

Six dairy plants in UP to be given on lease for 10 years

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The move will strengthen Pradeshik Cooperative Dairy Federation

Lucknow: The state government has decided to lease out six dairy plants for a period of 10 years to ensure better availability of milk in the state. As per the proposal, approved by the Cabinet on Tuesday, the six plants which will be leased out are either completely shut or not operating to capacity.

The move, said a government spokesperson, will strengthen the Pradeshik Cooperative Dairy Federation, semi-government milk processing and marketing institutions, and dairy cooperatives.

As per the proposal, the dairy plants in Gorakhpur, Kanpur, Noida, Prayagraj, Azamgarh and Moradabad will be given out on lease for management and operation. Their ownership will, however, remain with the PCDF and milk unions. The firms to which they are leased will not be able to tamper with the basic structure of the milk plant. Currently, the annual turnover for Gorakhpur plant is Rs 110 crore, Kanpur Rs 325 crore, Noida Rs 438 crore, Pra-

yagraj Rs 65 crore, Azamgarh Rs 11 crore, and Moradabad Rs 110 crore. "As per the Request for Proposal (RFP), the minimum milk handling capacity of the firms that apply should be 50% of the capacity of the plants given on lease. While the annual lease rent will remain the same in the first three years, it will be increased by 5.5% in the fourth and fifth years," the official said.

The present annual lease rent of Gorakhpur is Rs 4.38 crore, Kanpur is Rs 13.56 crore, Noida is Rs 17.89 crore, Prayagraj is Rs 2.63 crore, Azamgarh is Rs 44 lakh and Moradabad is Rs 4.38 crore. When leased out, the department will get Rs 43.28 crore as reserve annu-

al lease rent. The official said already, organisations like the Banas Dairy, Gujarat, Sabar Dairy, Gujarat, Mother Dairy, New Delhi, and COMFED Sudha Dairy, Bihar have shown interest. The decision to lease to a specific company will be taken by the Cabinet. The firms leasing the plants will first have to procure milk from the regional cooperative milk unions. The government has assured that milk unions associated with these dairy plants will not be dissolved and will continue their regular operations.

"Before leasing out these plants, the department will clear their debts. PCDF employees working in these dairies will be accommodated in other milk unions and PCDF units. The plant will have to be operational after completing the lease process within 84 days from the date of publication of the RFP. On the other hand, if the operation of the plant is terminated by the lease firm in less than one year, then the security money will be forfeited," the official said.