Today the modern world has become faster & faster an d other daily requirements goods are become more luxurious. So we are making a system which will be going to change the lifestyle of Indian farmer and milk collection system. Agriculture is backbone of our country and dairy farming is joint business of Indian farmer.Dairies collect milk from farmer everyday & payments for this milk are done according to the rates per liter. This rate depends on various factors like weight, FAT, CLR, alcohol & SNF of the milk. We are developing a system that will measure these parameters and accordingly calculate the payment automatically. The system consists of two units; one unit is placed at milk collection Centre (MCC) that consist of several sensors, micro controller, LCD, buzzer, keypad, GSM & PC as main elements. This unit collects data according to the ID, which is given to farmer. The other unit which is at cash counter (CC) also consists of micro controller for reading the data & sending it to the PC. Using VB software on PC calculation of bill can be made for calculating daily payment. The details of milk such as: quantity, payment will be viewed on PC and LCD. The same message will also be sent to the farmer using GSM system