprehensive support services to dairy farmers.

4.6 Milk Procurement through MPCS

Aavin's milk procurement network is one of the largest cooperative procurement systems in the country, operating through 8,851 MPCS spread across Tamil Nadu.

During 2025-26, Aavin procured an average of 33.36 lakh litres of milk per day from nearly 3.32 lakh dairy farmers.

4.6.1 Support Services for Milk Producers

To encourage milk production and strengthen farmer participation, Aavin provides a comprehensive package of support services, including:

- Prompt milk procurement with digital spot acknowledgement.
- Timely payment directly to producers.
- Institutional credit support.
- Livestock insurance.
- Doorstep veterinary and emergency animal healthcare.
- Supply of cattle feed, mineral mixture and green fodder.
- Producer-oriented welfare and development schemes.

4.6.2 Milk Procurement Incentive

Recognising the increase in production costs of the producers and the need to balance the interest of the consumers, the Government of

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Tamil Nadu provided Milk Procurement Incentive of Rs.3 per litre from 18.12.2023. The Government has provided financial assistance of Rs.1005.90 crore (upto September 2026) towards the procurement incentive enabling timely disbursement to milk producers.

- A milk procurement incentive of **Rs.3** a litre has been paid since **18.12.2023**, costing **Rs.1,005.90** crore up to September **2026**.

The details of incentive released by the Government is given in Annexure - 3

4.7 Augmenting Milk Procurement - Initiatives

To strengthen milk procurement through the cooperative network, the following initiatives are proposed:

- **Enhancement of present milk procurement through price revision:** In view of the increasing cost of dairy farming and the need to compensate farmers adequately, the Government from 19.08.2026 has enhanced the milk

procurement price to ensure better remuneration to milk producers, improve farmer loyalty towards Aavin, strengthen cooperative milk procurement and also to ensure affordable and quality supply of milk / milk products to the consumers.

- **Periodical revision of Milk Procurement Price:** The milk procurement price will be revised periodically, taking into account the cost of milk production and increases in the prices of essential inputs, thereby ensuring fair and remunerative returns to dairy farmers.
- **Membership Expansion:** A special enrollment drive will be undertaken to induct at least 10 new dairy farmers into every MPCS procuring more than 100 litres of milk per day, bringing nearly 52,000 additional members into the cooperative fold during 2026-27.

- **Strengthening the Cooperative System:** Necessary amendments to the cooperative by-laws will be introduced to improve member retention and reinforce the long-term sustainability of the dairy cooperative movement.
- **Revival of Dormant MPCS:** During 2025-26, 147 dormant MPCS were successfully revived. During 2026-27, it is proposed to revive 150 dormant societies, each with a minimum milk procurement of 150 litres per day, thereby expanding the cooperative network and improving farmer's access to organised milk marketing.
- **Profit distribution to members:** Profit-making MPCS distribute their surplus to members in the form of bonus, dividend and patronage benefits, in accordance with the provisions of the Tamil Nadu Cooperative Societies Act, 1983 and Rules, 1988.

4.8 Milk Consumers Cooperative Societies

At present, 58 Milk Consumers Cooperative Societies are functioning across Tamil Nadu, of which 48 societies are located in and around the Greater Chennai Corporation, while the remaining societies serve consumers in other districts.

These societies procure milk and dairy products from the TCMPF / DCMPU and distribute them to consumers through milk cards and cash sales at affordable prices. With effect from 05.08.2024, all Milk Consumers Cooperative Societies have been designated as wholesale dealers, enabling them to strengthen Aavin's retail distribution network.

In the absence of elected Boards, these societies are presently managed by Administrators appointed by the Deputy Registrars.

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4.9 Technical Input Services to Milk Producers

To enhance milk productivity, improve animal health and strengthen the livelihoods of dairy farmers, Aavin provides a comprehensive package of technical input services through the cooperative network. During 2025–26, the following services were provided to milk producers across the State:

- 71,323 MT of cattle feed and 1,519 MT of mineral mixture were supplied to dairy farmers during 2025-26. 13,797 MT of cattle feed has been distributed to the farmers during 2026-27 (upto 30.06.2026).
- 17 MT of quality fodder seeds were distributed to promote green fodder cultivation.
- Veterinary health care and emergency services were provided to 9.61 lakh milch animals.

- Artificial Insemination (AI) using superior genetic germplasm was carried out in 16.26 lakh milch animals to improve productivity.
- 2,000 fertility camps were organised, benefiting around 1.54 lakh milch animals.
- **Livestock Insurance Coverage**

  Livestock is the most valuable asset of a dairy farmer, and the loss of a milch animal due to disease, accident, natural calamities or other unforeseen events can seriously affect the livelihood of the family. Livestock insurance provides an essential safety net by protecting farmers against such financial losses and enabling them to continue dairy farming without disruption. It also strengthens the sustainability of cooperative milk procurement by improving the socio-economic well-being of dairy farming households. This envisages insurance

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coverage for milch animals under the cooperative sector. As on date, 1.56 lakh animals have been insured and a subsidy of Rs. 8.16 crore has been released towards premium support.

- Orientation programmes on scientific animal breeding, livestock management and clean milk production practices were conducted for 45,620 MPCS staff and milk producers under the National Programme for Dairy Development (NPDD) and Rashtriya Gokul Mission (RGM) schemes.
- As a pilot initiative, 100 mastitis screening camps were organised, covering 2,136 milch animals for early detection and management of the mastitis condition.
- 100 cattle rallies and 50 milk yield competitions were conducted under the Rashtriya Gokul Mission to create awareness on scientific dairy farming and

encourage adoption of best management practices.

4.10 Additional Procurement Price to Milk Producers by providing lean season incentive

Milk procurement generally declines during the lean season owing to reduced milk production. To sustain milk procurement through the cooperative network and provide additional income support to dairy farmers during this period, DCMPU provide an Additional Procurement Price over and above the regular milk procurement price through lean season incentive.

This seasonal incentive encourages milk-pouring members of MPCS to continue the supply of milk to Aavin despite lower production, thereby ensuring stable procurement while enhancing farmer's income during lean months.

During the lean season of February, March and April 2026, 21 DCMPU extended the

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Additional Procurement Price ranging from 40 paise to Rs. 3 per litre to the tune of Rs.25.93 crore to 2.84 lakh milk-pouring members of their cooperative societies.

4.11 Patronage Rebate

4.11.1 Patronage Rebate by MPCS to Milk Producers

MPCS share their profits with members through dividend on share capital, patronage rebate and bonus, based on the quantity of milk supplied by each member. These incentives encourage regular milk pouring, strengthen member participation and reinforce the cooperative movement.

Profit-making MPCS distribute up to 50% of their net profits as Patronage Rebate to members, based on the quantity of milk supplied by each member during the financial year. The rebate generally ranges from Rs. 0.50 to Rs. 3.00 per

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litre and is traditionally distributed during the festive occasions of Deepavali and Pongal, providing timely financial support to dairy farming families.

During 2025–26, 331 MPCS distributed Patronage Rebate amounting to Rs. 34.57 crore to 98,075 milk producers, reflecting the strength of the cooperative model and ensuring that the benefits of improved performance are shared directly with member farmers.

The detailed particulars of Patronage Rebate distributed by MPCS to their milk-pouring members are furnished in Annexure–4.

4.11.2 Patronage Rebate by DCMPU to Member MPCS

The DCMPU have provided patronage rebate amount of Rs.13.73 crores to their member societies for the financial year 2025-2026.

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Table 2: Patronage Rebate by DCMPU to Member MPCS

Sl. No	Name of DCMPU	Rebate distributed per litre of Milk (Rs.)	Patronage rebate Amount (Rs.)	No. of Beneficiaries
1	Madurai	1.00	7,32,98,704.80	13,388
2	Sivagangai	2.70	6,27,24,179.25	8,857
3	Kanyakumari	0.50	13,25,128.95	2,658
	Total		**13,73,48,013.00**	**24,903**

4.12 Welfare Schemes Implemented

4.12.1 Perarignar Anna Cooperative Milk Producers Welfare Fund

- The Peraringnar Anna Cooperative Milk Producers Welfare Fund provides financial assistance to milk-pouring members and their families during times of distress arising from accidents or death. The scheme also extends support for the education of children, marriage of a daughter and funeral expenses, thereby providing social security to dairy farming families.

- The Perarignar Anna Cooperative Milk Producers Welfare Fund covers accident, death, education, daughter's marriage and funeral expenses - **Rs.4,00,000** for accidental death.

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Table 3: Scale of Financial Assistance under the Peraringnar Anna Cooperative Milk Producers Welfare Fund

Sl. No.	Nature of Assistance	Amount (in Rs.)
1.	Accidental Death	4,00,000
2.	Permanent Total Disability	2,25,000
3.	Permanent Partial Disability	1,00,000
4.	Marriage Assistance (one girl child)	60,000
5.	Educational Assistance (upto two children)	50,000 (per child)
6.	Funeral Assistance	25,000

- To improve accessibility and transparency, the scheme has recently been digitised, enabling online submission of applications, faster processing, timely sanction of assistance and direct transfer of benefits to eligible beneficiaries.

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- During 2025–26, financial assistance amounting to Rs. 1.49 crore was credited directly to the bank accounts of the families of 104 deceased milk producers.

4.12.2 Kalaignar Society Employees Welfare Fund

- The Kalaignar Society Employees Welfare Fund provides financial assistance to the families of employees of MPCS in the event of death or permanent disability. The scheme also extends marriage assistance for upto two daughters and educational assistance for upto two children, providing social and financial security to the families of cooperative employees during times of distress.
- The scheme has been brought under an online platform, enabling simplified application procedures, faster processing, greater transparency and timely disbursement of financial assistance.

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Table 4: Scale of Financial Assistance under the Kalaignar Society Employees Welfare Fund

Sl. No	Details of Assistance	Amount (in Rs.)
1.	Natural Death	1,00,000
2.	Accidental death	5,00,000
3.	Permanent Total Disability	2,50,000
4.	Permanent Partial Disability	1,50,000
5.	Marriage assistance for two female children	30,000/- each
6.	Educational assistance for two children	25,000 /- each

4.12.3 Aavin Nalanidhi

- MPCS are the backbone of the cooperative dairy movement, with 11,970 regular employees (excluding daily wage workers) serving across the State. To provide social security to these employees and address their long-standing demand for post-retirement financial support, Aavin Nalanidhi has been introduced as a dedicated ex-gratia pension scheme.

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- Under the scheme, a State-level Corpus Fund has been created through monthly contributions from serving employees, matched by equal contributions from the respective MPCS and DCMPU. Retired employees of MPCS and Milk Consumers Cooperative Societies receive an ex-gratia pension of Rs. 1,000 per month under the scheme.
- As on 30.06.2026, a sum of Rs. 143.37 lakh has been disbursed to 2,976 beneficiaries. The scheme has also been digitised, enabling online applications, faster processing and greater transparency in the disbursement of benefits.

4.13 National Award for Best Dairy Cooperative Society in 2025

The National Gopal Ratna Award, instituted by the Government of India, is one of the highest national recognitions in the dairy sector. The

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award seeks to encourage excellence in animal husbandry and dairying by recognising the outstanding contributions of dairy farmers, Artificial Insemination Technicians, Dairy Cooperative Societies, Milk Producer Companies and Dairy Farmer Producer Organisations.

In 2025, Sendurai MPCS, Ariyalur District, was honoured with the National **Gopal Ratna Award** under the **Best Dairy Cooperative Society** category, in recognition of its outstanding contribution to the cooperative dairy sector.

4.14 Audit of MPCS

The accounts of the MPCS, DCMPU and the TCMPF are audited annually by the Directorate of Audit for Milk Cooperatives, functioning under the Finance Department. Based on the audit findings, statutory compliance is ensured and necessary corrective actions are taken.

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5. DISTRICT COOPERATIVE MILK PRODUCERS UNIONS

The DCMPU constitutes the second tier of the three-tier dairy cooperative structure in Tamil Nadu. The MPCS within a district are members of the respective District Union.

At present, 29 DCMPU are functioning across the State, covering 37 Revenue Districts (excluding Chennai). To strengthen the cooperative network and improve service delivery, two new District Unions—Perambalur–Ariyalur DCMPU and Tiruvarur DCMPU—were established on 9th March 2026 and 10th March 2026, respectively.

- 29 District Cooperative Milk Producers Unions cover 37 revenue districts, Chennai excepted. Perambalur-Ariyalur and Tiruvarur unions were formed on 9 and 10 March **2026**.

Each DCMPU is managed by an elected Board of Directors headed by the President. The elected Directors of the affiliated MPCS constitute the Electoral College and are eligible to contest elections to the Board of the District Union.

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The Board of Directors of a DCMPU comprises 26 members, consisting of 17 elected Directors, 2 co-opted Directors and 7 functional Directors.

- A **DCMPU** board has 26 members - 17 elected, 2 co-opted for dairy technology and veterinary science, and 7 functional directors including **NDDB**, **NCDC** and Central Cooperative Bank representatives.

Table 5: The composition of Board of Directors of a DCMPU

Sl. No	Category	Number of Directors
	Directors through Elections	
1.	General	9
2.	Women	5
3.	SC / STs	3
	Co-opted Directors	
4.	Having experience in the field of Dairy Technology or Dairy Engineering	1
5.	Having experience in the field of Veterinary Science	1
	Functional Directors	
6.	Representative of the National Dairy Development Board	1
7.	Representative of National Co-operative Development Corporation.	1
8.	Representative of Central Co-operative Bank	1
9.	Representative of TCMPF Ltd.	1

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Sl. No	Category	Number of Directors
10.	Representative of the Director of Animal Husbandry	1
11.	Concerned Deputy Registrar (Dairying)	1
12.	Concerned DCMPU General manager	1
Total		26

In the absence of the elected board, the District Collectors are serving as the Administrator assisted by the General Managers of respective DCMPU.

Where there is no elected board, the District Collector acts as Administrator with the General Manager - a standing feature of cooperative administration.

5.1 Functions of the DCMPU

The DCMPU play a pivotal role in strengthening the dairy cooperative movement by providing procurement, processing, input and extension services to milk producers. Their key functions include:

- Procuring milk from MPCS through an efficient network of milk collection routes

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and transporting it to BMCs, CCs and dairy plants. Handling capacity of DCMPU in Annexure – 5.

- Ensuring prompt payment to milk producers based on the quantity and quality of milk supplied.
- Procuring, processing and supplying milk and milk products to meet local demand and the requirements of the TCMPF.
- Distributing incentives and other benefits to member societies and milk producers from the surplus generated by the Union.
- Providing essential input services, including breeding support, animal health care, feed and fodder, extension services and technical guidance.
- Implementing schemes of the Government of India and the Government of Tamil Nadu, in addition to district-specific development programmes.

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- Organising training programmes for milk producers, cooperative society staff and elected representatives on clean milk production, artificial insemination, dairy management and other best practices.
- Creating and upgrading infrastructure to support increased milk procurement, processing and marketing.

5.2. Service Units of Aavin

5.2.1 Cattle Feed Units

Balanced nutrition is fundamental to improving the health, productivity and reproductive efficiency of dairy animals. To ensure that milk producers have access to quality feed, Aavin manufactures scientifically formulated cattle feed containing the right balance of proteins, carbohydrates, minerals and vitamins required for optimum milk production and animal health.

To meet the growing demand, Aavin has modernised its cattle feed manufacturing

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infrastructure. The earlier 100 metric tonne per day (MTPD) plants located at Madhavaram and Madurai were replaced by 300 MTPD cattle feed plant at Erode. In addition, a 50 MTPD cattle feed plant is functioning at the Virudhunagar DCMPU.

Cattle feed capacity was consolidated into a 300 **MTPD** plant at Erode replacing the older Madhavaram and Madurai units, with new 300 **MTPD** plants at Pudhukudi and Thittakudi and a 50 **MTPD** unit at Virudhunagar.

Further strengthening the production capacity, one 300 MTPD cattle feed plant established at Pudhukudi, Thanjavur District and one 300 MTPD plant established at Thittakudi, Cuddalore District have also commenced operations.

5.2.2 Mineral Mixture Units

Mineral supplementation is essential for improving animal health, fertility, disease resistance and milk production. Aavin operates five mineral mixture manufacturing units with a combined production capacity of 60 metric tonnes per day, producing area-specific mineral mixtures to address regional nutritional deficiencies.

Five mineral mixture plants at Erode, Villupuram, Trichy, Thoothukudi and Krishnagiri make **60 MT** a day of area-specific mixtures for regional deficiencies.

Table 6: Mineral Mixture Production Capacity

Sl. No.	Name of the Mineral Mixture Plant	Production Capacity / day (in MT)
1	Erode Mineral Mixture Plant, Erode district	12
2	Villupuram Mineral Mixture Plant, Villupuram district	12
3	Trichy Mineral Mixture Plant, Trichy district	12
4	Thoothukudi Mineral Mixture Plant, Thoothukudi district	12
5	Krishnagiri Mineral Mixture Plant, Krishnagiri district	12
	Total	60

The mineral mixture is supplied to milk producers through District Milk Unions and to the Animal Husbandry Department on a cost-recovery basis. To meet out the increasing demand, Aavin proposes to introduce additional formulations for commercial marketing.

5.2.3 Baled Silage Unit

Year-round availability of quality green fodder is essential for sustaining milk production,

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improving reproductive performance and maintaining animal health.

To address seasonal fodder shortages, Baled Silage Unit with capacity to produce 25 metric tonne per day at Sathyamangalam, Erode District, has commenced its operations from 14.05.2026. The unit supplies baled silage at affordable prices to milk producers of Aavin, the Animal Husbandry Department, TANUVAS, cooperative institutions and fodder producer organisations. Since the demand for green fodder is substantially increasing, it is proposed to extend the facilities to other districts.

To increase the fodder production and make available adequate green fodder to the member producers of MPCS, it is planned to cultivate green fodder varieties such as cumbu-napier, lucerne, hedge lucerne, maize, sorghum, etc in 250 acres at Salem, Coimbatore, Thanjavur and Erode to produce around 10,000 MTs annually.

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Under the National Livestock Mission (NLM), during the current year, 25 metric tonnes of certified sorghum fodder seed mini-kits were distributed for covering nearly 5,000 acres.

5.2.4 Strengthening Animal Health and Emergency Veterinary Services

The Department will further strengthen doorstep veterinary input services and emergency animal healthcare for milk producers under the cooperative network.

To improve service delivery, the remuneration of Veterinary Consultants has been enhanced and a performance-based incentive system has been introduced to encourage greater field coverage and timely veterinary care. These initiatives are expected to improve animal health, increase farmer confidence and strengthen the cooperative dairy system.

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5.2.4.1 Mass Deworming and External Parasite Control

Parasitic infestations significantly reduce animal productivity by affecting growth, health, fertility and milk yield. Regular deworming and external parasite control programmes help to prevent diseases, improve nutrient absorption, reduce anaemia, enhance reproductive performance and increase milk production.

The Department will continue to organise mass deworming and external parasite eradication camps periodically across all DCMPU to improve the overall health and productivity of dairy animals.

5.2.4.2 Expansion of Artificial Insemination Centres

To ensure universal access to quality breeding services, the number of Artificial Insemination (AI) Centres under the cooperative network will be increased from 2,100 to 2,500 by

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establishing 400 new AI centres across the operational areas of the District Milk Unions.

The expanded network will provide doorstep breeding services, facilitate timely artificial insemination, improve reproductive efficiency and accelerate genetic improvement of the dairy herd.

5.2.4.3 Promotion of Sex-Sorted Semen

To accelerate genetic improvement and increase the population of high-quality milch animals, the Department is promoting the use of Sex-Sorted Semen (SSS) under the cooperative network.

During the current year, 1.50 lakh doses of sex-sorted semen will be distributed through all DCMPU. This initiative is expected to produce an additional 25,000 to 30,000 female calves every year, thereby expanding the breedable female cattle population, improving milk productivity and enhancing the long-term income of dairy farmers.

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5.2.5 Exposure Visit Programme for Farmers

To promote adoption of modern dairy technologies and best management practices, 500 milk producers and cooperative employees will be taken on exposure visits to leading dairy cooperatives and institutions in other States. The programme will facilitate knowledge sharing and encourage the adoption of successful dairy development models in Tamil Nadu.

6. TAMIL NADU COOPERATIVE MILK PRODUCERS FEDERATION LIMITED (TCMPF) / AAVIN

The TCMPF is responsible for co-ordinating milk procurement, processing, marketing, product development and overall growth of the cooperative dairy sector in the State. It also provides strategic leadership, technical guidance and common branding to the district unions.

The overall management of the Federation vests with the President and the Board of Directors, elected in accordance with the provisions of the Tamil Nadu Cooperative Societies Act and Rules. The elected Directors of the DCMPU constitute the Electoral College and are eligible to contest for membership of the Board of Directors of the Federation.

Table 7: The composition of the Board of Directors of the TCMPF

Sl. No	Category	Number of Directors
	Directors Through Election	
1.	General	11
2.	Women	6
3.	SCs/ STs	4
	Co-opted Directors	
4.	Having experience in the field of Dairy Technology or Dairy Engineering	1
5.	Having experience in the field of Finance from National Cooperative Development Corporation	1
	Functional Directors	
6.	Representative of the National	1

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Sl. No	Category	Number of Directors
	Dairy Development Board	
7.	Representative of the Director of Animal Husbandry & Veterinary Service Department	1
8.	The Deputy Milk Commissioner, Office of the Commissioner for Milk Production and Dairy Development	1
9.	The MD of the Federation	1
TOTAL		**27**

- The **TCMPF** board has 27 directors - 21 elected, 2 co-opted and 4 functional.

6.1 Dairies and Facilities Operated by AAVIN

Aavin operates a network of modern dairies and processing facilities across the State for milk procurement, processing, value addition and distribution. The major facilities are as follows:

6.1.1 Madhavaram Dairy

Established in 1963 at the Madhavaram Milk Colony through a collaborative initiative of the Government and UNICEF, Madhavaram Dairy is the oldest dairy of Aavin. Commissioned with an initial handling capacity of 50,000 litres per day,

- Madhavaram Dairy, from **1963**, was built with **UNICEF** support at 50,000 litres a day and now handles about five lakh litres - Aavin's oldest dairy.

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the dairy has undergone continuous modernization over the past six decades and currently processes around five lakh litres of milk per day.

6.1.2 Ambattur Dairy

Established in 1976 in the Ambattur Industrial Estate with technical assistance from the National Dairy Development Board (NDDB), the dairy commenced operations with a capacity of two lakh litres per day. Through successive expansions, its present milk handling capacity has been enhanced to five lakh litres per day.

- Ambattur Dairy opened in **1976** with **NDDB** technical assistance at two lakh litres a day, now five lakh.

6.1.3 Sholinganallur Dairy

Commissioned in 1996 with the support of NDDB, Sholinganallur Dairy is the first automated dairy plant in Tamil Nadu. The plant, originally designed to process four lakh litres per day, has since been expanded to a capacity of six lakh litres per day.

- Sholinganallur Dairy, commissioned in **1996** with **NDDB** support, was the first automated dairy plant in Tamil Nadu; capacity is now six lakh litres a day.

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6.1.4 Ultra High Temperature (UHT) Milk Plant

Established in 2014, UHT Milk Plant is equipped with state-of-the-art processing and packaging technology. The plant manufactures long-life UHT milk in 150 ml and 450 ml packs with a shelf life of upto 90 days, enabling wider market reach and improved consumer convenience.

- The **UHT** plant of **2014** makes long-life milk in 150 ml and 450 ml packs with a 90-day shelf life.

6.1.5 Dairy-cum-Powder Plant, Tiruvannamalai

The Dairy-cum-Powder Plant (DCPP) at Ammapalayam, Tiruvannamalai District, was established in 2014. The facility comprises a dairy with a milk handling capacity of two lakh litres per day and a 20 metric tonne per day milk powder plant. Surplus milk received from DCMPU is converted into butter and skimmed milk powder. The plant has storage facilities for 500 metric tonnes of butter and 3,000 metric tonnes of

- The Dairy-cum-Powder Plant at Ammapalayam, Tiruvannamalai (**2014**) handles two lakh litres a day with a 20 **MTPD** powder plant, storing **500 MT** of butter and **3,000 MT** of skimmed milk powder.

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skimmed milk powder, besides producing and packing three metric tonnes of ghee per day for retail marketing.

6.1.6 Ambattur Products Dairy

Established in 2003, the Ambattur Products Dairy initially manufactured khoa, Mysore Pak and milk peda. Today, it produces a wide range of value-added dairy products and continuously develops innovative products to meet evolving consumer preferences and market demand.

6.1.7 Madurai Ice Cream Plant

Commissioned in 2022, the Madurai Ice Cream Plant has a production capacity of 10,000 litres per day. The plant manufactures a premium range of ice creams catering to the growing demand across the State.

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6.1.8 TCMPF Milk Handling Capacity

Table 8: Processing capacity of Dairies

Sl. no	Name of the Federation - Union	Processing capacity of Dairies (in LPD)
1	Madhavaram	5,00,000
2	Shollinganallur	6,00,000
3	Ambattur	5,00,000
4	Tiruvannamalai DCPP	2,00,000
	Total	**18,00,000**

- The four federation dairies - Sholinganallur, Madhavaram, Ambattur and Tiruvannamalai **DCPP** - have a combined processing capacity of **18 lakh** litres a day.

6.1.9 Transport and Logistics Wing

The Transport and Logistics Wing of TCMPF plays a critical role in ensuring the efficient movement of milk, dairy products and production inputs across the State through an integrated logistics network.

- **Bulk Milk Transportation:** Road milk tankers transport approximately 49 lakh litres of raw milk per month from DCMPU

and chilling centres to the metro dairies at Madhavaram, Ambattur and Sholinganallur.

- **Distribution of Dairy Products and Inputs:** Insulated container vehicles distribute approximately 160 metric tonnes of butter, 483 metric tonnes of skimmed milk powder and ghee, nearly six lakh litres of sachet milk and other dairy products every month. These vehicles also transport machinery, milk cans, tubs and other essential production materials.
- **Cold Chain and Retail Distribution:** Refrigerated vehicles maintain an uninterrupted cold chain for the transportation of ice cream and other temperature-sensitive products. In addition, mobile Aavin parlours are deployed to expand direct retail sales while ensuring hygienic storage and handling.
- **Fleet Management:** A dedicated fleet of Light Motor Vehicles (LMVs) and other utility

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vehicles supports field inspections, procurement activities and administrative operations. Preventive maintenance and minor repairs are carried out through the Federation's Transport Workshop.

The details of TCMPF's own fleet of vehicles is given in Annexure 6.

6.2 SERVICE UNITS OF TCMPF

6.2.1 Aavin Frozen Semen Production Station, Nilgiris

This was established in 1973 to produce high-quality frozen semen straws for artificial insemination (AI), thereby supporting genetic improvement and productivity enhancement of dairy animals.

The station produces frozen semen straws from Jersey, crossbred Jersey, Holstein Friesian and crossbred Holstein Friesian breeding bulls. The frozen semen is subsequently stored and distributed through the Semen Distribution Centre

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at Erode to the DCMPUs for use in artificial insemination programmes.

At present, this station maintains 99 breeding bulls, of which 64 bulls are under semen collection. The farm follows stringent Government of India biosecurity protocols to ensure the maintenance of disease-free breeding stock and the production of high-quality frozen semen. During 2025–26, the station produced 16.85 lakh frozen semen doses. **The farm is ISO 9001:2015 certified and has been awarded "A" Grade Certification by the Central Monitoring Unit, Government of India, reflecting its adherence to the highest standards of quality and biosecurity.**

6.2.2 Frozen Semen Distribution

The Frozen Semen Distribution Centre at Erode serves as the central distribution hub for frozen semen doses produced.

During 2025–26, the centre supplied 12.15 lakh cattle frozen semen doses and 0.14 lakh buffalo frozen semen doses were distributed.

To strengthen the national breeding programme, high genetic merit Jersey crossbred bull calves identified under the Field Performance Recording Programme (FPRP) and Rashtriya Gokul Mission – Progeny Testing Programme (RGM-PTP) are reared at the Quarantine Station, Erode before being inducted into frozen semen production stations across the country.

6.2.3 High Genetic Merit Heifer Calves Production Unit, Karumanthurai, Salem District

This unit plays an important role in strengthening the genetic base of dairy cattle in the State. High genetic merit heifer calves with positive breeding values, born under the Rashtriya Gokul Mission – Progeny Testing Programme

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(RGM-PTP), are procured from milk producers and scientifically reared at this unit.

The heifers are inseminated using semen from proven breeding bulls to produce superior-quality bull calves. The resulting high genetic merit bull calves are inducted into the Aavin Frozen Semen Production Station, Nilgiris for future semen production, while the heifer calves are made available to dairy farmers at cost, thereby facilitating the dissemination of superior dairy genetics across the State.

6.2.4 Aavin Skill Development Centre, Madhavaram

Recognising that skilled human resources are essential for sustainable dairy development, TCMPF established the Aavin Skill Development Centre at Madhavaram. The Centre, together with the Regional Training Centres functioning under the DCMPUs, serves as the State's principal institution for capacity building of dairy farmers,

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cooperative employees and other stakeholders across the three-tier dairy cooperative system.

The mission of the Centre is to improve the livelihoods of rural milk producers by promoting scientific dairy farming practices and developing skilled Artificial Insemination (AI) technicians capable of delivering quality breeding services.

The Centre is equipped with modern training infrastructure, including smart classrooms, audio-visual facilities for online and hybrid learning, residential hostel facilities for men and women, dining facilities, gymnasiums, recreational amenities and round-the-clock security, providing a conducive environment for residential training programmes.

Since its establishment in 2022, the Centre has emerged as a premier institution for capacity building in the dairy cooperative sector. A total of 127 training programmes have been conducted,

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benefiting 1,670 employees of TCMPF and the DCMPUs. The Centre has also generated a cumulative revenue of Rs. 46.99 lakh through its training programmes.

6.2.4.1 Regional Training Centres

To strengthen human resource development at the grassroot level, five Regional Training Centres are functioning at Salem, Madurai, Tirunelveli, Villupuram and Vellore. These centres cater to the training needs of milk producers, employees of MPCS, DCMPU and elected representatives of dairy cooperatives across the State.

These training centres that are equipped with modern infrastructure, play a pivotal role in disseminating modern technologies, scientific dairy management practices and cooperative governance principles, thereby strengthening the capacity of dairy farmers and cooperative

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institutions and contributing to the sustainable growth of the dairy sector in Tamil Nadu.

Table 9: Regional Training Centers and their Affiliated DCMPUs

Sl. No.	Name of the Training Center	Affiliated Unions
1	Villupuram	Villupuram, Kallakurichi, Cuddalore Milk Unions
2	Vellore	Kanchipuram and Tiruvallur, Vellore, Tirupathur, Tiruvannamalai & Krishnagiri Milk Unions
3	Salem	Salem, Namakkal, Karur, Dharmapuri, Erode, Coimbatore, Tirupur, Thanjavur, Tiruvarur and The Nilgiris Milk Unions
4	Madurai	Madurai, Theni, Dindigul, Trichy, Perambalur-Ariyalur, Pudukottai, Sivagangai Milk Unions
5	Tirunelveli	Tirunelveli, Kanyakumari, Thoothukudi, Virudhunagar Milk Unions

The training programmes are implemented under various schemes such as the National Programme for Dairy Development (NPDD),

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Rashtriya Gokul Mission (RGM) etc. The Regional Training Centres at Salem, Madurai and Tirunelveli are accredited by the Department of Animal Husbandry and Dairying, Government of India.

During the last three years, 1,924 trainees have been trained through various capacity-building programmes. Under NPDD and RGM, it is proposed to train 20,000 milk producers and 1,400 staff of MPCS every year. In addition, 5,000 unemployed youth, including women, will be trained in dairy entrepreneurship, fodder production and silage making over the next five years.

6.2.4.2 Capacity Building under Various Schemes

The Department regularly conducts specialised training programmes to strengthen technical, managerial and entrepreneurial skills across the dairy sector.

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- During 2025–26, 76 employees received advanced training at the NDDB Institute, Gujarat, on dairy processing, energy conservation and efficient management of dairy equipment.
- Under NPDD (2025–26), 32,120 milk producers were trained in clean milk production, scientific breeding and other best dairy practices at a cost of Rs.3.10 crore. In addition, 2,235 employees of the DCMPUs were trained in quality management, milk testing, chilling operations and dairy management at a cost of Rs.33.53 lakh.
- Under the TANII Buffalo Calf Rearing Scheme, 28 progressive dairy farmers and 4 officials undertook an exposure visit to the Rajeev Buffalo Dairy Farm, Andhra Pradesh, to learn advanced buffalo rearing and dairy management practices.

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Under the Tamil Nadu Skill Development Programme – 925 candidates were trained in dairy entrepreneurship, milk collection and accounting, artificial insemination and first-aid practices with financial assistance of Rs.67.78 lakh.

7. MILK AND MILK PRODUCTS MARKETING

The TCMPF and DCMPUs market milk and a wide range of dairy products across the State under the trusted brand name "AAVIN".

Aavin is committed to supplying safe, high-quality and affordable milk to consumers. Its major milk variants—Standardised Milk, Toned Milk and Full Cream Milk—are offered at fair prices to ensure consumer welfare.

At present, Aavin markets an average of 31.89 lakh litres of milk per day across Tamil Nadu through its extensive network of parlours, retail outlets, dealers and institutional

- Aavin markets **31.89 lakh** litres a day through parlour**s,** depots, dealer**s,** retail outlets and digital platforms.

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channels, serving millions of consumers every day.

Table 10: Milk variants marketed under the Aavin brand

Sl. No.	Milk Varieties	Fat Content (%)	SNF (%)
1	Double Toned Milk (DTM)	1.5%	9.0%
2	Toned Milk (TM)	3.0%	8.5%
3	Aavin Delite	3.5%	8.5%
4	Standardised Milk (SM)	4.5%	8.5%
5	Aavin Gold	5.0%	9.0%
6	Full Cream Milk (FCM)	6.0%	9.0%

- Aavin's six variants by fat and **SNF**: Double Toned 1.5%, Toned 3.0%, Delite 3.5%, Standardised 4.5%, Gold 5.0% and Full Cream 6.0%.

7.1 Milk Distribution Network

Aavin has established an extensive and efficient distribution network to ensure the uninterrupted supply of safe and quality milk to consumers across Tamil Nadu. Milk is made readily available through a wide network of Aavin parlours, milk depots, wholesale dealers, retail outlets and digital sales platforms, ensuring

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convenient access to consumers in both urban and rural areas.

7.1.1 Monthly Milk Card Scheme

The Monthly Milk Card Scheme, introduced in 1985, is one of Aavin's flagship consumer welfare initiatives. The scheme enables consumers to purchase Aavin milk at concessional prices, ensuring assured and regular supply of quality milk.

- The Monthly Milk Card Scheme of **1985** gives consumers Aavin milk at concessional prices with assured supply.

7.2 Marketing of Milk Products

During 2025–26, Aavin recorded milk product sales of Rs.683.25 crore, registering a 15% growth over the previous year. Building on this momentum, Aavin aims to achieve a minimum annual growth of 5% in the sales of value-added dairy products through product innovation, market expansion and enhanced consumer outreach.

- Milk product sales reached **Rs.683.25** crore in **2025-26**, 15% up on the previous year.

7.2.1 Range of Aavin Milk Products:

Table 11: Category-wise Range of Aavin Milk and Milk Products

Sweets	Cookies & Chocolates	Health Mix
Khoa Dates Khoa Mysore Pak Gulab Jamun Milk Peda Rasgulla Premium Milk Cake Kaju Katli Ghee Badhusha	Cookies (6 varieties) Milk Biscuit Milk Chocolate Nutties Chocolate	Badam Mix Badam-Pista Mix Dry Nut Mix
Long Shelf-Life Dairy Products	**Ice Cream**	**Fermented Milk Products**
UHT Milk – Toned Milk in Flexi Pack UHT Milk – Standardised Milk in Tetra Pack UHT Milk – Toned Milk in Tetra Pack Flavoured Milk - Tetra Pack/Bottle	Cup Ice Cream Ice Cream – Family Pack Ball Ice Cream Choco Bar Mango Duet Pineapple Duet Grape Duet 2-in-1 Bar Chocolate Feast Premium Cup Ice Cream	Yogurt Curd Lassi Sachet & Bottle Butter Milk Premium Curd Cups Mango & Strawberry Flavoured Yogurt Drink

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Long Shelf-Life Dairy Products	Ice Cream	Fermented Milk Products
	Premium Scoop Ice Cream (6 varieties) Chocolate Cone Vanilla Cone Butterscotch Cone Kulfi Bar Casatta Flavoured Kulfi Bars	

7.2.2 Development of New Value-Added Dairy Products

To cater to evolving consumer preferences and strengthen the competitiveness of the cooperative dairy sector, Aavin will continuously develop and introduce innovative value-added dairy products through its Research and Development (R&D) facilities. The expanded product portfolio will be marketed through Aavin's retail network across the State, with the twin objectives of enhancing consumer choice and increasing revenue generation.

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7.3 Distribution Network

Aavin has established an extensive retail and distribution network across Chennai and other districts to ensure easy availability of milk and dairy products to consumers. The products are marketed through the following sales channels:

Table 12: Aavin Retail and Distribution Network across Tamil Nadu

Sl. No.	Category	Federation	District Unions	Total
1	Hitech Parlours	21	40	61
2	Milk Parlours Operated Directly by Aavin	15	54	69
3	Wholesale Dealers (WSD) (Milk/Dairy Products)	94	1577	1671
4	Franchise Retail Outlet (FRO) / Agents	790	8361	9151
	Total	**920**	**10032**	**10952**

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7.3.1 Strengthening the Distribution Network

To improve consumer access and expand market reach, Aavin will strengthen its retail distribution network in a phased manner. Existing Aavin parlours will also be modernised through refurbishment and facelift initiatives to enhance infrastructure, improve customer experience and strengthen brand visibility.

7.4 Sales Promotion

Aavin regularly undertakes innovative marketing and promotional campaigns to increase consumer awareness, expand its customer base and promote the sale of milk and value-added dairy products across the State.

7.4.1 Aavin Day

Every year, 1st of February is celebrated as **Aavin Day** to commemorate the establishment of the TCMPF on 01.02.1981.

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As part of the 2026 Aavin Day celebrations, special promotional offers and discounts were extended on Aavin products across Chennai Metro. Competitions for school students and the general public were also organised, creating greater public engagement and enhancing the visibility of the Aavin brand.

To recognise the contribution of dairy farmers, veterinary health camps, deworming camps and infertility treatment camps were organised across all DCMPUs. Progressive milk producers were also honoured with appreciation certificates for their outstanding contribution to the cooperative dairy movement.

7.4.2 Battery-Operated Mobile Sales Units

To meet the seasonal demand for dairy products, particularly during summer, Aavin has introduced battery-operated mobile sales units for the sale of ice cream, curd, buttermilk and lassi.

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These mobile units operate at high-footfall locations such as beaches, temples, parks and tourist destinations, particularly in Chennai and adjoining areas, improving consumer convenience while promoting eco-friendly retail practices.

7.5 Appointment of Cooperative as Wholesale Dealers

To expand its marketing network, Aavin has appointed various cooperative institutions as Wholesale Dealers for the distribution of milk and milk products. These wholesale dealers collectively generate an average monthly turnover of around Rs. 1.71 crore, contributing significantly to the expansion of Aavin's retail reach.

7.6 Expansion of Ice Cream Distribution

To meet the growing demand for Aavin ice cream, seven dedicated wholesale distributors have been appointed across Tamil Nadu to ensure uninterrupted supply to retail outlets and institutional customers.

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During 2026-27, Aavin proposes to appoint 15 additional wholesale distributors to further strengthen the distribution network. Similar wholesale distribution arrangements are underway for products such as curd, paneer and lassi, ensuring wider market availability and improved sales.

7.7 e-Commerce and Online Retail

Recognising the rapid growth of digital commerce, Aavin has significantly expanded its presence across leading e-commerce and quick-commerce platforms.

At present, Aavin records average monthly online sales of around Rs.3.94 crore through major e-commerce platforms.

7.8 Export of Milk and Milk Products

Steps are being taken to explore the possibilities of exports after catering to the domestic demand for products such as ghee,

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skimmed milk powder (SMP), UHT milk and traditional dairy products, primarily catering to the Indian diaspora.

7.9 Consumer Service and Support Centre

Aavin operates a 24×7 Consumer Service and Support Centre at its Headquarters in Nandanam, Chennai, supported by a toll-free helpline (1800-425-3300).

The Centre provides consumers with a dedicated platform to register feedback, complaints and suggestions. Aavin is committed to resolving consumer grievances within 48 hours. During 2025-26, a total of 31,981 consumer complaints (upto 31.07.2026) were received and successfully resolved, reflecting Aavin’s commitment to responsive and consumer-friendly service.

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8. QUALITY ASSURANCE

Quality assurance forms the cornerstone of Aavin's operations. The TCMPF and the DCMPUs maintain rigorous quality control systems to ensure that consumers receive safe, hygienic and high-quality milk and dairy products.

Milk is tested at every stage of the value chain—from procurement at MPCS, BMCs and Chilling Centres to processing at District Union dairies and Metro Dairies. Aavin has established modern laboratories equipped with advanced analytical testing equipment to monitor product quality and food safety.

Quality testing is carried out in accordance with the standards prescribed by:

- Food Safety and Standards Authority of India (FSSAI)
- Bureau of Indian Standards (BIS)
- AGMARK

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- Export Inspection Council of India (EIC)

8.1 Aavin State Central Laboratory, Madhavaram

The Aavin State Central Laboratory (SCL) was established at Madhavaram in August 2022 at a project cost of Rs.8.25 crore under the National Programme for Dairy Development (NPDD). To further strengthen food safety surveillance, an Advanced Pathogen Laboratory was commissioned in July 2024 at a cost of Rs.1.88 crore.

The laboratory is equipped to test milk, milk products and cattle feed for antibiotic residues, pesticide residues, aflatoxins, heavy metals, melamine, nutritional parameters, adulterants and pathogenic microorganisms.

The laboratory received NABL Accreditation on 08.11.2025, valid up to 07.11.2029, covering 190 testing parameters. An extension laboratory is also under establishment at a cost of Rs.2.22 crore for testing drinking water, wastewater and

vitamin content in accordance with BIS, TNPCB and FSSAI standards.

Since its inception, the State Central Laboratory has tested 2,319 samples of milk, milk products and cattle feed, generating a revenue of Rs.2.60 crore up to 30.06.2026. The Advanced Pathogen Laboratory has analysed 372 samples, generating a revenue of Rs.15.38 lakh.

During 2026-27, it is proposed to integrate the NABL-accredited laboratory with international and national certification systems such as APEDA, MPEDA, EIC, BIS and FSSAI, at an estimated cost of Rs.1 crore under NPDD, thereby strengthening Aavin’s export readiness and quality assurance framework besides aiding the State’s exports ecosystem for food products.

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8.2 Aavin Research and Development Laboratory, Ambattur

To foster innovation and continuously improve product quality, the Aavin Research and Development (R&D) Laboratory has been established at Ambattur under the NPDD at a project cost of Rs.6.96 crore, with financial assistance from the Government of India and TCMPF.

The laboratory focuses on:

- Developing innovative dairy products tailored to changing consumer preferences.
- Improving the quality and shelf life of existing milk and milk products.
- Enhancing packaging technology and product presentation.
- Strengthening branding and product competitiveness through improved packaging design.

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The R&D facility houses advanced laboratories for chemical analysis, microbiology, and product development, sensory evaluation, packaging material testing, High-Performance Liquid Chromatography (HPLC), Atomic Absorption Spectroscopy (AAS) and Reverse Transcription-Polymerase Chain Reaction (RT-PCR) analysis. It also includes a library and conference hall for training technical personnel and students.

The laboratory will play a pivotal role in developing new value-added dairy products, improving quality assurance systems, enhancing packaging standards and strengthening consumer confidence, thereby increasing the competitiveness and market share of Aavin products in both domestic and international markets.

9. SCHEMES

9.1 Infrastructure Development and Modernisation of Dairies

The infrastructure of Aavin's Metro Dairies and 29 DCMPU dairies is being continuously upgraded by adopting modern technologies with financial assistance from various State and Central Government schemes. Major investments are being made to strengthen milk procurement, processing, value addition and distribution infrastructure across the State.

9.1.1 Rural Infrastructure Development Fund (NABARD)

- A new Milk powder production plant is under construction at Padalur with an outlay of Rs. 150 crore with a capacity of 60 MT per day to handle and convert the surplus milk into powder so as to meet out skim milk powder requirements of the lean season.

- A 60 **MTPD** milk powder plant is being built at Padalur at **Rs.150 crore** under **NABARD RIDF**, to convert surplus flush-season milk into powder for the lean season.

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- Automatic milk pouch stacking and conveyor systems are being installed at the Metro Dairies in Sholinganallur and Ambattur and the District Union dairies at Coimbatore, Salem, Madurai and Tiruchirappalli at an estimated cost of Rs. 29.93 crore to improve operational efficiency, reduce manual handling and ensure faster, safer and more hygienic dispatch of milk pouches.
- A modern automatic dairy at Salem dairy with state-of-the-art processing systems with a capacity of 7 LLPD has been established at a value of Rs.51.76 crore. Further, Modernisation of Madurai and Tiruchirappalli dairies are also under progress with an estimated cost of Rs. 67.62 crore to improve processing efficiency, optimise energy consumption and strengthen compliance with modern food safety and quality standards.

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9.1.2 National Programme for Dairy Development (NPDD)

The National Programme for Dairy Development (NPDD) is a Central Sector Scheme of the Government of India aimed at strengthening the dairy value chain by improving milk procurement, chilling, processing, quality assurance and marketing infrastructure.

- **Integrated Dairy Information Technology:** Integrated IT infrastructure and software solutions are being implemented at a cost of Rs. 17.37 crore in a phased manner to digitise milk procurement, processing and marketing operations across DCMPU.
- **Electronic Milk Adulteration Testing:** During 2024–26, with financial assistance of Rs. 6.45 crore 129 FTIR-based Electronic Milk Adulteration Testing Machines have been installed in BMCs to enable rapid and

129 **FTIR**-based electronic milk adulteration testing machines have been installed at Bulk Milk Coolers at **Rs.6.45 crore**.

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accurate detection of milk adulteration, thereby strengthening food safety and consumer confidence.

- **Cloud-Based Milk Analysers:** During 2022–24 and 2024–26, 6,980 cloud-based milk analysers have been installed at MPCS at a cost of Rs.43.28 crore to facilitate instant testing of milk quality, generate digital acknowledgements for milk producers and promote transparency in milk procurement and payment.
- **Food Scan Laboratory:** A Food Scan laboratory instrument has been installed at the cheese manufacturing plant of the Nilgiris DCMPU at a cost of Rs. 1.12 crore to facilitate precise quality analysis of cheese and other dairy products, ensuring compliance with food safety standards and production of high-quality products.
- **Expansion of Bulk Milk Cooling Infrastructure:** Installation of 49 BMC at a

6,980 cloud-based milk analysers at village societies, costing **Rs.43.28** crore, test milk instantly and generate a digital acknowledgement - quality and transparency in one device.

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cost of Rs. 13.14 crore and construction of buildings for 34 BMC units at a cost of Rs. 8.05 crore are under implementation across various DCMPU to enable immediate chilling of milk at the procurement point for minimising bacterial growth and spoilage, preserve milk quality and strengthen the rural milk procurement network.

- **Formation of Dairy Cooperative Societies:** With financial assistance of Rs. 6.01 crore, organisation of 323 MPCS is under progress across the State to strengthen village-level milk collection, improve market access for dairy farmers, expand cooperative milk procurement and enhance the livelihoods of rural dairy producers.

9.1.3 Dairy Processing and Infrastructure Development Fund (DIDF)

- A major dairy processing plant with a capacity of 10 lakh litres per day is being

- A **10 lakh** litre a day processing plant is being built at Madhavaram under the Dairy Processing and Infrastructure Development Fund at **Rs.142.19 crore**.

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established at Madhavaram with financial assistance under DIDF at a cost of Rs. 142.19 crore to meet out the growing demand on the sachet milk sales in North Chennai Metro areas.

- To strengthen the dairy sector in the Delta region to meet the growing demand for milk and dairy products, a new dairy processing plant with a capacity of 1 lakh litres per day is being established at Thanjavur at an estimated cost of Rs. 53.55 crore.

9.1.4 Pradhan Mantri Formalization of Micro Food Processing Enterprises (PMFME) Scheme and own funds

A new dairy processing plant with a capacity of 1 lakh litres per day is being established at Acharapakkam at a total cost of Rs. 48 crore to strengthen dairy infrastructure in northern Tamil Nadu.

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9.1.5 Focus Block Development Programme

The Focus Block Development Programme (FBDP) has been launched by the Government of Tamil Nadu to accelerate socio-economic development in the State's most backward blocks. The programme, implemented through the State Planning Commission, covers 50 focus blocks, including hill areas, with an allocation of Rs. 5 crore per block over three years, in addition to a discretionary fund of Rs. 1 crore for each District Collector.

During 2024–25, projects worth Rs. 5.01 crore were sanctioned under the programme, of which Rs. 4.36 crore has been utilised for supplying milk cans, milk analysers, electronic weighing scales, milk testing equipment, computers for digitisation, installation of BMCs and organisation of animal health and infertility camps.

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These interventions have benefited 402 MPCS across 24 Focus Blocks, strengthening milk procurement infrastructure and improving services to dairy farmers.

9.1.6 Milk Powder Production Unit

A new Milk powder production plant is under construction at Salem with a capacity of 30 MT per day to handle and convert the surplus milk into powder so as to meet out skim milk powder requirements of the lean season with Union's own funds of Rs. 58.67 crore.

9.2 Scientific Breeding Management Schemes

9.2.1 Tamil Nadu Innovation Initiatives (TANII)

The Government is implementing several innovative programmes under the Tamil Nadu Innovation Initiatives (TANII) to improve dairy productivity through scientific breeding, better animal management and modern technologies.

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These interventions are aimed at increasing milk production, improving farmer's income and strengthening the cooperative dairy sector.

9.2.1.1 Buffalo Calf Rearing Scheme

Buffalo milk commands a higher market price because of its higher fat content, making buffalo rearing an attractive source of income for dairy farmers. To encourage scientific buffalo rearing and increase the buffalo population in the State, the Buffalo Calf Rearing Scheme is being implemented under TANII at a project cost of Rs. 8.21 crore.

The scheme covers 2,000 buffalo heifer calves in 12 DCMPU and provides scientific management support throughout the rearing period.

A key feature of the programme is the use of sex-sorted semen technology, which greatly improves the chances of producing female buffalo

calves. This enables farmers to build productive buffalo herds, improve reproductive efficiency and enhance future milk production.

The scheme has already shown encouraging results. As on 30.06.2026, 239 buffaloes have calved and 673 animals have been confirmed pregnant. Milk produced under the scheme is being supplied through MPCS, thereby contributing to higher milk procurement under the cooperative network.

9.2.1.2 Productivity Enhancement Programme for Crossbred Jersey Calves

To improve the productivity of future dairy animals, Aavin is implementing the Productivity Enhancement Programme for Scientific Rearing and Breeding Management of Crossbred Jersey Calves at a project cost of Rs. 9.99 crore, covering 4,000 crossbred Jersey heifer calves.

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The programme promotes scientific calf rearing by providing balanced calf feed for 21 months, mineral mixture, sex-sorted semen, vaccination, deworming, insurance, growth monitoring and continuous technical guidance. Beneficiaries also contribute a part of the expenditure towards feed, insurance and sex-sorted semen insemination.

The calves are identified through ear tagging, insured for two years and regularly monitored. Once they attain the desired body weight, they are inseminated using high genetic merit sex-sorted semen to produce superior dairy animals.

The programme is expected to improve milk productivity, reduce calf mortality, promote scientific dairy farming and create a strong base of genetically superior animals for the cooperative dairy sector.

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9.2.1.3 Assisted Reproductive Management Programme

Infertility and delayed conception reduce milk production and increase the cost of maintaining dairy animals. To address this, Aavin is implementing the Assisted Reproductive Management Programme for reducing inter-calving period with an outlay of Rs. 9.99 crore, covering 50,000 dairy animals belonging to milk-pouring cooperative farmers.

The programme aims to reduce the inter-calving period to the ideal 12 to 14 months through scientific reproductive management. It includes mineral and vitamin supplementation, deworming, hormonal treatment, Controlled Internal Drug Release protocols, bypass fat supplementation, Fixed Time Artificial Insemination and early pregnancy diagnosis kits.

These interventions are expected to improve conception rates and calving, increase lifetime

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milk production, enhance farmer's income and reduce the distress sale of dairy animals caused by infertility.

9.2.2 Rashtriya Gokul Mission – Progeny Testing Programme (2019–2027)

Artificial insemination has played a major role in increasing milk production through crossbreeding. However, sustained genetic improvement requires systematic selection of superior breeding animals. The Progeny Testing Programme under the Rashtriya Gokul Mission (RGM) has therefore been introduced to identify and propagate high genetic merit Jersey bulls for long-term genetic improvement.

The TCMPF is the implementing agency for this programme, which is being carried out from 2019 with an approved outlay of Rs. 35 crore.

The programme aims to produce high genetic merit breeding bulls, establish a scientific system

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for genetic evaluation and improve economically important traits such as milk yield, fat, SNF and protein content.

Against the target of producing 670 high genetic merit bull calves, 530 calves have been produced up to 30.06.2026.

Of the target of 551 bull calves, 457 have already been supplied free of cost to semen stations across the country. A further 35 bull calves are presently under quarantine. This programme is laying a strong genetic foundation for sustained improvement in milk productivity and the long-term growth of the cooperative dairy sector.

10. CREDIT SUPPORT

Access to affordable institutional credit is essential for expanding dairy farming and improving milk production. The Government facilitates concessional credit through various

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schemes to enable dairy farmers to purchase quality milch animals, increase their herd strength and enhance milk procurement under the cooperative sector.

10.1 Kisan Credit Card (Animal Husbandry)

To improve access to institutional credit and strengthen dairy farming, financial assistance is being facilitated through the Kisan Credit Card (Animal Husbandry) and other credit-linked schemes. During 2025–26, Rs. 260.41 crore was disbursed as Animal Husbandry maintenance loans, benefiting 70,807 dairy farmers. During 2026-27 it is planned to give credit assistance of Rs. 293 crore for animal maintenance to benefit 1,54,167 milch animals under KCC. It is proposed to bring all the pouring members of MPCS under KCC credit support schemes to achieve 100% KCC coverage in due course.

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10.2 Term loans for new milch animals

In 2025-26, Rs. 216.72 crore was disbursed as term loans for the purchase of new milch animals, benefiting 18,631 farmers. During 2026–27, credit assistance of Rs. 260 crore will be facilitated for the purchase of new milch animals towards strengthening milk production and improving the livelihoods of dairy farmers.

10.3 Mini Dairy Scheme

To improve the economic status of small and marginal dairy farmers and expand cooperative milk procurement, the Mini Dairy Scheme was launched in October 2025 with 4% interest subvention provided by the Government of Tamil Nadu.

Under the scheme, 5,000 Mini Dairy Units are being established to support dairy farmers in purchasing milch animals and expanding their dairy enterprises. During 2025–26, the

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Government released Rs. 2.52 crore towards interest subvention for eligible beneficiaries.

The scheme is expected to benefit 5,000 small and marginal dairy farmers, increase milk production and strengthen the cooperative dairy sector. Till June 2026, 3,117 milch animals have been purchased under the scheme.

Encouraged by the positive response from dairy farmers, it is proposed to establish 500 Medium Dairy Farms in 2026-27 with Government support. This initiative is expected to induct additionally 2500 milch animals into the cooperative network.

10.4 Enhancing Milk Production and Livelihood Support through Convergence

During 2025–26, through Tamil Nadu Backward Classes and Economic Development Corporation (TABCEDCO) credit assistance of Rs. 24.37 crore was disbursed to 2,138 producers

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of MPCS in the districts of Salem, Namakkal, Coimbatore, Cuddalore, Dharmapuri, Tiruppur, The Nilgiris, Dindigul and Thanjavur at concessional rate of interest to purchase milch animals. For the current year, it is targeted to disburse Rs. 40 crore as credit to eligible farmers under TABCEDCO scheme.

Similarly convergence will be brought about by tapping Social Justice Department, Backward Classes and Most Backward Classes and Minorities Welfare Department, Women Development Department, Animal Husbandry Department and similar other Departments livelihood support programmes.

11. STAFF WELFARE MEASURES

The Government and Aavin attach high importance to the welfare of employees serving in the TCMPF and the DCMPU. Various welfare measures are implemented to recognise their

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contribution and provide financial and social security.

During 2025–26:

- 3,258 employees of the DCMPU and TCMPF were paid bonus and ex-gratia amounting to Rs. 473.93 lakh.
- 1,165 employees received Production Linked Incentive (PLI) amounting to Rs. 10.70 lakh.
- All serving and retired employees of the DCMPU and TCMPF are provided half a litre of Aavin milk free of cost every day.
- Retired employees receive an ex-gratia pension of Rs. 5,000 per month, while the family members of deceased retired employees are provided an ex-gratia family pension of Rs. 2,500 per month.

12. DIGITAL TRANSFORMATION OF AAVIN

Aavin is undertaking a comprehensive digital transformation programme to enhance

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transparency, operational efficiency and service delivery across the cooperative dairy value chain.

- **Digital Platforms for Producer Services:** Digital platforms will be introduced for milk producers to provide real-time access to procurement details, milk payments and support services. An integrated online grievance redressal system will enable producers to register complaints and monitor their resolution, ensuring greater transparency and accountability.
- **Mobile-Based Communication for Milk Producers:** MPCS will be equipped with digital systems for real-time recording of milk quantity and quality. Automated acknowledgements will be delivered through SMS and mobile applications, ensuring transparency and timely communication with milk producers.

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- **Cloud-Based Monitoring of BMCs:** Cloud-based monitoring systems will be deployed for BMCs to facilitate real-time monitoring of operations, improve asset management and ensure efficient handling of procured milk.
- **Digital Management System:** An integrated digital management platform covering milk procurement, processing, quality assurance, inventory, logistics, finance and human resource management will also be implemented across Aavin dairies. The system will improve operational efficiency, strengthen quality control, minimise manual errors and support data-driven decision-making.
- **Time-Bound Digital Grievance Redressal Mechanism:** To enhance customer experience, Aavin will introduce digital systems for collecting customer feedback and monitoring grievance redressal within

defined timelines, ensuring responsive and citizen-centric service delivery.

12.1 Digitisation of Welfare Schemes

With a view to improving transparency, efficiency and citizen-centric service delivery, the Department has undertaken the digitisation of key cooperative services during 2025–26. The initiative covers the online management of registration of MPCS, field inspections, the Peraringnar Anna Cooperative Milk Producers Welfare Fund, the Kalaignar Society Employees Welfare Fund and the development of a comprehensive web portal for the Department of Milk Production and Dairy Development.

The project has been taken up at an estimated cost of Rs. 16,93,300 of which Rs. 8,46,650 representing the first instalment (50% of the project cost), has been received from the Cooperative Research and Development Fund.

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13. ADMINISTRATIVE REFORMS

To promote transparency, fairness and merit-based recruitment, the Government entrusted direct recruitment to posts below the Manager level in the DCMPU and the TCMPF to the Tamil Nadu Public Service Commission (TNPSC) from 2023 onwards.

- Direct recruitment to posts below Manager level in the unions and federation was entrusted to **TNPSC** from **2023**; 243 candidates have been appointed, 186 of them in **2025-26**.

So far, 243 candidates selected by TNPSC have been appointed in the DCMPU and the TCMPF. During 2025–26 alone, 186 candidates were appointed to various categories of posts through the TNPSC recruitment process. Direct recruitment through TNPSC in Annexure 7.

14. BUDGET ALLOCATION

Under Demand No. 8, the Budget allocated for Dairy Development Department for 2025–26 was Rs. 1283.19 crore and the expenditure incurred was Rs. 1279.38 crore. The interim

- Dairy Development is Demand No.8. The **2025-26** allocation was **Rs.1,283.19 crore** against expenditure of **Rs.1,279.38 crore**; the interim estimate for **2026-27** is **Rs.1,350.31 crore**.

Budget Estimates for 2026-27 is Rs. 1350.31 crore.

14.1 Development activities proposed to be implemented during the year 2026-27

The following development activities will be undertaken on milk production enhancement, milk handling infrastructure facilities, quality assurance, fodder production, milch animals breeding network, fodder production, capacity building and establishing enterprise management system.

14.1.1 To strengthen milk handling infrastructure at the rural level, 60 Bulk Milk Cooling Centres will be set up and 40 new BMC buildings constructed, at an outlay of Rs.2545 lakh under NPDD scheme. It enhances the milk chilling facilities in strategic milk procurement centres to ensure rapid cooling of milk, maintain quality standards, reduce post-procurement losses and strengthen the dairy cold chain.

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14.1.2 Strengthening of 100 Bulk Milk Cooler Centres will be undertaken by providing Milk Chilling Infrastructure and Quality Assurance Systems at an estimated cost of Rs.881 lakh under NPDD scheme to safeguard the initial milk quality, prevent spoilage and enhance consumer confidence.

14.1.3 Capacity building programmes will be organized for 15,000 farmers on breeding, feeding and clean milk practices. Training on Quality Management systems will be imparted to 1700 employees (700 union and 1,000 society) at an estimated cost of Rs.175.50 lakh under NPDD scheme.

14.1.4 To enhance Artificial Insemination (AI) coverage and strengthen breeding service delivery, 100 persons will be trained as Artificial Insemination Workers (AIWs) and deployed in currently uncovered areas for improving cattle genetic merits, enhancing

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reproductive efficiency and increasing milk productivity.

14.1.5 The Quality Control Labs at Erode and Tiruvannamalai will be upgraded with additional equipment at an estimated cost of Rs. 31.50 lakh and Rs. 11.25 lakh respectively under NPDD scheme. It will facilitate to ensure the quality and safety of milk and milk products which is essential for consumer confidence, regulatory compliance, and sustainable growth of the dairy sector.

14.1.6 Strengthening of the Ambattur Dairy plant will be undertaken at an estimated cost of Rs.200 lakh to enhance overall product quality of sachet milk and consumer acceptability.

14.1.7 Top three performers among milk producers, women milk producers, Milk Producers' Cooperative Societies (MPCS), and best society secretary in each union will be recognized and felicitated with awards and prizes to foster a healthy competitive spirit among

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milk producers and cooperative societies while promoting higher productivity and enhance active participation.

14.1.8 Semen stations will be strengthened by producing 112 high-genetic Jersey bull calves under the Rashtriya Gokul Mission–Progeny Testing Scheme at an estimated cost of Rs. 518.36 lakh with the objective of supplying of superior germplasm for enhancing milk productivity and profitability in the dairy sector.

14.1.9 Green fodder development programme will be implemented through distribution of 25 MT of fodder seeds to 5000 milk producers to promote fodder cultivation on farmer's own land to ensure availability of nutritious and quality green fodder for maintaining animal health, improving milk yield and reducing feeding costs in dairy farming.

14.1.10 Exposure visits to other State Milk Federations, successful dairy cooperatives and institutions will be

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organized for 500 elite milk pouring members. Exposure visits to provide an effective platform for learning best practices, innovative technologies and efficient management systems in dairying. Such visits enable participants to gain practical insights and adopt proven approaches in their own dairy operations.

14.1.11 To strengthen Aavin's retail presence and improve consumer access to quality milk and milk products, it is proposed to establish 5 Hitech Aavin Parlours in Namakkal, Karur, Tiruvannamalai, Thoothukudi and Kallakurichi Districts, where such parlours are presently not available. In addition, considering the higher population, increasing consumer demand and market potential, it is proposed to establish three Hitech Aavin Parlours in Coimbatore District and two additional Hitech Aavin Parlours in Tiruppur District. The proposed establishments will be taken up at an estimated cost of Rs. 5 crore.

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14.1.12 To improve the availability of safe and quality milk and milk products to patients, attendants, hospital staff and visitors, it is proposed to establish 38 Aavin Parlours under franchise model in Government Medical College Hospitals across the State at an estimated cost of Rs. 1.90 crore.

14.1.13 To enhance social security of milk producers, compensation for accidental death, permanent total disability and marriage assistance for one girl child will be enhanced from the existing scales under Perignar Anna Cooperative Milk Producers Welfare Fund Scheme.

14.1.14 End-to-End Automation in the Dairy Cooperative Sector through a comprehensive digital platform integrating all levels of milk procurement and processing will be implemented at an estimated cost of Rs. 5.0 crore. This system will enable an end-to-end digital management of Milk procurement, processing, inventory, finance, logistics,

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and farmer services while ensuring transparency, operational efficiency and improved service delivery. This initiative will pave a way towards the digital transformation of Tamil Nadu's cooperative dairy sector.

15. MILK CO-OPERATIVES AT A GLANCE

Sl. No	Items	Details as on 30.06.2026
I	**Village level**	
1	Number of MPCS functioning	8851
2	Number of MPCS registered during 2025-26 (in Nos.)	389
3	Number of Dormant MPCS revived during 2025- 26 (in Nos.)	147
4	Number of members in MPCS (in Lakh)	11.03
5	Total Number of Pouring Members in MPCS (in Lakh)	3.16
6	Milk procurement by societies (in Lakh Litres)	35.67
II	**District level**	
7	Number of DCMPU	29
8	Milk Procurement by Unions (in LLPD)	29.86
9	Number of Union Dairies	24
10	Handling Capacity of Union Dairies (in LLPD)	37.68
11	Milk marketing in District Unions (in LLPD)	17.15
12	Number of milk distribution routes at the level of District Unions	424
13	Number of Chilling Centres	10

- **11.03 lakh** members belong to the societies but only **3.16 lakh** pour milk - the gap between membership and active supply is what the revival drive targets.

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Sl. No	Items	Details as on 30.06.2026
14	Handling Capacity of Chilling Centres (in LLPD)	4.90
15	Number of Bulk Milk Cooler Units	898
16	Chilling Capacity of Bulk Milk Cooler units (In LLPD)	33.59
III	**State Level**	
17	State Level Federation	1
18	Number of TCMPF Dairies	6
19	Handling Capacity of TCMPF Dairies (in LLPD)	18.65
20	Milk marketing in Chennai City (in LLPD)	14.81
21	Number of milk distribution routes in Chennai Metro	199
IV	**Others**	
22	Number of Powder plants (Erode, Salem, Madurai District Unions and Tiruvannamalai - TCMPF)	4
23	Capacity of powder plants for drying Milk (MT/day)	70
24	Butter storage capacity (in MT)	4789
25	SMP storage capacity (in MT)	8900

- Infrastructure as on **30.06.2026**: 898 Bulk Milk Cooler units chilling 33.59 lakh litres a day, 10 chilling centres and 24 union dairies handling 37.68 lakh litres.

- Four powder plants - Erode, Salem, Madurai unions and Tiruvannamalai - dry **70 MT** a day, with storage for **4,789 MT** of butter and **8,900 MT** of skimmed milk powder.

16. CONCLUSION

Dairying continues to be one of the strongest pillars of the rural economy of Tamil Nadu, providing a stable and sustainable source of livelihood to millions of dairy farmers, particularly women and small and marginal producers.

Through a combination of farmer-centric policies, scientific interventions and investments in modern infrastructure, the Government of Tamil Nadu is committed to building a vibrant, resilient and globally competitive cooperative dairy sector.

The Government's initiatives span the entire dairy value chain from ensuring remunerative milk procurement, facilitating access to affordable credit, strengthening breeding and animal health services, expanding fodder availability and providing livestock insurance to modernising dairy processing, promoting value addition and embracing digital technologies. These interventions are aimed at improving milk productivity, enhancing farmer's incomes, ensuring the supply of safe and quality milk to consumers and strengthening the long-term sustainability of the cooperative dairy movement.

Going forward, the Department will continue to focus on innovation, transparency, institutional

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strengthening and farmer welfare, with the objective of making Tamil Nadu a leading dairy state while ensuring inclusive growth and prosperity for every milk-producing family.

"கால்நடை செழித்தால் குடும்பம் செழிக்கும்;
பால்வளம் பெருகினால் தமிழகம் செழிக்கும்."

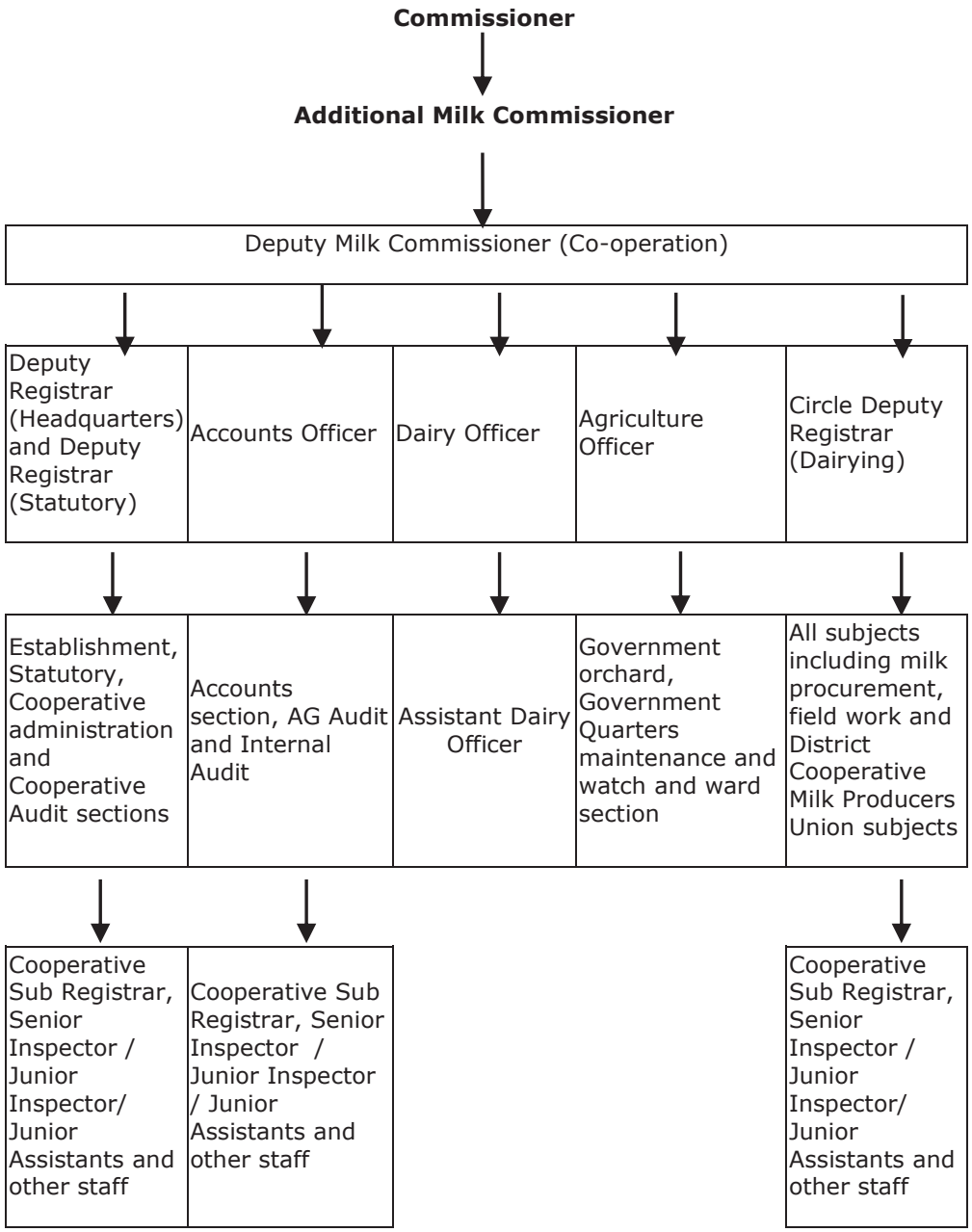
Together, these initiatives will build a more innovative, transparent, efficient and farmer-centric dairy sector, strengthening the cooperative movement, enhancing rural livelihoods and reinforcing dairying as a key driver of inclusive and sustainable economic transformation in Tamil Nadu.

C. VIJAYALAKSHMI
Minister for
Milk and Dairy Development

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Annexure - 1

STRUCTURE OF THE DAIRY DEVELOPMENT DEPARTMENT



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Annexure – 2

DETAILS OF MPCS AND MEMBER DATA

Sl. No	Name of the District	General Category	SC/ST Category	Women Category	Total Societies as on 30.06.2026
1	2	3	4	5	6
1.	Tiruvallur	102	4	58	164
2.	Kancheepuram	46	6	20	72
3.	Chengalpattu	115	14	96	225
4.	Vellore	113	8	39	160
5.	Ranipet	86	13	24	123
6.	Tirupathur	48	2	3	53
7.	Tiruvannamalai	386	19	158	563
8.	Villupuram	164	12	68	244
9.	Kallakuruchi	218	21	60	299
10.	Cuddalore	176	4	53	233
11.	Coimbatore	258	3	64	325
12.	Erode	390	2	74	466
13.	Tirupur	342	4	62	408
14.	Dharmapuri	201	9	38	248
15.	Krishnagiri	152	4	34	190
16.	Karur	124	1	19	144
17.	Trichy	300	10	50	360
18.	Ariyalur	75	4	36	115
19.	Perambalur	162	2	31	195
20.	Dindigul	135	5	16	156
21.	Madurai	429	37	162	628
22.	Theni	239	26	82	347
23.	Thanjavur	224	6	100	330
24.	Thiruvarur	34	2	18	54
25.	Nagapattinam	29	2	15	46

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Sl. No	Name of the District	General Category	SC/ST Category	Women Category	Total Societies as on 30.06.2026
26.	Mayiladuthurai	27	1	22	50
27.	Pudukkottai	275	2	24	301
28.	Salem	641	13	104	758
29.	Namakkal	448	2	55	505
30.	Sivagangai	308	4	77	389
31.	Ramanathapuram	102	3	15	120
32.	The Nilgiris	72	2	1	75
33.	Tirunelveli	122	4	25	151
34.	Thenkasi	42	0	11	53
35.	Kanyakumari	46	1	1	48
36.	Thoothukudi	108	2	32	142
37.	Virudhunagar	76	9	26	111
	Total	**6815**	**263**	**1773**	**8851**

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Annexure – 3

MILK PROCUREMENT INCENTIVE

Financial assistance released by the Government of Tamil Nadu towards the milk procurement incentive upto September 2026:

Sl. No.	Date of sanction of Incentive	Revenue Grant	Share Capital	Interest free ways and means advance
		(In crores.)	(In crores.)	(In crores)
1	07/02/2024	30.00	-	-
2	29/07/2024	-	125.00	-
3	29/10/2024	70.00	70.98	-
4	07/03/2025	46.16	46.16	-
5	30/04/2025	27.01	27.01	-
6	07/08/2025	93.77	-	-
7	26/12/2025	98.36	-	-
8	31/12/2025	93.98	-	-
9	05/03/2026	-	-	85.89
10	08/06/2026	91.54	-	-
11	Till Sep' 26	100.04		
Sub Total		**650.86**	**269.15**	**85.89**
Total		**1005.90**		

Approximately 3.29 lakh Milk Producers per month have been benefitted so far.

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Annexure - 4

PATRONAGE REBATE AND BONUS TO MILK PRODUCERS

Sl. No	Name of the District	Bonus		Patronage Rebate		Dividend	
		No of Members benefitted	Amount (in Lakhs)	No of Members benefitted	Amount (in Lakhs)	No of Members benefitted	Amount (in Lakhs)
1	2	3	4	5	6	7	8
1.	Tiruvallur	0	0.00	0	0.00	0	0.00
2.	Kancheepuram	595	9.30	801	31.75	0	0.00
3.	Chengalpattu	1508	14.40	1386	85.35	0	0.00
4.	Vellore	634	6.31	183	4.33	0	0.00
5.	Ranipet	473	3.56	3820	75.17	0	0.00
6.	Tirupathur	0	0.00	0	0.00	0	0.00
7.	Tiruvannamalai	3347	33.93	3738	163.14	0	0.00
8.	Villupuram	1731	8.71	1427	22.81	143	0.002
9.	Kallakuruchi	9338	159.27	1265	13.95	6033	0.08
10.	Cuddalore	4229	47.97	0	0.00	2056	0.03
11.	Coimbatore	4342	81.10	915	22.79	4342	0.40
12.	Erode	14014	201.96	6342	195.92	14014	0.43
13.	Tirupur	5003	95.16	2575	104.74	5003	0.38
14.	Dharmapuri	2393	103.53	402	29.78	3952	0.05
15.	Krishnagiri	3841	38.23	2935	110.23	5915	1.32
16.	Karur	1900	16.29	1470	46.52	1900	0.07
17.	Trichy	15202	153.37	8816	402.64	14718	0.64
18.	Ariyalur	127	11.88	12680	31.51	0	0.00
19.	Perambalur	827	11.49	9863	317.40	827	0.00
20.	Dindigul	881	29.48	3537	225.62	881	0.06

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Sl. No	Name of the District	Bonus		Patronage Rebate		Dividend	
		No of Members benefitted	Amount (in Lakhs)	No of Members benefitted	Amount (in Lakhs)	No of Members benefitted	Amount (in Lakhs)
1	2	3	4	5	6	7	8
21.	Madurai	0	0.00	1782	133.83	0	0.00
22.	Theni	101	8.36	0	0.00	0	0.00
23.	Thanjavur	2399	6.00	3144	56.68	0	0.00
24.	Thiruvarur	0	0	12290	227.4	0	0.00
25.	Nagapattinam	0	0	0	0	0	0
26.	Mayiladuthurai	760	2.79	760	20.47	760	0.07
27.	Pudukkottai	1157	11.08	1209	46.76	1157	0.02
28.	Salem	31945	337.30	4357	133.37	31945	0.44
29.	Namakkal	6445	81	2047	45.69	6526	0.09
30.	Sivagangai	0	0.00	2458	81.25	0	0.00
31.	Ramanathapuram	0	0.00	1557	34.73	0	0.00
32.	The Nilgiris	922	5.64	568	20.52	922	0.01
33.	Tirunelveli	1149	26.90	2655	253.63	0	0.00
34.	Thenkasi	0	0.00	204	103.99	0	0.00
35.	Kanyakumari	1182	46.05	858	66.68	0	0.00
36.	Thoothukudi	79	0.96	1356	157.32	0	0
37.	Virudhunagar	0	0.00	675	191.69	0	0.00
	Total	**116524**	**1,551.89**	**98075**	**3,457.66**	**101094**	**4.09**

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Annexure - 5

DCMPU HANDLING CAPACITY (in Liter Per Day)

Sl. no	Name of the Federation – Union	Processing capacity of Dairies		Chilling capacity				
		Nos	Capacity	Chilling Centres		Bulk Milk Coolers		Total
				Nos	Cap	Nos	Cap	
1	2	3	4	5	6	7	8	9
1	Kancheepuram-Thiruvallur	1	1,00,000	2	60,000	34	99,000	2,59,000
2	Villupuram	1	1,00,000			18	57,000	1,57000
3	Kallakurichi	0	0	1	80,000	36	1,21,000	2,01,000
4	Cuddalore	1	50,000			14	64,000	1,14,000
5	Vellore	1	1,50,000	1	30,000	33	1,11,000	2,91,000
6	Tirupathur	0	0			9	34,000	34,000
7	Thiruvannamalai	1	50,000			94	3,09,500	3,59,500
8	Dharmapuri	1	50,000			38	1,43,000	1,93,000
9	Krishnagiri	1	2,00,000	1	10,000	19	88,000	2,98,000
10	Salem	1	7,00,000			134	5,61,500	12,61,500
11	Namakkal	1	2,00,000	1	50,000	35	68,500	3,18,500
12	Erode	1	3,00,000			53	2,49,000	2,05,000
13	Coimbatore	1	5,00,000			33	1,62,000	5,49,000
14	Tiruppur	0	0			42	2,05,000	6,62,000
15	Niligiris	1	50,000			5	9,000	59,000
16	Madurai	1	5,00,000			79	2,11,500	7,11,500
17	Theni	0	0	1	1,00,000	14	56,000	1,56,000
18	Dindigul	1	50,000			27	95,500	1,45,500
19	Trichy	1	2,20,000	1	50,000	51	1,42,500	4,12,500
20	Perambalur	1	1,00,000	1	1,00,000	48	2,34,000	4,34,000
21	Karur	1	50,000			18	46,500	96,500

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Sl. no	Name of the Federation – Union	Processing capacity of Dairies		Chilling capacity				
		Nos	Capacity	Chilling Centres		Bulk Milk Coolers		Total
				Nos	Cap	Nos	Cap	
1	2	3	4	5	6	7	8	9
22	Thanjavur	1	48,000			9	38,000	86,000
23	Thiruvarur	-	0	-	-	10	44,000	44,000
24	Pudukottai	1	70,000			7	32,000	1,02,000
25	Sivagangai	1	50,000	1	10,000	16	70,000	1,30,000
26	Virudunagar	1	50,000			3	15,000	65,000
27	Thirunelveli	1	1,00,000			9	45,000	1,45,000
28	Thoothukudi	1	50,000			10	48,000	98,000
29	Kanyakumari	1	30,000	0	-			30,000
	Total	**24**	**37,68,000**	**10**	**4,90,000**	**898**	**33,59,500**	**76,17,500**

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Annexure – 6

Details of TCMPF'S own fleet of vehicles

Sl. No	Vehicle Category	Capacity / Type	Fleet Count
1.	Road Milk Tanker (RMT)	9 KL	12
2.	Road Milk Tanker (RMT)	15 KL	22
3.	Puff-Insulated Container	9 MT	18
4.	Puff-Insulated Container	7 MT	6
5.	Puff-Insulated Container	2 MT	2
6.	Refrigerated Container	7 MT	3
7.	Refrigerated Container	2 MT	4
8.	Mobile Parlour Vehicle	1 Ton	1
9.	Light Motor Vehicle (LMV)	4-Wheeler	36
10.	Support Vehicle	3-Wheeler	2
		Total	106

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Annexure - 7

APPOINTMENTS BY DIRECT RECRUITMENT THROUGH TNPSC DURING 2025–26.

TCMPF Limited - TNPSC Appointment Details 01.04.2025 to 30.06.2026		
Sl. No	**Name of the posts**	**No.of posts**
1	Manager (Finance)	3
2	Manager (Vety.)	4
3	Manager (Engg.)	3
4	Dy.Manager (Dairying)	21
5	Dy.Manager (System)	1
6	Deputy Manager (Quality Assurance)	12
7	Executive (Lab)	9
8	Jr.Executive (Office)	33
9	Milk Recoder Gr-III	15
10	Extension officer Grade – II	9
11	Technician (Tyre)	1
12	Technician (Auto Mech.)	2
13	Technician (Welding)	1
15	Technician (Operation)	34
16	Technician (Electrician)	10
17	Technician (Boiler)	4
18	Senior Factary Asst.	24
Total		**186**

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