Last checked: 20 October 2026 · Dairy Development Department, Government of Kerala

Milk Shed Development Programme (MSDP)

Under the Milk Shed Development Programme, Kerala's Dairy Development Department gives subsidy to dairy farmers who start commercial dairy units of 1 to 20 cows, and a smart dairy farm package for young entrepreneurs.

What you may get

As per the 2025-26 plan, the unit subsidy is Rs 30,000 for a 1 cow unit, Rs 60,000 for 2 cows, Rs 1,50,000 for 5 cows, Rs 3,80,000 for a 10 cow unit and Rs 7,60,000 for a 20 cow unit. A smart dairy farm of 10 cows for young entrepreneurs gets Rs 4,64,000.

Who it is for

Dairy farmers of Kerala aged 18 or more who want to start a dairy unit of 1 to 20 cows, and young entrepreneurs up to 40 years for the smart dairy farm.

Main conditions

- The applicant must be an Indian citizen and a resident of Kerala with a valid Kerala state ration card, and must be at least 18 years old.
- A 10 cow unit needs at least 50 cents of own or leased land and a 20 cow unit at least 100 cents. Fodder must be grown on at least 50 cents for a 10 cow unit and 1 acre for a 20 cow unit.
- The 10 cow, 20 cow and smart dairy units are linked to a bank loan from a nationalised or scheduled bank, Kerala Bank or KSCARD Bank, with at least 70 percent of the project cost raised as loan.
- For the smart dairy farm the applicant must be between 18 and 40 years old and must set up automated, mechanised farm parts.
- Selected farmers sign an agreement on stamp paper to continue the scheme for at least three years.

Documents

- Provisional or final bank loan sanction letter (for 10 cow, 20 cow and smart dairy units)
- Lease deed on Kerala stamp paper for at least 5 years, if the farm is on leased land

How to apply

1. Apply through the Ksheerasree portal of the Dairy Development Department. Selection and processing are done only on this portal.
2. Applicants are ranked on priority points, and a priority list and a waiting list are published.
3. For 10 cow, 20 cow and smart dairy units, attach the loan sanction letter to the application.
4. Selected farmers buy the animals with a vet health and valuation certificate, insure them, and upload proof of the work on the portal before the subsidy is released.

Status

Active

Official source: https://dairydevelopment.kerala.gov.in/images/pdf/schemes/MSDP_MER.pdf
Official application: https://ksheerasree.kerala.gov.in/
Labh Lo page: https://labhlo.in/en/schemes/kerala/kl-milk-shed-development-programme/

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