

Terms of Reference for
Evaluation of Milk Incentive scheme of the Department of Animal
Husbandry and Veterinary Services, Government of Karnataka from 2008-2013.

1. The background and implementation of the scheme:

The Government of Karnataka has launched the scheme of providing incentive of Rs. 2 per litre (later this was increased to Rs 4 per litre) of milk to farmers/cattle owners supplying milk to milk Co-operative societies, from 09-09-2008 vide G.O. No. Pa.Sa.Mi 53 Ka.Ha.Ma 2008 dated: 08.09.2008. Thus, around 19.41 lakhs farmers are benefited throughout the State. The incentives are released to 13 Milk Unions through the Commissioner, Animal Husbandry and Veterinary Services, Karnataka, according to the availability of grants released by the Government. The 13 Milk Unions are to give their respective claims every month to the Commissioner, Animal Husbandry and Veterinary Services, Karnataka, in the first week of the subsequent month. The Milk Unions, after receiving the cheques for the claim amount, disburse the amount to each and every Milk Producing Co-operative Societies (MPCS) in their jurisdiction for further payment to farmers/cattle owners directly to their bank accounts. The acquaintance register for the disbursement is to be maintained by the Secretary of the concerned MPCS.

2. Objectives of the Schemes:

1. To make the dairy activity profitable in rural areas especially to small/marginal farmers, agricultural labourers, women and other weaker section of the society.
2. To motivate the rural youth to take up dairy activity and improve their economic status and avoid migration of youth to urban areas in search of livelihood.
3. To improve the economic and social status of farmers/cattle owners in rural areas.
4. To increase the milk production, which will help in providing food security.
5. To support and encourage dairying activities in Co-operative sector in the rural areas.

3. Monitoring of the scheme

As per the guidelines (**Annexure-1**) the scheme is to be monitored, reviewed and evaluated at 3 levels. The State level committee is headed by the Principal Secretary, Animal Husbandry and Fisheries, at the district level by the Deputy Director, Animal Husbandry and Veterinary Services and at taluk level by the Assistant Director of the concerned taluk veterinary hospital. The MPCS are responsible to keep all the records pertaining to milk collection and submit it to the officials of Animal Husbandry and Veterinary Services and Karnataka Milk Federation, whenever required for inspection.

4. The scope of the scheme

The entire State of Karnataka is under the scope of the scheme. The details of fund allocations of the scheme since inception is enclosed (**Annexure-2**).

5. Evaluation Questions:

1. What is the average time taken for the incentive to reach the milk supplying person after the amount is released by the State? Is this too long, short or O.K?
2. Whether the amount released to farmers is reaching them in full, or there any unwarranted/ illegal deduction made in any stage of disbursement?
3. What is the impact of the incentive to farmers, with reference to increase in the production of milk by increasing the number or quality of milch animals and in reduction in migration of rural youth to urban areas etc?
4. Whether the incentive of Rs.2 (in the past) or 4(at present) per litre is sufficient? Does it need to be changed? If so, why, and by how much?
5. Is there any impact on the socio-economic condition of farmers and agricultural labourers by the introduction of this scheme?
6. Whether there is improvement in the awareness of management practices in feeding, vaccination, de-worming, calf rearing and optimum usage of feed and fodder solely because of this incentive provided?
7. Have rural youth been attracted to take up dairy activities solely due to this scheme being in vogue?
8. Has the scheme made any difference in the profitability of dairy industry in rural areas?
9. Whether the incentive money is being over charged at any level? Are any checks and balances to prevent these?

6. Evaluation Methodology:

There are 13 Milk Unions in the State procuring milk from 11 lakh farmers. Each Milk Union has to be evaluated on all parameters suggested under aforementioned evaluation questions. The cluster random sample selected for study should be proportionate to the size of MPCS member strength, at least 300 persons in each Union be selected, such that small farmers, marginal farmers, agricultural labourers, women, SC & ST population is adequately represented.

For evaluating the impact of the scheme in any district/ Union area viz a viz areas where the scheme is not operational (for example: group of farmers supplying milk to hotels but not to Milk Unions), a non scheme operation sample will be taken as control.

At least ANOVA should be use to infer as to whether the scheme has made a statistically significant difference or not in the case of question numbers 3,5,6,7, and 8 of evaluation questions.

7. Deliverables time schedule:

The department of Animal Husbandry and Veterinary Services will provide the list of district wise NGOs/District co-operative milk unions who are provided grants under scheme. After this-

1. Work plan/ Inception report to Karnataka evaluation authority for approval within 30 days.
2. Field data collection – Within three months from date of work plan approval.
3. Draft report submission – Within one month from completion of field data collection.
4. Final report submission – Within one month from completion of draft report submission.
5. Total duration of the study is less than 6 months.

8. Qualities Expected from the evaluation report:

It is expected that the final evaluation report will provide statistically correct and significant inferences (where ever applicable) with regards to at least following points:-

- a. Whether the incentive amount is actually motivating or becoming a subsidy?
- b. Whether the scheme is meeting the desired objectives?
- c. If not, which are the areas of concern and what corrective action is needed?
- d. Whether the incentive amount needs to be altered? If so, what should it be?
- e. Is the delivery of the incentive amount efficient and aberration free? If not, what is the suggested recourse to ameliorate it?
- f. Whether transfer of incentive money to the bank accounts of milk supplying farmers by ECS is the interest of the scheme's objectives and milk suppliers.

And other relevant point that may be of relevance, revealed in the course of evaluation.

9. Cost and Schedule of Budget releases:

Output based budget release may be as follows:-

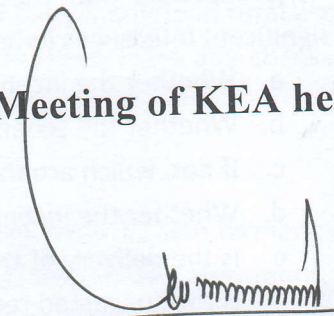
- a. 30% of the contract cost will be released on signing of the MOU.
- b. 30% will be released after the work plan is approved by KEA.
- c. 20% will be released after the draft evaluation report is approved by KEA & Animal Husbandry department.
- d. Last 20% will be released, but only after the final report is submitted to Department of Animal Husbandry and at least five copies to KEA, along with a soft copy.

Income tax will be deducted from each payment as per rates in force. In addition, the evaluator is expected to pay the service tax at their end.

10. Contact person to get further details about the study:

Dr K. Nagaraj Shetty, Additional Director (Livestock Health), Animal Husbandry and Veterinary Services Department (Ph No. 9449519626), Dr Nagendra, Joint Director (Development) Animal Husbandry and Veterinary Services Department (Phone no. 9448816680) and Dr S.Udupa, Assistant Director, Office of the Commissioner, Animal Husbandry and Veterinary Services Department (Ph No.94498836288) will be the contact persons for giving information and details for this study.

**Approved in the 8th Technical Committee Meeting of KEA held on
21-04-2014**


Chief Evaluation Officer
Karnataka Evaluation Authority