Various schemes for Farmer Producer Organizations (FPOs)

NAFED

FIFA

National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED)
and
Federation of Indian FPOs and Aggregators (FIFA)

Contents

Small Farmers Agribusiness Consortium (SFAC) Schemes

1. Equity Grant Scheme

Equity Grant Scheme extends support to the equity base of Farmer Producer Companies (FPCs) by providing matching equity grants. The EGS shall be operated by Small Farmers' Agri Business Consortium (SFAC). The Equity Grant Scheme enables eligible FPCs to receive a grant equivalent in amount to the equity contribution of their shareholder members in the FPC subject to a maximum of Rs. 10.00 lakh per FPC in two tranche. The Scheme shall address nascent and emerging FPCs, which have paid up capital not exceeding Rs. 30 lakh as on the date of application.

Objectives

- Enhancing viability and sustainability of FPCs Enhancing credit worthiness of FPCs
- Enhancing the shareholding of members to increase their ownership and participation in their FPC.

Sanction

- An Equity Grant Sanction Committee (EGSC) with four members, the Managing Director SFAC as Chairman, two officers of the organisation nominated by MD, SFAC and an external sector expert, also nominated by MD, SFAC, shall evaluate/sanction applications received under this Scheme. The decision of the committee in this regard shall be final.
- Equity Grant shall be a cash infusion equivalent to the amount of shareholder equity in the FPC subject to a cap of Rs. 10 lakh per FPC.
- Equity Grant sanctioned shall be directly transferred to the Bank account of the FPC.
- The FPC shall, within 45 days of the receipt of the Equity Grant, issue additional shares to its shareholder members, equivalent in value to the amount of the Grant received by it.

Eligibility Criteria for FPCs

- It is a duly registered FPC as defined under Part IXA of the Indian Companies Act, 1956
- It has raised equity from its Members as laid down in its Articles of Association/ Bye laws.
- The number of its Individual Shareholders is not lower than 50 Its paid up equity does not exceed Rs.30 Lakh.
- Minimum 33% of its shareholders are small, marginal and landless tenant farmers as defined by the Agriculture Census carried out periodically by the Ministry of Agriculture, GOI.
- Maximum shareholding by any one member other than an institutional member is not more than 5% of total equity of the FPC.
- Maximum shareholding of an institutional member should not be more than 10% of total equity of the FPC.
- It has a duly elected Board of Directors (BoD) with a minimum of five members, with adequate representation from member farmers and minimum one woman member.
- It has a duly constituted Management Committee responsible for the business of the FPC.

- It has a business plan and budget for next 18 months that is based on a sustainable, revenue model as may be determined by the Implementing Agency.
- The FPC has an Account with a Scheduled "Bank".
- It has a Statement of Accounts audited by a Charted Accountant (CA) for at least one full financial year.

Application process

- Application on standard format available website.
  http://sfacindia.com/EGFAppliactionForm.aspx
- Resolution of the FPC Board/ Governing Council which shall be confirmed in next AGM of the Company.
- Audited Financial Statements of FPC. Photocopy of Bank Account Statement for last six months authenticated by the Branch Manager of the "Bank".
- Business Plan of FPC and Budget for next 18 months. Names, photographs, and identity proof (any one from among ration card, Aadhaar card, election identification card, passport) of Representatives/ Directors authorised by the Board for executing and signing all documents under the Scheme.
- Each page of the Application Form and accompanying documents shall be signed by a minimum of two Board Member /Authorised Representatives of the FPC.

2. Credit Guarantee Fund Scheme

- Credit Guarantee Fund Scheme is Central Sector scheme.
- The Credit guarantee Fund has been set up with the primary objective of providing a Credit Guarantee Cover to Eligible Lending Institutions (ELI's) which are providing collateral free loans to Farmer Producer Companies (FPCs).
- The CGF shall be operated by Small Farmer's Agri Business Consortium (SFAC) through lending institutions.

Objectives of Credit Guarantee Fund

- To provide protection to ELI's by extending credit guarantee and covering their lending risks upto Rs. 100 lakh.
- To enable FPC to get collateral free loan by providing credit guarantee to ELI's.

Sanction

- SFAC shall Scrutinize the proposal before sanctioning the Guarantee Cover to the ELI under the Scheme in accordance Cover to the ELI under the Scheme in accordance with the Terms and Conditions of the Scheme.
- In so far as it may be considered necessary, for the purpose of the Scheme, inspect or call for copies of the Books of Account and other records (including any Book of Instructions or Manual or Circulars covering general instructions regarding Conduct of Advances) of the Lending Institution or of the Borrower from the Lending Institution.

- Such Inspection shall be carried out either through the officers of SFAC or any other agency appointed by SFAC for the purpose of Inspection.
- The Investment and Claims Settlement Committee (I&CSC) shall sanction the Guarantee Cover to the concerned Bank based on the finding of the above.
- The ELI shall enter into an Agreement with SFAC at the level of the Bank.

Guidelines for ELI's

- ELI Shall be eligible to seek Guarantee Cover for a credit facility sanctioned in respect of a single FPC borrower for a maximum 2 times over a period of 5 years.
- Maximum Guarantee Cover shall be restricted to the extent of 85% of the eligible sanctioned credit facility, or to Rs. 85 Lakh, whichever is lower.
- In case of Default, claims shall be settled up to 85% of the Amount in Default subject to maximum cover as specified above.
- Other charges such as penal interest, commitment charge, service charge, or any other levies/expenses, or any costs whatsoever debited to the account of FPC by the ELI other than the contracted interest shall bot qualify for Guarantee Cover.
- The Cover shall only by granted after the ELI enters into an Agreement with SFAC, and shall be granted or delivered in accordance with the Term and Conditions decided upon by SFAC from time to time.

Eligibility Criteria for FPC's

- It is a duly registered FPC under Part IXA of the Indian Companies Act, 1956
- It has raised equity from its Members as laid down in its Articles of Association/Bye laws.
- The number of its individual shareholders shall not be lower than 500
- Minimum 33% of its shareholders are small, marginal and landless tenant farmers.
- Maximum shareholders by any one member other than an Institutional member are not more than 5% of total equity of the FPC.
- It has a duly elected/nominated Board with a minimum of five Members and having adequate representation from farmers and minimum one woman member.
- It has a business plan and budget for 18 months.

Application for Guarantee Cover

The ELI shall be required to apply to SFAC for Guarantee Cover in the specified form only for credit proposals sanctioned by them during any quarter prior to expiry of the following quarter viz. application with respect to. credit facility sanctioned in April-June Quarter must be submitted in the qualify for consideration under the Scheme.

3. Venture Capital Assistance

Venture Capital Assistance is financial support in the form of an interest free loan provided by SFAC to qualifying projects to meet shortfall in the capital requirement for implementation of the project.

In order to facilitate agribusiness development in the country SFAC venture capital scheme will:
(a) Assist agripreneurs to make investments in setting up agribusiness projects through financial participation, and
(b) Provide financial support for preparation of bankable Detailed Project Reports (DPRs) through Project Development Facility (PDF).

Objectives

(a) To facilitate setting up of agribusiness ventures in close association with all Notified Financial Institutions notified by the Reserve Bank of India where the ownership of the Central/State Government is more than 50% such as Nationalized banks, SBI & its subsidiaries, IDBI, SIDBI, NABARD, NCDC, NEDFi, Exim Bank, RRBs & State Financial Corporations.
(b) To catalyze private investment in setting up of agribusiness projects and thereby providing assured market to producers for increasing rural income & employment.
(c) To strengthen backward linkages of agribusiness projects with producers.
(d) To assist farmers, producer groups, and agriculture graduates to enhance their participation in value chain through Project Development Facility.
(e) To arrange training and visits, etc. of agripreneurs in setting up identified agribusiness projects.
(f) To augment and strengthen existing set up of State and Central SFAC.

Salient Features

SFAC would provide Venture Capital to qualifying projects on the recommendations of the Notified Financial Institution financing the project. This venture capital will be repayable back to SFAC after the repayment of term loan of lending Notified Financial Institution as per original repayment schedule or earlier.

SFAC would provide venture capital to agribusiness projects by way of soft loan to supplement the financial gap worked out by the sanctioning authority of term loan under Means of Finance with respect to cost of project subject to the fulfillment of the following conditions:

(a) Qualifying projects under Venture Capital:

i. Project should be in agriculture or allied sector or related to agricultural services. Poultry and dairy projects will also be covered under the Scheme.
ii. Project should provide assured market to farmers/producer groups.
iii. Project should encourage farmers to diversify into high value crops, to increase farm incomes.
iv. Project should be accepted by Notified Financial Institution for grant of term loan.

(b) The quantum of SFAC Venture Capital Assistance will depend on the project cost and will be the lowest of the following: ‹

- 26% of the promoter's equity ‹
- 50.00 lakhs.

Provided that for projects located in North-Eastern Region, Hilly States (Uttarakhand, Himachal Pradesh, Jammu & Kashmir) and in all cases in any part of the country where the project is promoted by a registered Farmer Producers Organisation, the quantum of venture capital will be the lowest of the following: ‹

- 40% of the promoter's equity ‹
- 50.00 lakhs.

The cost of proposed agribusiness project would have to be `15 lakh & above, subject to a maximum of `500 lakh. However, projects valuing `10 lakh and above, proposed to be located in backward districts as notified by Planning Commission, hilly and North-Eastern States could also be considered for PDF and VCA.

(c) The Executive Committee of SFAC will have the power to consider projects for higher Venture Capital Assistance provided:

1. Provision for higher VCA has been appraised and approved by sanctioning authority of term loan subject to maximum of 3.00 Crore.

2. Total cost of the project not more than 10.00 Crore. 3. Projects are located in the North Eastern Region (NER) and other difficult pre-identified districts declared backward by Planning Commission's Backward Regions Grant Fund Scheme.

(d) Beneficiary will submit the project proposal in the form of DPR to area lending Notified Financial Institution.

(e) On receipt of project proposal, Notified Financial Institution will appraise, assess and sanction requisite amount of term loan/working capital required by the beneficiary for execution of the project.

(f) Notified Financial Institution will also work out the amount of Venture Capital, as per criteria laid down at para 3.1.1. (a, b & c) and communicate it to SFAC with its recommendation.

(g) SFAC will make said amount available to the recommending Notified Financial Institution on case to case basis for disbursement to the beneficiary either in lump sum or in stages, as may be considered appropriate by the Notified Financial Institution.

(h) Term Loan/working capital and loan amount from SFAC as Venture Capital will be extended to the beneficiary through a single-window by the project financing Notified Financial Institution.

(i) Due date for refund of VCA to SFAC and end date of term loan as per original repayment schedule fixed by the bank at the time of sanction of term loan remains the same e.g. in case bank fixes end date of its term loan as 31.03.2020 then VCA will also be due for refund on the same date i.e. 31.03.2020.

(j) In case the borrower is unable to repay the Venture Capital amount in lump sum immediately after repayment of bank's term loan, he/she will have the option to repay the entire amount of VCA together with accrued amount of interest in 4 quarterly instalments within a year from original due date. The rate of interest in this regard will be the same as charged by the lending bank on its term loan.

(k) During the pendency of loan, the Notified Financial Institution will have charge over the primary/collateral securities (including FDR) available with the beneficiary and the said securities will not be released by bank to beneficiary or other institutions till full refund of VCA to SFAC.

(l) The Notified Financial Institution will provide SFAC with full details of the terms and conditions under which the term loan is sanctioned including a copy of process/appraisal note duly signed by sanctioning authority of term loan and repayment schedule fixed for the term loan.

(m) The Notified Financial Institution will also keep SFAC posted of the progress in implementation of the project and repayment of its term loan from time to time and its performance on yearly basis after the project becomes operational.

(n) The funds received from SFAC will be kept in a separate account by the Notified Financial Institution and released to promoters for the project implementation, as and when required.

(o) Agribusiness promoters may also avail Venture Capital Assistance for second time after refund of first Venture Capital Assistance as per original schedule. However, second time VCA will be for creation of additional capacity in the same activity or for a different activity.

Eligible Persons

Assistance under the Scheme will be available to Individuals; Farmers; Producer Groups/FPOs; Partnership/Proprietary Firms; Self Help Groups; Companies; Agripreneurs; units in agriexport zones, and Agriculture graduates Individually or in groups for setting up agribusiness projects.

For professional management and accountability the groups have to preferably form into companies or producer companies under the relevant Act.

Project Development Facility

(a) SFAC will provide financial support to farmers, Producer Groups, Agripreneurs, Units in Agri-Export Zones, and Agriculture graduates (called beneficiary) in the preparation of bankable Detailed Project Reports (DPR) through empanelled consultants/ institutions. SFAC will provide for the cost of preparation of DPR depending upon the financial status of the agripreneur, size, location, activity and coverage on a case to case basis.

(b) The beneficiary desirous of seeking assistance for preparation of DPR can approach the nearest empanelled consultant of the district in consultation with Notified Financial Institution along with the details /pre-feasibility of the proposed project for the recommendation of the Notified Financial Institution or SFAC at the State or Central level.

(c) The Notified Financial Institution on being satisfied about the feasibility of the intending project will recommend it to SFAC for providing financial assistance for the preparation of DPR. Intending projects must be over 15 lakhs (10 lakhs in projects located in backward district of States notified by

Planning Commission, North Eastern States and other hilly States i.e. H.P., J&K and Uttarakhand) in size.

(d) Based on the activity and location of the project, SFAC will entrust preparation of DPR to one of the consultants on its panel.

(e) SFAC will release cost of DPR preparation to the empanelled consultant.

(f) The schedule of fee payable to empanelled consultants under Venture Capital Assistance Scheme for Agribusiness Development is summarized below:

Category-I : (Project size between 10.00 lakh to 25.00 lakh)

Total fee : 25000.00 (Rupees Twenty Five Thousand Only).

Category-II : (Project size above `25.00 lakh and upto 1.00 Crore)

Total fee : 50000.00 (Rupees Fifty Thousand Only).

Category-III : (Project size above 1.00 Crore and upto 3.00 Crore)

Total fee : 75000.00 (Rupees Seventy Five Thousand Only).

Category-IV : (Project size above 3.00 Crore and upto 5.00 Crore),

Total fee : 100000.00 (Rupees One Lakh Only).

Terms of payment of all Categories: The fee will be paid to empanelled consultants in three stages:

(i) 20% after submission of DPR and other documents to the bank.

(ii) 40% after sanction of term loan by Notified Financial Institution with provision of VCA.

(iii) 40% after sanction and disbursement of VCA by SFAC.

(g) The DPR received from SFAC or directly from the consultant will be examined in detail by the lending Notified Financial Institution for sanction of term loan and release of venture capital. A copy of the term loan sanction advice to the borrower will also be addressed to SFAC for its record.

(h) Financial assistance to State SFACs for undertaking promotional activities for agribusiness development, training and visits etc. of entrepreneurs setting up the identified Agribusiness projects will also be provided under PDF.

(i) Project Development Facility may be utilized to engage the services of State SFACs, State Agricultural Universities and others and/or any other competent agency/firm/ consultant to vigorously publicize the benefits of the Venture Capital Scheme to prospective entrepreneurs and producer organizations.

Role of Central SFAC

(a) On receipt of proposal from Notified Financial Institution indicating sanction of term loan and requirement of VCA; SFAC will submit the proposal to its Investment Committee for approval. Field visits shall be conducted by SFAC or its authorized representatives for evaluation and linkages with farmers etc.

(b) SFAC after seeking approval of its Investment Committee and sanction by its Managing Director will release VCA to the Notified Financial Institution.

(c) SFAC will seek approval of its Executive Committee in cases where higher Venture Capital Assistance is proposed to be considered.

(d) Project Development Facility could be utilized to inspect such proposals, which may include site visits, referred by Notified Financial Institution needing clarification to determine if projects are qualifying or not and report back to Notified Financial Institution within 30 days of receipt of reference.

(e) Central SFAC will strengthen the State SFACs and financially assist them in undertaking promotional activities, campaigns, printing of guidelines in local languages; identification of qualifying projects and in organizing producer groups.

(f) SFAC will have Memorandum of Understanding (MOU) with all financial institutions notified by the Reserve Bank of India where the ownership of Central/State Government is more than 50% such as Nationalized banks, SBI & its subsidiaries, IDBI, SIDBI, NABARD, NCDC, NEDFi, Exim Bank, RRBs & State Financial Corporations.

(g) SFAC will have a separate agreement with the applicant for facilitating the recovery of its loan amount extended under Venture Capital assistance.

Role of State SFACs

(a) To aggressively promote agribusiness project development in their respective States as an extended arms of Central SFACs.

(b) State SFACs in consultation with Central SFAC will prepare a plan for agribusiness project development in their respective States.

(c) State SFACs after due diligence and ascertaining the backward linkages as per the objectives will recommend agribusiness projects to Central SFAC for venture capital.

(d) State SFACs, with the assistance under PDF facility from Central SFAC, will organize awareness and Entrepreneurship Training & Development Camps, Publicity Campaigns, for setting up identified projects. State SFACs, will undertake promotional activities and organize producer group’s seminar/meeting etc. State SFACs may get published guidelines, brochures, pamphlets and posters etc. of VCA scheme in local languages. They may use other means of advertisement to get wider publicity for the scheme at the cost of Central SFAC.

(e) Help producer groups in framing pre-feasibility reports and facilitate interaction with local Notified Financial Institutions for their recommendation.

(f) Function as repositories of information maintaining a data base of potential areas, producer groups and marketable surplus of various crops available.

(g) Provide venture capital to small projects out of interest earned on the Corpus fund and refer large projects to Central SFAC.

(h) As a member of SLBC, raise the issues concerning agribusiness project development in their respective States during the SLBC meetings and organize awareness camps in coordination with local Banks/State Government.

(i) Monitor the projects assisted through VCA facility in implementation stage and intimate developments/deficiencies to Central SFAC for initiating remedial action. (j) The State SFAC in coordination with the State agencies and lending banks shall assist Central SFAC in recovery of VCA in cases where the beneficiaries of VCA have not refunded the venture capital as per the original schedule.

Role of Agripreneurs

For the success of the Venture, the agribusiness projects should be grounded within a predetermined time schedule as fixed in the sanction of term loan:

(a) The entrepreneur/promoter will provide an undertaking to the Notified Financial Institution to hold charge on the primary and collateral securities including FDRs till full repayment of VCA to SFAC. The entrepreneur/promoter will also enter into an agreement with SFAC for extending charge in favour of SFAC on all the securities (primary and collateral including FDRs) charged by the Notified Financial Institution against their term loan/other facilities after repayment of their Term Loan till full repayment of VCA to SFAC.

(b) Agripreneurs will submit implementation schedule of the Project to SFAC and participating Notified Financial institution which will be closely monitored by SFAC.

(c) Deviation, if any, in the implementation schedule should be immediately notified to the concerned lending Notified Financial Institution and to SFAC.

(d) Agripreneurs will submit Utilization Certificate of Venture Capital Assistance in GFR 19 A duly certified by Chartered Accountant to SFAC and the participating Notified Financial Institutions.

(e) Agripreneurs will submit yearly physical progress reports, yearly balance confirmation, audited accounts and balance sheet to SFAC and the participating Notified Financial Institutions.

(f) The agripreneurs while availing venture capital will have to provide an affidavit to SFAC that they have not availed of VC earlier in any capacity.

Eligible Financing Institutions

All Notified Financial Institutions notified by the Reserve Bank of India where the ownership of the Central/State Government is more than 50% such as nationalised banks, SBI & its Subsidiaries, IDBI, SIDBI, NABARD, NCDC, NEDFi, RRBs & State Financial Corporations.

Monitoring and Reporting

With a view to minimize paper work and ensure that SFAC is provided with all the relevant details of individual projects financed by the Notified Financial Institutions with Venture Capital support provided by SFAC, units assisted for preparation of DPR, and also progress in project implementation from time to time, the following reporting schedule will be observed:

(a) Report on Utilization of Venture Capital (VC)/Project Development Facility (PDF)-The Notified Financial Institution will report each disbursement made by them in respect of VC out of the funds received from SFAC. A report on progress in project implementation vis a vis utilization of venture capital fund already given to the party through Notified Financial Institution under VC would also be sent to SFAC.

(b) Report on the working of assisted units-The Notified Financial Institution will submit a report on the working of the units financed by them under VC to SFAC on a half yearly basis indicating whether the operations are in line with the projections and whether the borrowers are adhering to repayment commitments.

(c) Reporting of Exceptions-The Notified Financial Instituition will also keep SFAC informed of any proposal of rephasement of their Term Loan and will seek SFAC consent before implementing such rephasement. However, any proposal for rephasement of Banks Term Loan and VCA simultaneously, SFAC's prior permission is mandatory. The entrepreneur will not be eligible for any rephasement of VCA at a later date in case permission has not been sought by bank at the time of rephasement of term loan. However, the request for rephasement of VCA can be exercised by Notified Financial Institution/Promoters only once.

(d) Project Specific Information-In addition to the above standard reporting by Notified Financial Institution, it would also provide SFAC with project specific information, if any, sought by it from time to time.

(e) Field Visits- As part of due diligence, SFAC will through its officials or authorized representatives undertake field visits to ascertain backward linkages with the farmers, feasibility of the site, availability of raw material, etc. SFAC's Officers/representatives will undertake field visits independently or in association with the lending Notified Financial Institution or State Government/State SFAC to monitor the implementation of the project.

(f) Change of Bank during currency of VCA -Entrepreneur through their Lending Notified Financial Institution will obtain prior permission from the SFAC for change of bank. This facility can be availed by the promoter only once in the tenure of the Venture Capital Assistance.

(g) Monitoring performance of the Scheme at DAC level SFAC will submit to DAC a statement twice every year, giving a summary account of i) year-wise total number of projects and VCA amount sanctioned so far; ii) total number projects including the total amount of which recovery of VCA has become due and actual recovery as against the due amount of recovery; iii) details of default cases and the amount involved including action taken for recovery in such cases as also action taken for write off in critical cases, if any.

Implementation period

The Scheme will be implemented during 2012-17 in the XII Plan with a central assistance of `500.00 Crores.

Implementing Agency

The Scheme will be implemented by Small Farmers' Agribusiness Consortium (SFAC), a registered society functioning under Department of Agriculture & Cooperation, Ministry of Agriculture.

General awareness, publicity and training programme

Services of Notified Financial Institutions will also be engaged for sensitizing the officials of the Notified Financial Institutions and other functionaries about the Scheme. SFAC will undertake publicity through multiple media format to generate mass awareness about the Scheme, especially in States and regions which were under-served in the XI Plan. Services of banking institutions will also be engaged for sensitizing the Branch Managers and other functionaries about the Scheme.

Power to make amendments to the Scheme

Within the overall financial ceiling of the Venture Capital Scheme, modification in operating procedures that are not of a financial nature may be made by DAC.

4. E-NAM

National Agriculture Market (eNAM) is a pan-India electronic trading portal which networks the existing APMC mandis to create a unified national market for agricultural commodities.
Small Farmers Agribusiness Consortium (SFAC) is the lead agency for implementing eNAM under the aegis of Ministry of Agriculture and Farmers' Welfare, Government of India.

Vision

To promote uniformity in agriculture marketing by streamlining of procedures across the integrated markets, removing information asymmetry between buyers and sellers and promoting real time price discovery based on actual demand and supply.

Mission

Integration of APMCs across the country through a common online market platform to facilitate pan-India trade in agriculture commodities, providing better price discovery through transparent auction process based on quality of produce along with timely online payment.

Objectives

- A national e-market platform for transparent sale transactions and price discovery initially in regulated markets. Willing States to accordingly enact suitable provisions in their APMC Act for promotion of e-trading by their State Agricultural Marketing Board/APMC.
- Liberal licensing of traders/buyers and commission agents by State authorities without any pre-condition of physical presence or possession of shop /premises in the market yard.
- One license for a trader valid across all markets in the State.
- Harmonisation of quality standards of agricultural produce and provision for assaying (quality testing) infrastructure in every market to enable informed bidding by buyers. Common tradable parameters have so far been developed for 25 commodities.

- Single point levy of market fees, i.e. on the first wholesale purchase from the farmer.
- Provision of Soil Testing Laboratories in/ or near the selected mandi to facilitate visiting farmers to access this facility in the mandi itself. M/s. Nagarjuna Fertilizers and Chemicals Ltd. is the Strategic Partner (SP) who is responsible for the development, operation and maintenance of the platform. The broad role of the Strategic Partner is comprehensive and includes the writing of the software, customizing it to meet the specific requirements of the mandis in the States willing to integrate with NAM and running the platform

Registration of FPOs

FPOs/FPCs can register on e-NAM Portal via website (https://enam.gov.in/NAMV2/home/other_register.html) or mobile app or providing following details at nearest eNAM mandi:
- Name of FPOs/ FPCs
- Name, address, email Id and contact no. of authorized person (MD/CEO /Manager)
- Bank account Details (Name of Bank, Branch, Account no. IFSC Code)

Central Sector Schemes

1. Agriculture Infrastructure Fund

The role of infrastructure is crucial for agriculture development and for taking the production dynamics to the next level. It is only through the development of infrastructure, especially at the post harvest stage that the produce can be optimally utilized with opportunity for value addition and fair deal for the farmers. Development of such infrastructure shall also address the vagaries of nature, the regional disparities, development of human resource and realization of full potential of our limited land resource. In view of above, the Hon'ble Finance Minister announced on 15.05.2020 Rs 1 lakh crore Agri Infrastructure Fund for farm-gate infrastructure for farmers. Financing facility of Rs. 1,00,000 crore will be provided for funding Agriculture Infrastructure Projects at farm-gate & aggregation points (Primary Agricultural Cooperative Societies, Farmers Producer Organizations, Agriculture entrepreneurs, Start-ups, etc.). Impetus for development of farm gate & aggregation point, affordable and financially viable Post Harvest Management infrastructure. Accordingly, DAC&FW has formulated the Central Sector Scheme to mobilize a medium - long term debt financing facility for investment in viable projects relating to postharvest management Infrastructure and community farming assets through incentives and financial support.

Scheme Objectives

To mobilize a medium - long term debt finances facility for investment in viable projects for post-harvest management Infrastructure and community farming assets through incentives and financial support in order to improve agriculture infrastructure in the country. This financing facility will have numerous objective for all the stakeholders in the agriculture eco-system.

a. Farmers (including FPOs, PACS, Marketing Cooperative Societies, Multipurpose cooperative societies)

- Improved marketing infrastructure to allow farmers to sell directly to a larger base of consumers and hence, increase value realization for the farmers. This will improve the overall income of farmers.

- With investments in logistics infrastructure, farmers will be able to sell in the market with reduced post-harvest losses and a smaller number of intermediaries. This further will make farmers independent and improve access to market.

- With modern packaging and cold storage system access, farmers will be able to further decide when to sell in the market and improve realization.

- Community farming assets for improved productivity and optimization of inputs will result in substantial savings to farmers.

b. Government

- Government will be able to direct priority sector lending in the currently unviable projects by supporting through interest subvention, incentive and credit guarantee. This will initiate the cycle of innovation and private sector investment in agriculture.

- Due to improvements in post-harvest infrastructure, government will further be able to reduce national food wastage percentage thereby enable agriculture sector to become competitive with current global levels.

- Central/State Government Agencies or local bodies will be able to structure viable PPP projects for attracting investment in agriculture infrastructure.

c. Agri entrepreneurs and startups

- With a dedicated source of funding, entrepreneurs will push for innovation in agriculture sector by leveraging new age technologies including IoT, AI, etc.

- It will also connect the players in ecosystem and hence, improve avenues for collaboration between entrepreneurs and farmers.

d. Banking ecosystem

- With Credit Guarantee, incentive and interest subvention lending institutions will be able to lend with a lower risk. This scheme will help to enlarge their customer base and diversification of portfolio.

- Refinance facility will enable larger role for cooperative banks and RRBs.

e. Consumers

- With reduced inefficiencies in post-harvest ecosystem, key benefit for consumers will be a larger share of produce reaching the market and hence, better quality and prices. Overall, the investment via the financing facility in agriculture infrastructure will benefit all the eco-system players.

Implementation Period of Scheme

The Scheme will be operational from 2020-21 to 2029-30. Disbursement in four years starting with sanction of Rs. 10,000 crore in the first year and Rs. 30,000 crore each in next three financial years. Moratorium for repayment under this financing facility may vary subject to minimum of 6 months and maximum of 2 years

List of Beneficiaries:

- Primary Agricultural Credit Societies (PACS),
- Marketing Co-operative societies,
- Farmer Producers Organizations (FPOs),
- Self Help Groups (SHGs)
- Multiple Co-operative Societies
- Agri-Entrepreneurs
- Joint Liability Groups (JLGs)
- Start-ups
- Infrastructure Providers

Government Budgetary Support

Budgetary support will be provided for interest subvention and credit guarantee fee as also administrative cost of PMU. The details are as below:-

Sl. No.	**Name of Component**	**Norms**
1	Interest Subvention Cost	All loans under this financing facility will have interest subvention of 3% per annum up to a limit of Rs. 2 crore. This subvention will be available for a maximum period of 7 years. In case of loans beyond Rs.2 crore, then interest subvention will be limited up to 2 crore. The extent and percentage of funding to private entrepreneurs out of the total financing facility may be fixed by the National Monitoring Committee.
2	Credit Guarantee Cost	Credit guarantee coverage will be available for eligible borrowers from this financing facility under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme for a loan up to Rs. 2 crore. The fee for this coverage will be paid by the Government. In case of FPOs the credit guarantee may be availed from the facility created under FPO promotion scheme of DACFW.

3	Administration Cost of PMU	Farmers Welfare Programme Implementation Society under DACFW will provide PMU support to the scheme at the central level and state PMUs of PM KISAN at state level. Services of knowledge partners will be engaged to identify clusters including export clusters and gaps in supply chains to target projects and prepare viable project reports to support the beneficiaries.

Eligible Projects

The scheme will facilitate setting up and modernization of key elements of the value chain including

(A) Post Harvest Management Projects:

(i) Supply chain services including e-marketing platforms

(ii) Warehouses

(iii)Silos

(iv)Pack houses

(v) Assaying units

(vi) Sorting &grading units

(vii) Cold chains

(viii) Logistics facilities

(ix)Primary processing centers

(x) Ripening Chambers

(B) Viable projects for building community farming assets

(i) Organic inputs production

(ii) Bio stimulant production units

(iii) Infrastructure for smart and precision agriculture.

(iv) Projects identified for providing supply chain infrastructure for clusters of crops including export clusters.

(v) Projects promoted by Central/State/Local Governments or their agencies under PPP for building community farming assets or post harvest management projects.

2. Scheme for formalisation of Micro Food Processing Enterprises (FME)

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, has given its approval to a new Centrally Sponsored Scheme - "Scheme for Formalisation of Micro food processing Enterprises (FME)" for the Unorganized Sector on All India basis with an outlay of Rs.10,000 crore. The expenditure will be shared by GOI and the States in ratio of 60:40.

Objectives

- Increase in access to finance by micro food processing units.
- Increase in revenues of target enterprises.
- Enhanced compliance with food quality and safety standards.
- Strengthening capacities of support systems.
- Transition from the unorganized sector to the formal sector.
- Special focus on women entrepreneurs and Aspirational districts.
- Encourage Waste to Wealth activities.
- Focus on minor forest produce in Tribal Districts.

Salient features

- Centrally Sponsored Scheme. Expenditure to be shared by Government of India and States at 60:40.
- 2,00,000 micro-enterprises are to be assisted with credit linked subsidy.
- Scheme will be implemented over a 5 year period from 2020-21 to 2024-25.
- Cluster approach.
- Focus on perishables.

Support to Individual micro units

- Micro enterprises will get credit linked subsidy @ 35% of the eligible project cost with ceiling of Rs.10 lakh.
- Beneficiary contribution will be minimum 10% and balance from loan.
- On-site skill training & Handholding for DPR and technical upgradation.

Support to FPOs/SHGs/Cooperatives

- Seed capital to SHGs for loan to members for working capital and small tools.
- Grant for backward/ forward linkages, common infrastructure, packaging, marketing & branding.
- Skill training & Handholding support.
- Credit linked capital subsidy.

Implementation schedule:

- The scheme will be rolled out on All India basis.
- Back ended credit linked subsidy will be provided to 2,00,000 units.
- Seed capital will be given to SHGs (@Rs. 4 lakh per SHG) for loan to members for working capital and small tools.

- Grant will be provided to FPOs for backward/forward linkages, common infrastructure, packaging, marketing & branding.

Administrative and Implementation Mechanisms

- The Scheme would be monitored at Centre by an Inter-Ministerial Empowered Committee (IMEC) under the Chairmanship of Minister, FPI.
- A State/ UT Level Committee (SLC) chaired by the Chief Secretary will monitor and sanction/ recommend proposals for expansion of micro units and setting up of new units by the SHGs/ FPOs/ Cooperatives.
- The States/ UTs will prepare Annual Action Plans covering various activities for implementation of the scheme, which will be approved by Government of India.
- A third party evaluation and mid-term review mechanism would be built in the programme.

State/ UT Nodal Department & Agency

- The State/ UT Government will notify a Nodal Department and Agency for implementation of the Scheme.
- State/ UT Nodal Agency (SNA) would be responsible for implementation of the scheme at the State/ UT level including preparation and validation of State/ UT Level Upgradation Plan, Cluster Development Plan, engaging and monitoring the work of resource groups at district/ regional level, providing support to units and groups, etc.

Convergence Framework

- Support from the existing schemes under implementation by the Government of India and State Governments would be availed under the scheme.
- The Scheme would attempt to fill in the gaps, where support is not available from other sources, especially for capital investment, handholding support, training and common infrastructure.

Impact and employment generation

- Nearly eight lakh micro- enterprises will benefit through access to information, better exposure and formalization.
- Credit linked subsidy support and hand-holding will be extended to 2,00,000 micro enterprises for expansion and upgradation.
- It will enable them to formalize, grow and become competitive.
- The project is likely to generate nine lakh skilled and semi-skilled jobs.
- Scheme envisages increased access to credit by existing micro food processing entrepreneurs, women entrepreneurs and entrepreneurs in the Aspirational Districts.
- Better integration with organized markets.
- Increased access to common services like sorting, grading, processing, packaging, storage etc.

3. Pradhan Mantri Matsya Sampada Yojana

Introduction

Prime Minister Modi has digitally launched PM Matsya Sampada Yojana on 10 September 2020 in Bihar. Central govt. had earlier released operational guidelines of scheme on 30 June 2020 at dof.gov.in. For this purpose, Indian govt. has made an investment of Rs. 20,050 crore comprising of Rs. 9407 crore of central share, Rs. 4,880 crore of state share and Rs. 5763 crore of beneficiaries contribution. The PMMSY operational guidelines will help states in speedy implementation of the scheme for FY 2020-21 to FY 2024-25 as a part of Atmanirbhar Bharat Package. e-Gopala App, a comprehensive breed improvement marketplace and information portal for direct use of farmers has also been launched.

Under PM Matsya Sampada Scheme, govt. is going to turn India into a hotspot for fish and aquatic products. This would be done through appropriate policy, marketing and infrastructure support. PM Matsya Sampada Yojana will promote aquaculture by ensuring easy access to credit. Moreover, the central govt. also intends to bring all fishermen under the coverage of all farmer welfare programmes and social security schemes with expanded coverage for accident insurance.

PMMSY will be implemented over a period of 5 years from FY 2020-21 to FY 2024-25 in all States/Union Territories. PMMSY with diverse interventions along the fisheries value chain would revolutionise the fisheries and aquaculture sector and steer it to next level. Moreover, this scheme with an array of 100 diverse activities is by far the largest investment in fisheries sector. This scheme will bring Blue Revolution through sustainable and responsible development by addressing critical infrastructure gap in fisheries sector.

Aims and objectives of PMMSY

- Harnessing of fisheries potential in a sustainable, responsible, inclusive and equitable manner.
- Enhancing of fish production and productivity through expansion, intensification, diversification and productive utilization of land and water.
- Modernizing and strengthening of value chain – post-harvest management and quality improvement.
- Doubling fishers and fish farmers incomes and generation of employment.
- Enhancing contribution to Agriculture GVA and exports.
- Social, physical and economic security for fishers and fish farmers.
- Robust fisheries management and regulatory framework.

Beneficiary Benefits

- Address the critical gaps in the fisheries sector and realize its potential.
- Augmenting fish production and productivity at a sustained average annual growth rate of about 9% to achieve a target of 22 million metric tons by 2024-25 through sustainable and responsible fishing practices.
- Improving availability of certified quality fish seed and feed, traceability in fish and including effective aquatic health management.
- Creation of critical infrastructure including modernisation and strengthening of value chain.
- Creation of direct gainful employment opportunities to about 15 lakh fishers, fish farmers, fish workers, fish vendors and other rural/urban populations in fishing and allied activities and about thrice this number as indirect employment opportunities including enhancement of their incomes.
- Boost to investments in fisheries sector and increase of competitiveness of fish and fisheries products.
- Doubling of fishers, fish farmers and fish workers incomes by 2024
- Social, physical and economic security for fishers and fish workers.

List of Beneficiaries

Fishers, Fish farmers, Fish workers, Fish vendors, SCs/STs/Women/Differently abled persons, Fisheries cooperatives/Federations, FFPOs, Fisheries Development corporations, Self Help Groups (SHGs)/Joint Liability Groups (JLGs) and Individual Entrepreneurs.

Components of PM Matsya Sampada Yojana (PMMSY)

The PMMSY will be implemented as an umbrella scheme with 2 separate components which are as follows:-
A) Central Sector Scheme (CS): Under the PMMSY central sector (CS) component, govt. has earmarked an amount of Rs. 1720 crore.
B) Centrally Sponsored Scheme (CSS): Under the PMMSY Centrally Sponsored Scheme (CSS) Component, an investment of Rs. 18330 crores has been envisaged. This investment is segregated into Non-beneficiary oriented and Beneficiary orientated sub-components / activities under the following 3 broad heads. These are Enhancement of Production and Productivity, Infrastructure and Post-harvest Management, Fisheries Management and Regulatory Framework.

How to Apply?

Step 1- Visit the Official Website **Pradhan Mantri Matsya Sampada Yojana** i.e. **http://dof.gov.in/pmmsy.**

Step 2- On Homepage, Click on “Apply Now” Button.

Step 3- Application Form page will be displayed on screen.

Step 4- Now enter the required details (Mention all the details such as name, father/ husband name, date of birth, gender, caste and other information) and upload documents.

Step 5- Click on Submit Button for final submission of the application.

4. Agricultural Mechanization Promotion Scheme for In-situ Management of Crop Residue in the States of U.P, Punjab, Haryana and NCT of Delhi

Introduction

(i) Burning crop residue causes phenomenal pollution problems in the atmosphere and huge nutritional loss and physical health deterioration to the soil.

(ii) The burning of one tonne of paddy straw releases 3 kg particulate matter, 60 kg CO, 1460 kg CO_2, 199 kg ash and 2 kg SO_2. These gases affect human health due to general degradation in air quality resulting in aggravation of eye and skin diseases. Fine particles can also aggravate chronic heart and lung diseases.

(iii) One ton of paddy straw contains approximately 5.5 kg N, 2.3 kg P_2O_5, 25 kg K_2O, 1.2 kg S, 50-70% of micro-nutrients absorbed by rice and 400 kg of carbon,which are lost due to burning of paddy straw. Apart from loss of nutrients, some of the soil properties like soil temperature, pH, moisture, available phosphorus and soil organic matter are greatly affected due to burning.

(iv) Nonetheless, time available between the rice harvesting and wheat sowing is very narrow and in the range of 20-30 days. It is envisaged that appropriate strategies for in situ crop residue management are planned for effective implementation to enable zero burning.

(v) Various equipments/ machines such as Super Straw Management System (SMS) attached with existing combine harvester, Happy Seeder, Straw Chopper / Mulcher, Rotary Slasher, Reversible M B Plough, Rotavator etc. have been developed and successfully demonstrated in the farmers, fields. (vi) In pursuance to the Orders of National Green Tribunal (NGT), funds have been released from within the sanctioned budget for ‘SubMission on Agricultural Mechanization (SMAM) which is implemented on 60:40 sharing pattern between Centre and State. However, it has been noticed that interventions through SMAM are inadequate and need to be augmented through a separate scheme.

(vii) Therefore, in view of above and in pursuance to the Budget 2018 announcement regarding a special Scheme to support the efforts of the governments of Haryana, Punjab, Uttar Pradesh and the NCT of Delhi to address air pollution and to subsidize machinery required for in-situ management of crop residue, a new Central Sector Scheme on ‘Promotion of Agricultural Mechanization for In-Situ

Management of Crop Residue in the States of Punjab, Haryana, Uttar Pradesh and NCT of Delhi' for the period from 2018-19 to 2019-20 has been approved.

(viii) The scheme will be implemented in accordance with guidelines described hereunder.

(ix) The scheme will be implemented in the states of Punjab, Haryana, Uttar Pradesh and NCT of Delhi, to promote the usage equipment and machines for in-situ management of crop residue.

Objectives of the Scheme

(i) Protecting environment from air pollution and preventing loss of nutrients and soil micro organisms caused by burning of crop residue;

(ii) Promoting in-situ management of crop residue by retention and incorporation into the soil through the use of appropriate mechanization inputs;

(iii) Promoting Farm Machinery Banks for custom hiring of in-situ crop residue management machinery to offset the adverse economies of scale arising due to small landholding and high cost of individual ownership.

(iv) Creating awareness among stakeholders through demonstration, capacity building activities and differentiated Information, Education and Communication strategies for effective utilization and management of crop residue.

Scheme Strategy

To achieve the above objectives, the scheme will adopt the following strategies:

(i) Provide financial assistance to farmers for procurement of in-situ crop residue management machinery and equipments.

(ii) Provide financial assistance to the Co-operative Societies of farmers, FPOs, Self-Help Groups, Registered Farmers Societies / farmers groups, Private Entrepreneurs, Group of women farmers or self-help groups for establishment of farm machinery banks for custom hiring of in-situ crop residue management machinery.

(iii) Provide financial assistance to promote use of in-situ crop residue management machinery among farmers by way of on-field and offfield training and demonstrations. (iv) Provide financial assistance to the State Governments, KVKs, ICAR institutions, Central Government institutions, PSUs etc. for the activities to be undertaken towards Information, Education and Communication (IEC).

Components of the Scheme

The Scheme will have the following major components (100% Central Share):

(i) Establish Farm Machinery Banks or Custom Hiring Centres of in-situ crop residue management machinery

(ii) Procurement of Agriculture Machinery and Equipment for in-situ crop residue management

(iii) Information, Education and Communication for awareness on in-situ crop residue management

Monitoring

(i) The scheme envisages a coordinated approach for monitoring and evaluation with active involvement of implementing agencies, beneficiaries and other stakeholders.

(ii) At the State level the monitoring of the Scheme will be carried out by the SLEC and DLEC. The monitoring and progress reports will be submitted by the SLEC to the DAC&FW on fortnightly basis.

(iii) A combination of periodic desk review, field visits and web-based mechanism will be adopted for releasing funds, monitoring physical and financial progress and monitoring the progress of other scheme interventions at National level by Mechanization and Technology Division (M&T) in the DAC&FW.

(iv) All implementing agencies will ensure that a report on fortnightly basis regarding utilization of funds released to them and the physical and financial progress of the scheme are submitted to DAC&FW regularly.

Impact Assessment, Periodic Evaluation and Reporting

(i) DAC&FW will evaluate efficacy of this scheme on a yearly basis through a 'third party'. The agency will assess the efficacy, performance, outcome and shortcomings of the scheme and recommend suitable corrective measures.

(ii) Information and communication technology will be deployed extensively for ensuring transparency in the implementation process and effective monitoring of the scheme programmes.

Procedure for Approval & Fund Flow Mechanism

DAC will allocate the funds to the States and Implementing Agencies based on the following parameters:

a) Duly approved annual action plan by the SLEC b) Release of flexi-funds would be made on a pro-rata basis along with normal releases of the scheme. In other words, no separate system for release or for utilization certificate for flexi-funds would be required.

(i) Funds would be released to the States /Implementing Agencies in singleinstallment as the residue burning is seasonal problem and it involves procurement of equipments and machines of capital nature.

(ii) The release of the fundswill be upon the approval of AAPby the EC

(a) DAC&FW will only transfer funds electronically to the State Governments, and Central Institutions. The department will prepare a digitized list of all implementing agencies for the same and for this purpose PFMS of CGA will be used.

(b) Respective State Governments and Institutions shall ensure that subsidy component under this scheme is transferred electronically to each beneficiary (Individual, Institutions and manufacturers). The list shall be provided to the DAC&FW after transfer of benefit directly to the beneficiaries' accounts.

(c) The buyer (farmer) will purchase the equipment /machine from any of the empanelled Manufacturer on payment of full cost of the equipment/machine or he will pay the amount after deducting the amount of applicable subsidy. In case of full payment by the buyer (farmer) to the Manufacturer, the amount of applicable subsidy will be paid to the buyer directly in his account within one month.

(d) In case the buyer (farmer) pay cost of machine/equipment after deducting the amount of applicable subsidy, the amount of subsidy will be paid to the Manufacturer in his account within one month of supply, installation and commissioning of the machine/equipment. The buyer will give certificate of complete Installation and successful commissioning.

(e) It would be ensured by the State Government that no eligible beneficiary suffers for want of Aadhar and it would be the State Governments responsibility to ensure that Aadhar enrolment of such beneficiaries is carried out on priority at the permanent enrolment centres set up for the purpose. However, the benefits will not be denied for not having the Aadhar number by the eligible beneficiary.

State Government Schemes

1. Assam CMSGUY Tractor Distribution Scheme

Introduction

Assam CMSGUY Tractor Distribution Scheme is Launched. Check complete details like Application format for tractor unit under CMSGUY and others. All the information in this article is to provide a basic overview. Hence, check the official site to confirm the facts. So Government of Assam initiates this Chief Minister Samagra Gramya Unnayan Yojana (CMSGUY) through which they have started to do many things for the welfare of the citizens. So like that this Assam CMSGUY Tractor Distribution Scheme is one of the schemes.

However, many of the citizens do not know about this Assam CMSGUY Tractor Distribution Scheme, we are providing total info in this post. This Mega Missions CMSGUY objective is double the farm income in upcoming five years. That is by 2022. To bring significant change in rural areas these kinds of the scheme designed. To upgrade farm mechanization in Assam state and also to promote double cropping this scheme aim. In this Yojana, each eligible group of every village will get one tractor unit which contains, tractor along with its accessories and related implements.

Benefits

Under this scheme, govt has provided several benefits to the farmers of the state. The foremost benefit is to boost the farming technic by providing tractors on lower price. Check out the complete benefits below-

- 70% Subsidy on purchase of Tractors.
- 20% Bank loan of the total price.
- 10% Beneficiary share of the total price.
- Amount of Subsidy is limit up to Rs. 5.5 Lakhs.
- Selection of model and design of tractor is handed to the group.

- The tractor should be used as Rental basis by all the farmers.
- Along with the tractor, all accessories and matching implements also provided

Eligibility criteria

- Each group should have 8 to 10 members.
- All the group members should be from the same village.
- Group members should be adult farmers.
- Applicants of the group should have a joint account in the same bank.
- It is preferred to have details about the lands and crops cultivated.
- Only one member of a family.

Selection Procedure

- Through DAO's Department of Agriculture and Mega Mission society will create awareness about Assam CMSGUY Tractor Distribution Scheme.
- Then, all the eligible applicant groups can submit their applications.
- All the applications should be in the prescribed manner.
- Submit the filled Applications to the District Agriculture Officer who will be there before DLC.
- And the DLC will select one group from each village.
- Along with a waiting list having a deposit of at least 10% of the total tractor price in the concerned bank account of the group.
- Member secretary will announce the names of the selected groups.

Important Link to Download Application Form

https://mmscmsguy.assam.gov.in/latest/distribution-of-tractor-units-under-mms-cmsguy

MoFPI Schemes

1. Scheme for Creation of Backward and Forward Linkages

During the 9Th plan the Ministry of Food Processing Industries operated, inter-alia, the scheme for creation of backward linkages with objective of increasing capacity utilization of food processing units including fruit based wine industry by ensuring regular supply of raw materials through contract farming. The scheme was continued to be implemented during 10th plan with the addition of component Forward Integration. In order to plug the gaps in the backward and forward integration and to optimize the capacity utilization of food processing units in the Ministry proposes to launch he revamped scheme for creation of backward and forward linkages for processed food industry by assisting in setting up of primary processing centers/collection centers at farm gate and modern retail outlets at the front end along with the connectivity through insulated /refrigerated transport. The scheme is applicable to perishable horticulture and Non-Horticulture produce such as, fruits, vegetables, dairy products, meat, poultry, fish, etc.

Objectives

The objective of the scheme is to provide effective and seamless backward and forward integration for processed food industry by plugging the gaps in supply chains in terms of availability of raw material and linkages with the market. The Scheme will enable linking of farmers to processors and the market thereby ensuring remunerative prices their produce.

Backward Linkage

- Integrated Pack-House (s) (with mechanized sorting and grading line / packing line / waxing line/ staging cold room cold storage, etc.)
- Milk Chilling Centre(s)/Bulk Milk Coolers(s)
- Pre Cooling Unit(s)/ Chillers
- Reefer boats
- Machinery and equipment or minimal processing and/or value additions such as cutting, dicing, slicing, pickling , drying, pulping, canning, waxing , etc.
- Machinery and Equipment for packing and packaging

Forward Linkage

- Retail chain of outlets to be set up by the processors, and/or organizations with farm level infrastructure under component at above or perishable food products. These would have facilities such as frozen storage/ deep freezers / refrigerated display cabinets/cold room/ chillers/ packing / packaging, etc.
- Distribution center associated with the retail chain of outlets s above with facilities like old room/ cold storage/ ripening chamber.

Eligibility criteria

- Promoters of Food Processing units.
- Entrepreneurs desirous of entering into food processing supply chain.
- Groups of producers such as Co-Operatives, Farmers Producer Organizations (FPOs), Farmer Producer Companies (FCPs) , Self Help Groups (SHGs) etc. linked to food processing units desirous of setting up minimal processing/ value addition centers.

- Retailers having linkages with farm level and/or with processors.

The Applicants in the above categories maybe organizations such as Central and State PSUs / Joint Ventures / Farmer Producer Organizations (FPOs) / NGO /Cooperatives / SHGs/ Public & Private Companies / Limited Liability Partnerships, Corporate Entity / Proprietorship Firms /Partnership Firms etc.

Documents required

- Detailed Project Report (DPR) in the prescribed template as the (Appendix II)
- CA/ Statutory Auditor Certificate as per (Appendix III)
- CE (Civil) certificate (Appendix IV) and CE (Mech) certificate (Appendix V).
- Proof of Infusion of equity of at least 20% and 10% of the total project costs respectively or projects in general areas and for projects in North East States, Himalayan States and ITDP Areas & Islands duly certified by the lending banks/FI.
- Final term loan sanction from the Bank/Financial Institution or availing term loan or an amount not less than 20% of the project.
- A detailed appraisal note from the Bank/Financial Institution or availing term loan for an amount not less than 20% of the project cost.
- Certificate of Incorporation/registration of the applicant firm, Memorandum and the Articles of Association in case of Company/ Bye Laws of the Society, Co-operative, Self Help Group/ Registered Partnership Deed, Etc.
- Bio Data /Background/Experience of the project promoter(s).
- Annual reports and Audited Financial Statement of Accounts of the Applicant firm /company/ cooperative/ Partnership / Co-Operatives, Farmer Producer Organizations (FP0s), Farmer Producer Companies (FCPs), Self Help Groups (SHGs) , Etc. for last two years.
- Self-Attested English/Hindi version of land documents for the project in support of land title in the name of applicant or land lease, duly registered with the competent authority for not less than period of 15 years.
- Change in land use (CLU) permission or the project or the said land from the competent Authority.
- Certificate from lending Bank/FI that the facility has not commenced commercial operations as on he date of issue of EOI or he date of bank certificate, whichever is later.
- An Undertaking o be furnished by the Applicant as per Appendix –VI.
- MoU Agreement for Backward Linkages and Forward Linkages duly authenticated by concerned District Authority pertaining to respective sectors.
- Annual Reports and Audited Statement of Accounts of last three years, in case modernization/ upgradation of technology and plant and machinery is proposed. This will not be applicable for a new entrepreneur.
- Proof of submission of requisite fee.
- Mandate form as per Annexure I in respect of applicant firm.
- Self-Attested copy of a PAN card applicant firm.
- SC/ST Certificate, as the case may be, from concerned Government Authority, if applicable.
- The amount of fee to be submitted along with the proposal

http://sampada-mofpi.gov.in/linkages/login.aspx#no-back-button

2. Agro Processing Cluster Scheme

The Ministry of Food Processing Industries (MOFP) has launched the Agro Processing Cluster Scheme under the guidance of Pradhana Mantri Kisan Sampada Yojana. This scheme aims at the development of modern infrastructure to encourage entrepreneurs for setting up food processing units based on the cluster approach. In this article, we look at the Agro Processing Cluster Scheme in detail.

Objectives of the Scheme

- To build modern infrastructure for setting up food processing units closer to production areas.
- To provide complete preservation infrastructure facilities from the farm gate to the consumer.
- To create backward and forward linkages by linking groups of farmers or producers to the markets through the well-equipped supply chain.

Eligible Organizations

- Public and Private Companies
- Limited liability Partnerships
- Corporate entity
- Proprietorship firms
- Partnership firms
- Joint Ventures
- Central and State Public Sector Undertakings
- Farmer Producer Organizations (FPOs)
- Non Governmental Organizations (NGOs)
- Cooperatives
- Self-Help Groups (SHGs)

Documents Required

- Chartered Accountant certificate for actual expenditure on each of the components of the project duly certified by the PEA has to be enclosed.
- Statutory Clearances / Approvals for power, water connections, etc., from the Pollution Control Board, has to be submitted.
- Item wise and cost wise details of Technical civil works duly certified by authorised Civil Engineer have to be enclosed.
- Item wise and cost wise details of Plant and Machinery duly certified by authorised Mechanical Engineer have to be enclosed
- Statement of TRA from the Bank or Financial Institution relating to the project.
- Proof of setting up food processing units along with copies of licenses issued under the Food Safety and Standards Act has to be enclosed.
- Certificate from the concerned bank or financial institution which has sanctioned 100% term loan for the project has to be submitted.
- Declaration of project completion and the start of commercial operation, duly certified by the bank.

Online Application Procedure for Agro Processing Cluster

To apply for Agro Processing Cluster scheme, follow the steps which are mentioned below:

Step 1: Please, visit the official portal (https://sampada-mofpi.gov.in/) of Ministry of Food Processing Industries (MOFPI).

Step 2: Now, select the name of the scheme from the list.
Step 3: Enter the user name and password to access the particular application form.
Step 4: Fill the application form with the necessary details and submit the form online along with the required documents.
Step 5: On successful submission of the completed application on the Ministry's portal, an acknowledgement number of the application will be sent on registered email IDs to the applicant for future reference.

NABARD Schemes

1. Financing of FPO's by NABKISAN Finance Limited

To ensure sustainability and economic viability of FPOs/POs, their nurturing plays an important role in taking up viable business activities like aggregation of produce, collective marketing, bulk procurement of inputs, primary processing, etc. To meet the credit requirements of FPOs/POs in various stages of their life viz. Initial phase, Growing phase, and Maturity phase, the loan products mentioned below have been introduced:

I. **Loan Products with availability of Collateral/Guarantee Cover**
   - Loans to POs/FPOs that are eligible for assistance from SFAC towards equity/credit guarantee cover.
   - Loans to FPOs and other POs that are not eligible for assistance from SFAC towards equity/credit guarantee cover and offering collaterals.
   - Loans to Promoting Institutions, for on lending to POs.

II. **Loan Products without Collateral//Guarantee Cover**
   - Loans to POs that are not in position to provide collaterals.
   - Loans to start up FPOs/POs with small size of business activities.

The items eligible for assistance broadly include capital cost such as cost of building, machinery and equipment for processing, specially designed vehicles for transportation etc. and / or working capital requirements for input supply, procurement, collective marketing, and other recurring costs connected with the project.

Important Link to Download

https://www.nabkisan.org/fpoonline.php

2. New Agricultural Marketing Infrastructure(AMI) sub- scheme of Integrated Scheme for Agricultural Marketing (ISAM)

The Agricultural Marketing Infrastructure (AMI) sub-scheme of ISAM is being implemented by Ministry of Agriculture and Farmers' Welfare, Government of India. The AMI sub scheme of ISAM is applicable for new credit linked projects, where term loan has been sanctioned by eligible financial institutions from 22.10.2018 to 31.03.2020. NABARD is the channelizing agency for release of subsidy @ 25% to 33.33% of the capital cost for institutions eligible for refinance by NABARD or any other FI such as State Financial Corporations (SFCs) approved by DAC&FW.

Objectives

- To develop agricultural marketing infrastructure for effectively managing marketable surplus of agriculture including horticulture and of allied sectors including dairy, poultry, fishery, livestock and minor forest produce.
- To promote innovative and latest technologies in agricultural marketing infrastructure.
- To promote competitive alternative agricultural marketing infrastructure by encouraging private and cooperative sector investments.
- To promote direct marketing so as to increase market efficiency through reduction in intermediaries and handling channels thus enhancing farmers' income.
- To promote creation of scientific storage capacity for storing farm produce, processed farm produce and agricultural inputs etc. to reduce post-harvest and handling losses.
- To provide infrastructure facilities for grading, standardization and quality certification of agricultural produce with the objective of (a) ensuring a price to the farmers commensurate with the quality of the produce and (b) promoting pledge financing and marketing credit, negotiable warehousing receipt system and promotion of forward and future markets to increase farmers' income.
- To promote Integrated Value Chains (confined up to primary processing stage only) to provide vertical integration of farmers with primary processors. Primary processing means adding value to the produce without change in its form and may include washing, sorting, cleaning, grading, waxing, ripening, packaging, labelling etc.
- To create general awareness and provide training to farmers, entrepreneurs, market functionaries and other stakeholders on various aspects of agricultural marketing including grading, standardization and quality certification.

Salient Features

Linkage to Reforms
State agency projects of those States/Union Territories that have undertaken reforms in their respective APMC Acts to allow/permit
(i) Direct Marketing,
(ii) Contract Farming and
(iii)Agricultural produce markets in private and cooperative sectors, will be eligible for assistance under the sub-scheme.

State Agency projects are those promoted by State Government Departments like State Agricultural Marketing Departments, State Agricultural Marketing Boards, Agricultural Produce Market Committees, State Warehousing Corporations, State Civil Supplies Corporations etc.
However, notwithstanding the reform status, State agencies in all States/UTs will be eligible to avail assistance for storage infrastructure projects.

Projects promoted by private entrepreneurs other than State agencies will however be eligible to avail assistance under the sub-scheme, irrespective of the reforms undertaken by the State Government/UTs in their respective APMC Acts.

Eligible Marketing Infrastructure
As one of the objectives of the sub-scheme is to ensure remunerative prices to the farmers for their produce, activities which are in the nature of either storage or other marketing infrastructure up to primary processing only will be covered. Primary processing for the purpose of this sub scheme relates to value addition to a raw agricultural produce which, after processing, does not result in change of

product form. Primary processing for which subsidy under AMI is available are those such as cleaning, cutting, de-podding, de-cortication, bleaching, grading, sorting, packing, labelling, waxing, ripening, chilling, pasteurization, homogenization, freezing, refrigeration and other value addition activities etc.

An illustrative list of primary processing activities is given in Annexure-II. For other stages of processing, subsidy under relevant schemes of Ministry of Agriculture such as Mission for Integrated Development of Horticulture (MIDH) and of Ministry of Food Processing Industries (MoFPI) may be availed of.

Marketing Infrastructure permitted under the sub scheme may comprise one or more of the following:

- Common facilities in the market yards such as platforms for auctioning of the produce, loading, unloading, assembling, drying, cleaning, grading, weighing, mechanical handling equipments, etc.

- The ancillary/supporting infrastructure like parking sheds, internal roads, garbage disposal arrangements, boundary walls, drinking water etc. are also permissible components. However, subsidy for ancillary/supporting infrastructure in the project will be restricted to 25% of total permissible subsidy of the project as explained in Annexure-III. Stand-alone ancillary/supporting infrastructure project will not be assisted.

- Functional infrastructure for collection/assembling, drying, cleaning, grading, standardization, SPS (Sanitary & Phytosanitary) measures and quality certification, labelling, packaging, ripening chambers, waxing, value addition facilities (without changing the product form) etc. For functional infrastructure projects (other than storage projects) where plant and machinery is to be installed in civil structure, the cost of plant & machinery should be more than 25% of the Total Financial Outlay (TFO) of the project. If it is less than 25%, subsidy will be restricted accordingly as explained in Annexure-IV. In such cases where the infrastructure is of the nature of storage, the cost of the civil structure will be calculated as per the capacity and cost norms of the storage infrastructure.

- Infrastructure for direct marketing of agricultural commodities from producers to consumers/processing units/bulk buyers, etc.

- Infrastructure (equipment, hardware, gadgets, including application software etc.) for E-trading, market intelligence and marketing related extension.

- Mobile infrastructure for post-harvest operations viz. grading, packaging, quality testing etc. including reefer vans, or any other refrigerated vans will be permissible for assistance. However, transport vehicles such as trucks, van, etc. will not be permissible for assistance.

- Storage infrastructure like godowns including stand-alone silos for storage of food grains with necessary ancillary facilities like loading, unloading, bagging facility etc., excluding railway siding are eligible for subsidy. Assistance for storage infrastructure will be available on capital cost of the project including cost of allied facilities like boundary wall, internal road, internal drainage system, weighing, grading, packing, quality testing & certification, fire fighting equipment etc. which are functionally required to operate the project. For silos overall ceiling for capacity creation will be kept at 25% of the overall target for storage capacity for the year or actual capacity sanctioned during the year whichever is lower, as illustrated in Annexure-V.

- The capacity created under silos and subsidy disbursal under the above 25% limit will be implemented and monitored by NABARD, HO and NCDC, HO in respect of projects sanctioned by them. Assistance for renovation will be restricted to storage infrastructure projects of cooperatives only.

- Stand-alone cold storage projects are not admissible for subsidy since subsidy for stand-alone cold storages is extended by NHB, NHM etc. However, cold storage as a part of a permissible integrated value chain project will be eligible for subsidy provided the cold storage component is not more than 75% of TFO. If it is more than 75%, subsidy will be restricted accordingly as explained in Annexure-VI. For these projects, subsidy will be calculated on the basis of capacity calculation and cost norms of NHM, DAC.

- Integrated Value Chain (IVC)
  Projects (confined up to stage of primary processing only) Integrated value chain' in agricultural marketing denotes a set of inter-linked chain of activities that bring specific agricultural commodity/commodities from harvesting till retailing and for the purpose of this sub scheme may include those activities where value is added to the produce without change in the form of the produce.

- A value chain can be a vertical linking or a network among various independent business organizations and can involve assembling, cleaning, grading, primary processing, packaging, transportation (only Refrigerated van), weighing, storage, distribution, etc. Modern value chains are characterized by vertical coordination, consolidation of the supply base, agro-industrial processing and use of standards throughout the chain. As focus of AMI subsidy is to transfer direct benefit to the farmers, integrated value chain projects involving activities from post-harvest stage to the stage of primary processing only are to be covered. Subsidy for remaining stages of processing, relevant schemes of Ministry of Food Processing Industries (MoFPI) etc. may be availed of.

Eligible Beneficiaries
Assistance under the sub scheme will be available to:
- Individuals, Group of farmers/growers, Registered Farmer Producer Organisations (FPOs). Partnership/Proprietary firms, Companies, Corporations.
- Non-Government Organizations (NGOs), Self Help Groups (SHGs).
- Cooperatives, Cooperative Marketing Federations.
- Autonomous Bodies of the Government, Local Bodies (excluding Municipal Corporations for storage infrastructure projects), Panchayats.
- State agencies including State Government Departments and autonomous organization/State owned corporations such as Agricultural Produce Market Committees & Marketing Boards, State Warehousing Corporations, State Civil Supplies Corporations etc.

Institutional Lending Subsidy under the sub-scheme is linked to institutional credit and will be available to only such projects financed by:

- Commercial, Cooperative, Regional Rural Banks, Agricultural Development Finance Companies (ADFCs), State Cooperative Banks (SCBs), State Cooperative Agricultural and Rural Development Banks (SCARDBs), Scheduled Urban Cooperative Banks, Scheduled Primary Cooperative Banks (PCBs), North Eastern Development Financial Corporation (NEDFi), other institutions eligible for refinance by National Bank for Agriculture and Rural Development (NABARD) or any other Financial Institution such as State Financial Corporations (SFCs) approved by DAC.

- NABARD co-financed and directly financed marketing infrastructure projects including storage infrastructure projects would be eligible for subsidy where the interest rates are commercial/market related.

- State Government/State Government agency storage infrastructure projects financed by NABARD under Rural Infrastructure Development Fund (RIDF)/ Warehousing Infrastructure Fund (WIF)/NABARD's own funds.

- Projects promoted by cooperatives and financed by National Cooperative Development Corporation (NCDC) or cooperative banks recognized by NCDC in accordance with NCDC's eligibility guidelines.

State agencies have a choice of investing their own funds rather than going for institutional funding.

Procedure to Be Followed For Sanctioning of Projects and Release Of Subsidy

- Promoter will submit the project proposal for term loan including subsidy to the Financial Institution (FI) on prescribed application form of the concerned FI complete in all respects and along with project report and other documents for appraisal and sanction of term loan.

- On sanction of term loan, the FI will, along with the sanction letter hand over a list of instructions for compliance by the promoter. FI may procure a copy of instruction duly signed by the promoter as a token of their acknowledgement. This list of instructions is provided at Annexure-XI.

- FI, will within 90 days of disbursal of the first installment of loan, submit to RO, NABARD, through its controlling/nodal office, a brief project profile-cum-claim form for advance subsidy in the prescribed form given in Annexure-IX along with the documents as per check list at Annexure-X. A copy of the claim form along with all documents should also be submitted to the Regional Office/Sub-Office of DMI. FI will also inform the promoter about submission of the proposal to NABARD and DMI. NABARD will, every quarter, compile a list of all such proposals that have not been submitted in time (viz. within 90 days) and forward the same to DMI, RO/SO. NABARD will also place the matter before the State Level Banker's Committee (SLBC). SLBC will review all such matters and ensure that such delays do not recur and the proposals are received by NABARD with in time.

- Release of advance subsidy On receipt of claim form and documents complete in all respects as mentioned in preceding para, RO, NABARD, will sanction the advance subsidy immediately and in any case not later than 90 days of receipt of claim. Subject to availability of funds, RO, NABARD will release soon thereafter advance subsidy to the FI for keeping the same in Subsidy Reserve Fund (SRF) account of the promoter. RO, NABARD will also forward a copy of sanction and release letter for each project to Regional/Sub-office of DMI. In case, there are some documents/information missing, RO, NABARD would request the concerned FI to forward the same at the earliest. A copy of this communication is to be endorsed to DMI, RO/SO for follow up action. NABARD, RO will compile month wise, list of the sanctioned projects and advance subsidy released and forward it to DMI RO/SO. NABARD, HO will compile month wise, list of the sanctioned projects and advance subsidy released and forward it to the Head Office of DMI.

- Joint inspection and release of final subsidy After completion of the project, the promoter will inform the FI of the same and also submit documents as detailed in Annexure-XII (including completion certificate signed by approved engineer/registered architect and item-wise actual expenditure by chartered accountant signed by the promoter and countersigned by the Branch Manager of FI) to the FI within the prescribed time limit. Within 60 days of the receipt of relevant documents from the promoter, the FI will submit to RO, NABARD and Regional/Sub-office of DMI, final subsidy claim in Annexure-XIII along with necessary documents, complete in all respects and also request for Joint Inspection of the project.

- NABARD will initiate action to conduct joint inspection by a team comprising of officials of FI, NABARD (or its representative) and DMI to ensure that the executed project conforms to technical and financial parameters. The joint inspection will be done within 60 days of the receipt of documents/information from the FI. The joint inspection report should be as per Annexure-XIV. Geo-tagged photograph of the project may also be taken by representative of NABARD/DMI.

- If the project is in order, immediately after joint inspection, the representative of NABARD in the Joint Inspection Committee will forward the joint inspection report to NABARD, RO. NABARD, RO will sanction the final subsidy within 90 days and release soon thereafter final subsidy to the FI for keeping the same in Subsidy Reserve Fund Account (Borrower-wise). NABARD, RO will also forward a copy of sanction and release letter for each project to Regional/Sub-office of DMI. NABARD, HO will compile month wise, list of the sanctioned projects and final subsidy released and forward it to the Head Office of DMI.

- In case any deficiencies are pointed out by the joint inspection committee, the promoter must be informed of the same by FI and asked to rectify. The compliance of rectification thereof will be verified by the FI and report to this effect will be furnished by the FI to NABARD & DMI within 60 days of joint inspection. Remaining procedure will be the same as outlined in above para for release of final subsidy.

- Joint Inspection of completed projects will be conducted subject to the project having been scrutinized by NABARD RO and found to be eligible for advance subsidy. However, the actual release of advance subsidy by NABARD is not necessary for conduct of joint inspection. 2.4.1.8 The time sschedule prescribed in para must be adhered to for completion of project and submission of relevant documents complete in all respect, failing which, the project will not be eligible for subsidy. The advance subsidy in all such cases will have to be refunded forthwith by the FI.

- NABARD, HO will furnish utilization certificate in prescribed format to DMI, HO after every release of fund from DAC. Participating FIs should also submit the utilization certificate in Annexure-XV to NABARD, RO within 60 days of receipt of subsidy.

- Panchayati Raj Institutes (PRIs) will have an important role in ensuring that the infrastructure created/proposed is used for the purpose for which it is designed. To enable PRIs play this role effectively, District Panchayats will be kept informed by DMI, RO/SO of all the projects approved and subsidy disbursed in their areas. District Panchayats may share this information with concerned Block/Gram Panchayats. In areas where part IX of the constitution does not apply, this information with be shared with equivalent rural local bodies.

Indicative Negative List of Projects which will not be eligible for subsidy under the sub scheme of AMI

1. Combined Harvesters (in – Andhra Pradesh, Punjab, Madhya Pradesh & Tamil Nadu)
2. Standalone cold storages
3. Retail shops
4. Silos as part of integrated project

Important Link to Download

http://agricoop.nic.in/sites/default/files/finalopguidelines.pdf

3. Capital Investment Subsidy Scheme for Commercial Production Units for organic/ biological Inputs

The scheme is being implemented by the DAC&FW, Ministry of Agriculture & Farmers' Welfare, GoI, through National Centre of Organic Farming (NCOF) in collaboration with NABARD or National Cooperative Development Corporation (NCDC). NABARD is the subsidy channelizing agency for the projects submitted to NABARD.

The increasing and indiscriminate use of synthetic fertilizers and pesticides and deteriorating soil health and productivity is concerning people all over the world. Growing awareness for safe and healthy food has underlined the importance of organic farming, which is a holistic system based on the basic principle of minimizing the use of external inputs and avoiding the use of synthetic fertilizers and pesticides.

In view of these challenges, there is a need in the country to augment the infrastructure for production of quality organic and biological inputs. Accordingly, under National Project on Organic Farming a Capital Investment Subsidy Scheme for Commercial Production Units for organic/biological inputs was introduced in 2004-05.

Objectives of the Scheme

- To promote organic farming in the country by making available organic inputs, such as bio fertilisers, bio pesticides and fruit & vegetable market waste compost and thereby generate better return for the produce
- To increase agricultural productivity while maintaining soil health and environmental safety
- To reduce total dependence on chemical fertilizers and pesticides by increasing the availability and improving the quality of bio fertilisers, bio pesticides and composts in the country
- To convert organic waste into plant-nutrient resources
- To prevent pollution and environment degradation by proper conversion and utilization of organic waste

Who can benefit from the scheme?

- Bio fertilisers and Bio pesticides production Units
- Fruit & vegetable waste compost units

- Individuals, group of farmers/growers, proprietary and partnership firms, Co-operatives, fertilizer industry
- Companies, Corporations
- Non-Governmental Organizations (NGOs)
- Agricultural Produce Market Committees (APMCs)
- Municipalities
- Private entrepreneurs

Conditions for setting up of commercial production unit

Location

Under the scheme, the entrepreneur will be free to set up the unit at any place provided it is technically feasible and commercially viable. The existing units can also be considered for technological up-gradation or expansion of existing capacity.

Project cost

The project cost will depend upon the capacity, technology, architects, invoice prices of the machines etc. subject to norms of appraisal of financing banks and NABARD. The project should be technically feasible and financially viable. Model project profile for Vegetable and Fruit Market Waste Compost and Biofertiliser-Biopesticide units will be prepared and circulated by National Centre of Organic Farming and NABARD jointly. The estimated cost of establishment of new Fruits and Vegetable Market Waste Compost unit of 100TPD capacity is about Rs 200 lakh and for Biofertilizer-Biopesticide production unit of installed capacity of 200 tonne/annum is about 160.00 lakh. Project cost can include the cost of land purchased, civil works, plant & machinery, scientific instruments and equipments etc. The value of land to be computed in the project cost should not exceed 10% of the project cost. The cost of the land and civil structures (buildings) should not exceed 50% of the total financial outlay. The cost of land computed in the project cost can be reckoned towards the margin money required to be met by the enterprise. The above is also subject to the following conditions:

1. The cost of land will be computed in the project cost only when the land is to be purchased by the enterprise.

2. The cost of the land should be the purchase value and not the market value.

3. The value of that portion of the land which is need based for the project only will be considered.

Quantum of Subsidy

The scheme provides credit linked and back-ended capital investment subsidy @ as described below.

Biofertilisers-Biopesticides unit	**Fruit & Vegetable Market Waste Compost**
Unit 25% of total financial outlay subject to the maximum of Rs 40 lakh per unit, whichever is less.	33% of total financial outlay subject to the maximum of Rs. 60 lakh per unit, whichever is less.

The subsidy for expansion/renovation of the existing units will be restricted to 25% in case of Biofertilizer/biopesticide units and 33% of Fruit and Vegetable Market Waste Compost units of the actual expenditure to be incurred by the promoter towards expansion/renovation subject to the maximum ceiling prescribed for each activity, whichever is less.

Release of subsidy

• NABARD releases subsidy to the units financed by Commercial Banks, Regional Rural Banks (RRBs), State Cooperative Banks (SCBs), State Cooperative Agricultural and Rural Development Banks (SCARDBs), Scheduled Primary Urban Cooperative Banks (PUCBs), and such other institutions which will be eligible for refinance from NABARD.

• NCDC may release subsidy to projects financed by it in the cooperative sector.

The original TFO sanctioned by the bank or the actual expenditure incurred by the promoter, whichever is less, will be reckoned for deciding the amount of subsidy subject to verification by the Joint Monitoring Committee (JMC).

Procedure for Sanction and Release of Subsidy

Subsidy will be released in two installments.

Advance subsidy

Eligible subsidy amount shall be released to NABARD/ NCDC by DAC in advance as per the requirement. NABARD would release 50% advance subsidy to the participating bank for keeping the same in subsidy reserve fund account of the concerned borrower, to be adjusted finally against loan amount of the bank towards the end of the repayment period. This 50% advance subsidy would be released by NABARD to the participating bank on submission of project profile cum claim form after sanction of bank loan and disbursement of first installment of loan. NCDC may release 50% advance subsidy to Cooperative society on submission of project profile cum claim form directly or through any scheduled Cooperative bank.

Final installment of subsidy

The remaining 50% would be disbursed to the participating banks by NABARD or to Cooperative society by NCDC after conduct of an inspection by the Joint Inspection Committee consisting of officials from the financing bank, NABARD/NCDC and NCOF/DAC and their recommendations to the effect.

Adjustment of subsidy to Borrower's Account

The subsidy released to the bank for individual project will be kept in a separate borrower-wise account. The adjustment of subsidy will be back-ended. Accordingly, the full project cost including the subsidy amount, but excluding the margin money contribution from the beneficiary, would be disbursed as loan by the banks. The repayment schedule will be drawn on the loan amount in such a way that the total subsidy amount is adjusted after the full bank loan component with interest is liquidated.

Utilization Certificate

After release of final installment of subsidy, a Utilization Certificate is required to be submitted by the financing bank certifying that the full amount of subsidy received in respect of the project has been fully utilized (by way of crediting to the "Subsidy Reserve Fund Account - Borrower-wise") and adjusted in the books of Account under the sanctioned terms and conditions of the project within the overall guidelines of the scheme.

No interest chargeable on subsidy portion

No interest should be charged on the subsidy by the bank. For the purpose of charging interest on the loan component, the subsidy amount should be excluded. The balance lying to the credit of the subsidy reserve fund A/c will not form part of demand and time liabilities for the purpose of SLR/CRR.

Pattern of Assistance

For Biofertilizer-Biopesticide production unit

i) Owner's contribution 25-33%

ii) Subsidy from Government of India subject to the maximum ceiling 25%

iii) Bank Loan 42-50%

For Fruits and Vegetable Market Waste compost unit

i) Owner's contribution 25-33%

ii) Subsidy from Government of India subject to the maximum ceiling 33%

iii) Bank Loan 34-42%

Institutional lending

a) Eligible Financing Institutions - The eligible financing institutions under the scheme are i) Commercial Banks, Regional Rural Banks (RRBs), State Cooperative Banks (SCBs), State Co-operative Agricultural and Rural Development Bank (SCARDBs), Scheduled Primary Urban Cooperative Banks (PUCBs), Agricultural Development Finance Companies (ADFCs), North Eastern Development Finance Corporation (NEDFI), and such other institutions which will be eligible for refinance from NABARD. ii) Cooperatives where they seek loan from NCDC.

b) Term Loan – Up to 50% of the project cost can be raised as term loan from the financing banks. As the subsidy is back-ended, eligible amount of subsidy (25%) would be initially allowed as term loan to the beneficiary. The repayment schedule will be drawn on the total loan amount (including subsidy) in such a way that the subsidy amount is adjusted after liquidation of net bank loan (excluding subsidy). The financial institution may provide working capital separately for undertaking the business.

Rate of Interest to the ultimate borrower

As decided by the financing bank.

Security

The security will be as per norms prescribed by RBI from time to time and as per the norms of financing banks.

Repayment period

Biofertilisers/ Biopesticide Unit	Fruit & Vegetable Waste Compost Unit
Repayment period will depend upon the cash flow and may be generally up to 10 years with a grace period of 2 years.	Repayment period will depend upon the cash flow and may be generally up to 10 years with a grace period of 2 years.

Time limit for completion

A time limit of maximum 15 months is prescribed for completion of the project from the date of sanction by bank. However, if reasons for delay are justified, a further grace period of 3 months may be allowed by the participating bank. If the project is not completed within stipulated period, the benefit of subsidy is withdrawn and advance subsidy has to be refunded forthwith.

Insurance

Assets created shall be insured by the entrepreneur till the repayment of loan

Refinance Assistance from NABARD

The refinance assistance @ 90% of the term loan (95% in case of SCARDBs and in the North Eastern Region) would be provided to the financing banks.

Procedure to be followed for sanctioning of project and release of subsidy

Projects financed through Banks

a) Interested promoter will submit the project proposal for term loan and subsidy to Bank on application form as prescribed by the concerned Bank along with project report and other documents for appraisal and sanction of loan.

b) Bank after appraisal, sanction and disburse first installment of loan. Furnish a brief project profile-cum-claim form for advance subsidy in the prescribed format given at Annexure I along with a copy of bank's sanction letter to Regional Office of NABARD. All claims for release of subsidy need to be forwarded to the NABARD by the Controlling Officers of the banks.

c) NABARD on receipt of project profile cum claim form, from participating bank, will sanction and release 50% advance subsidy to the participating bank for keeping the same in the Subsidy Reserve Fund Account (Borrower-wise). The release of subsidy by NABARD will be subject to availability of funds from MoA/DAC.

d) When the project is nearing completion, the promoter will inform the bank who will initiate action for an inspection by the Committee consisting of officials from bank, NABARD and the implementing agency (DAC/ NCOF) to ensure that the unit conforms to technical & financial parameters. After inspection is conducted, the bank will submit the claim form for final subsidy in the prescribed format given in the Annexure II to NABARD. The inspection report of Committee and completion certificate should invariably be enclosed with claim form for final subsidy claim. NABARD shall release the final subsidy to banks which will be replenished by the implementing agency or adjusted against the subsidy amount provided to NABARD in advance.

Monitoring

i) The monitoring of each project shall be done by implementing agency through its Regional offices/branches.

ii) An inspection committee consisting of Officials from NABARD/NCDC, implementing agency and participating bank(s) would inspect the project work with in the overall scope of the operational guidelines of the above scheme and would submit its report which should be enclosed with the Annexure II. For this purpose, the promoter/participating bank will initiate necessary action to get the inspection conducted at the project site by the committee at the time 7 when the project is completed, so as to avoid any delay in release/adjustment of subsidy.

iii) After crediting the final installment of subsidy in the reserve fund of the borrower, a utilization certificate as per the format of Annexure III is required to be submitted by the participating bank to

NABARD to the effect that amount of subsidy received by them has been fully utilized/adjusted in the books of account under the sanctioned terms and conditions of the project, within the overall guidelines of the scheme.

iv) The progress report of the scheme as per the formats shall be sent by NABARD/NCDC to the Ministry of Agriculture, GoI on quarterly basis.

v) NABARD would delegate adequate powers to the Chief General Manger/General Manager/In-charge of the Regional offices of NABARD so as to facilitate expeditious sanction of project and release of refinance/subsidy amount under the scheme.

Other Conditions

• The participating banks and NABARD, etc. will adhere to their own norms, for appraisal of the projects. • A signboard at the site "Financially Assisted under Subsidy Scheme of National Project of Organic Farming, DAC, Government of India" will be exhibited.

• Govt.'s interpretation of various terms will be final

• Any other pre & post inspection may be undertaken to find out physical & financial progress as and when required.

• Govt. reserves the right to modify, add, and delete any terms and condition without assigning any reason.

4. Dairy Entrepreneurship Development Scheme

The Department of Animal Husbandry, dairying and fisheries is implementing Dairy Entrepreneurship Development Scheme (DEDS) for generating self-employment opportunities in the dairy sector, covering activities such as enhancement of milk production, procurement, preservation, transportation, processing and marketing of milk by providing back ended capital subsidy for bankable projects. The scheme is being implemented by National Bank for Agriculture and Rural Development (NABARD)

Objective of the Scheme

- To promote setting up of modern dairy farms for production of clean milk
- To encourage heifer calf rearing, thereby conserving good breeding stock
- To bring structural changes in the unorganised sector so that initial processing of milk can be taken up at the village level itself
- To upgrade the quality and traditional technology to handle milk on a commercial scale
- To generate self-employment and provide infrastructure mainly for unorganised sector

Eligible Beneficiaries

Farmers, individual entrepreneurs, NGOs, companies, groups of organised and unorganised sectors, etc. Groups of organised sector include Self-help Groups (SHGs), dairy cooperative societies, milk unions, milk federations, etc.

1. An individual will be eligible to avail assistance for all the components under the scheme but only once for each
component

2. More than one member of a family can be assisted under the scheme provided they set up separate units with separate infrastructure at different locations. The distance between the boundaries of two such farms should be at least 500 metres.

Financial Institutions Eligible for Re-finance under the Scheme

- Commercial Banks
- Regional Rural and Urban Banks
- State Cooperative Banks
- State Cooperative Agricultural and Rural Development Banks
- Other Institutions, which are eligible for refinance for NABARD

Linkage with Credit

Assistance under the scheme shall be purely credit linked and subject to sanctions of the project by eligible financial institutions

Pattern Assistance

(a) Back ended capital subsidy @25% of the project cost for general category and @33% for SC/ST farmers. The componenet wise subsidy cieling will be subjected to indicative cost arrived at by NABARD from time to time

(b) Entrepreneur Contribution (Margin) for loans beyond Rs. 1 lakh* - 10% of the project cost (*subject to any revision in RBI guidelines)

S.No	Component	Unit Cost	Pattern of Assistance
I	Establishment of small dairy units with crossbred cows/ indigenous descript milch cows like Sahiwal, Red Sindhi, Gir, Rathi etc / graded buffaloes upto 10 animals	Rs 5.00 lakh for 10 animal unit – minimum unit size is 2 animals with an upper limit of 10 animals	25% of the outlay (33 .33 % for SC / ST farmers,) as back ended capital subsidy subject to a ceiling of Rs 1.25 lakh for a unit of 10 animals (Rs 1.67 lakh for SC/ST farmers,). Maximum permissible capital subsidy is Rs 25000 (Rs 33,300 for SC/ST farmers)for a 2 animal unit. Subsidy shall be restricted on a prorata basis depending on the unit size
II.	Rearing of heifer calves – cross bred, indigenous descript milch breeds of cattle and of graded buffaloes – upto 20 calves	Rs 4.80 lakh for 20 calf unit – minimum unit size of 5 calves with an upper limit of 20 calves	25% of the outlay (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 1.20 lakh for a unit of 20 calves (Rs 1.60 lakh for SC/ST farmers). Maximum permissible capital subsidy is Rs 30,000 (Rs 40,000 for SC/ST farmers) for a 5 calf unit. Subsidy shall be restricted on a

			prorata basis depending on the unit size
III	Vermicompost (with milch animal unit .To be considered with milch animals and not separately)	Rs 20,000/-	25% of the outlay (33.33 % for SC / ST farmers)as back ended capital subsidy subject to a ceiling of Rs 5,000/- (Rs 6700/- for SC/ST farmers,).
IV	Purchase of milking machines /milkotesters/bulk milk cooling units (upto 2000 lit capacity)	Rs 18 lakh	25% of the outlay (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 4.50 lakh (Rs 6.00 lakh for SC/ST farmers).
V	Purchase of dairy processing equipment for manufacture of indigenous milk products	Rs 12 lakh	25% of the outlay (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 3.00 lakh (Rs 4.00 lakh for SC/ST farmers).
VI	Establishment of dairy product transportation facilities and cold chain	Rs 24 lakh	25% of the outlay (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 6.00 lakh (Rs 8.00 lakh for SC/ST farmers).
VII	Cold storage facilities for milk and milk products	Rs 30 lakh	25% of the outlay (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 7.50 lakh (Rs 10.00 lakh for SC/ST farmers).
VIII	Establishment of private veterinary clinics	Rs 2.40 lakh for mobile clinic and Rs 1.80 lakh for stationary clinic	25% of the outlay (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 60,000/- and Rs 45,000/- (Rs 80,000/- and Rs 60,000/- for SC/ST farmers) respectively for mobile and stationary clinics
IX	Dairy marketing outlet / Dairy parlour	Rs 56,000/-	25% of the outlay (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 14,000/-(Rs 18600/- for SC/ST farmers)

Important Link to Download

https://www.nabard.org/auth/writereaddata/File/Annexure_1.pdf

5. National Livestock Mission

The National Livestock Mission (NLM) has commenced from 2014-15. The Mission is designed to cover all the activities required to ensure quantitative and qualitative improvement in livestock production systems and capacity building of all stakeholders. The Mission will cover everything germane to improvement of livestock productivity and support projects and initiatives required for that purpose subject. This Mission is formulated with the objective of sustainable development of livestock sector, focusing on improving availability of quality feed and fodder. NLM is implemented in all States including Sikkim.

Objectives

1. Sustainable growth and development of livestock sector, including poultry
2. Increasing availability of fodder and feed to substantially reduce the demand –supply gap through measures which include more area coverage under quality fodder seeds, technology promotion, extension, post - harvest management and processing in consonance with diverse agro -climatic condition.
3. Accelerating production of quality fodder and fodder seeds through effective seed production chain (Nucleus – Breeder –Foundation - Certified-Truthfully labelled, etc.) with active involvement of farmers and in collaboration with the dairy / farmers cooperatives, seed corporations, and private sector enterprises.
4. Establishing convergence and synergy among ongoing Plan programmes and stakeholders for sustainable livestock development.
5. Promoting applied research in prioritized areas of concern in animal nutrition and livestock production.
6. Capacity building of state functionaries and livestock owners through strengthened extension machinery to provide quality extension service to farmers.
7. Promoting skill based training and dissemination of technologies for reducing cost of production, and improving production of livestock sector
8. Promoting initiatives for conservation and genetic upgradation of indigenous breeds of livestock (except bovines which are being covered under another scheme of the Ministry) in collaboration with farmers / farmers' groups / cooperatives, etc.
9. Encouraging formation of groups of farmers and cooperatives / producers' companies of small and marginal farmers / livestock owners.
10. Promoting innovative pilot projects and mainstreaming of successful pilots relating to livestock sector.
11. Providing infrastructure and linkage for marketing, processing and value addition, as forward linkage for the farmer's enterprises.
12. Promoting risk management measures including livestock insurance for farmers.
13. Promoting activities to control and prevent animal diseases, environmental pollution, promoting efforts towards food safety and quality, and supply of quality hides and skins through timely recovery of carcasses.
14. Encouraging community participation on sustainable practices related to animal husbandry, involvement of community in breed conservation and creation of resource map for the states.

Mission Design

The Mission is designed to cover all the activities required to ensure quantitative and qualitative improvement in livestock production systems and capacity building of all stakeholder. The Mission will cover everything germane to improvement of livestock productivity and support projects and initiatives required for that purpose subject to condition that such initiatives which cannot be funded under other Centrally Sponsored Schemes under the Department.
The mission is organised into the following four Sub - Missions:

1. **Sub -Mission on Livestock Development** - The sub-mission on Livestock Development includes activities to address the concerns for overall development of livestock species including poultry, other than cattle and buffalo, with a holistic approach. Risk Management component of the sub –mission will, however, also cover cattle and buffalo along with other major and minor livestock.
2. **Sub - Mission on Pig Development in North-Eastern Region** - The sub -mission will strive to forge synergies of research and development organizations through appropriate interventions, as may be required for holistic development of pigs in the North Eastern Region including genetic improvement, health cover and post-harvest operations.
3. **Sub - Mission on Feed and Fodder Development**- The Sub –Mission is designed to address the problems of scarcity of animal feed and fodder resources, to give a push to the livestock sector making it a competitive enterprise for India, and also to harness its export potential. The sub-mission will especially focus on increasing both production and productivity of fodder and feed through adoption of improved and appropriate technologies best suited to specific agro –climatic region in both arable and non –arable areas.
4. **Sub -Mission on Skill Development, Technology Transfer and Extension -** The sub - mission will provide a platform to develop, adopt or adapt the technologies including frontline field demonstrations in collaboration with farmers, researchers and extension workers, etc. wherever it is not possible to achieve this through existing arrangements.

Procedure for approvals and implementation

Preparation and Submission of Proposals
The implementing agencies will submit the proposals, in prescribed formats, as given under the Mission components, to the State Department of Animal Husbandry, after technical sanctions of their Competent Authorities. Nodal officer should be identified by State Government, who may be delegated sufficient financial and administrative powers to effectively implement this scheme and will coordinate with this Department, NABARD and other agencies wherever required. Central as well as State Level Technical Monitoring Committees will be constituted to monitor the progress of scheme from time to time. While preparing the proposals, in addition to specific guidelines provided in Mission component, following guidelines may be taken into consideration:

(i) The State Government shall confirm the provision of availability of matching funds in their State Budget to meet State share for the scheme. The State Government should make an express statement in the proposal and also in the recommendation letter, regarding the provisioning of State share and the budget position.

(ii) Further, in case of State share or beneficiary share involved, State may bear the beneficiaries‟ share or vice versa. Alternatively, State may also decide upon the proportionate share between State and beneficiary.

(iii)The project proposal should be accompanied with a certificate that the land where the scheme is proposed to be implemented is in possession of the beneficiary or the implementing agency, as the case may be. In cases if the beneficiary or implementing agency does not own the land, a copy of lease agreement for the project period is required. or any other relevant document as per RBI norms or deemed necessary by the financing bank. If assets are created the lease agreement period should be atleast 10 years or for the loan/interest repayment interest, whichever is longer.

(iv) In general, the civil construction cost may be kept at minimum and it should be incidental to the installation of machinery and equipment, except in cases where it is essential, like; silage making, biosecurity, strengthening of livestock and poultry farms, etc.

(v) Proposals will be considered as per the merit of the proposal and availability of funds, in a manner to ensure balanced implementation of the Mission across various regions in the country.

(vi) State Governments must furnish quarterly progress report (Financial and Physical) in prescribed format for each component. Fund Utilization Certificate (GFR-19A) [Under Rule 212(1)], Physical Progress Report, and Audited Statements should be submitted through administrative head of the State Department responsible for Animal Husbandry / Dairying, duly approved by the State level Executive Committee (SLEC) / the Mission Director, State Livestock Mission.

(vii) Inspection of sites / units would be undertaken by any National or State level committee / sub-committee / Technical Support Group constituted under NLM to verify the physical and financial progress as and when required.

(viii) A budget provision , not exceeding 5% of total cost of the project, has been kept, as administrative cost for the Mission Directorate to accommodate the following:
a. Workshops/ Conferences/ Seminars,
b. Training and Human Resource Development,
c. Technical services germane to the objective of the Mission, like project Preparation, etc.
d. Publicity including AV, documentaries, etc., and celebration of National or World Days, like World Egg Day, etc.,
e. Impact/ Evaluation/ Monitoring studies,
f. Innovation/ Research activities,
g. Other unforeseen and contingency requirement

(ix) Social Audit: The Mission envisages concurrent, continuous system of social auditing through the Panchayati Raj Institutions/ similar recognized bodies, like Urban Local Bodies, etc, where PRI is not there. The Gram Sabha may be the body for primary level social auditing at village level. Panchayat level social audit committees may be constituted. The committees may conduct the audit at regular intervals, and may present the report in the Gram Sabha or appropriate authority like BDO etc. in cases where PRI is not present.

(x) State Government may also avail additional subsidy from other sources in case of credit-linked components provided that:
a. Name and basic structure of the scheme will remain same and Mission component will be implemented strictly as per the guidelines of NLM, without diluting the norms.
b. The accounts of bank-ended subsidy amount, and additional subsidy will be maintained separately.
c. State Government will give an undertaking/ certificate that they will not avail or stop the additional subsidy without intimation to GoI.

d. If the State Government desires to give additional or top-up subsidy through the State Budget, it should not be more than Beneficiary Share / Margin Money.

(xi)Generally, atleast 16.2% of the funds are released for SC beneficiaries. Further, It may be ensured by the respective State Governments that, where sanctions have been made under the Special Component Plan for SCs (SCPSC), the funds must be used only for the SC beneficiaries. However, State Governments may also strive, as far as possible, to cover physically 8%, 30% and 3% Scheduled Tribe, Women and physically challenged/ differently-abled persons/ farmers / beneficiaries, respectively from the General component until specific budget Heads are created.

(xii) In case of beneficiary oriented components, the UID numbers of individual beneficiaries may be recorded and included in all project related documents. However, beneficiaries who have not yet received the UIDs may not be subjected to any disadvantage, and in such cases other acceptable ID criteria like BPL register, etc., may be used.

(xiii) National/ State environmental & pollution control laws/ Rules/ Regulations should be complied with wherever applicable.

(xiv) Signboards, of appropriate size (Around 3x2 feet to 5x4 feet) will be installed at implementation sites. The signboards must also display - "Assisted by Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture, Government of India"

Animal Husbandry Department will consolidate all proposals, including the proposals prepared by the Department itself. A comprehensive proposal including all the permissible activities under the Mission will be prepared by the State Animal Husbandry Department, and the same will be recommended to the Mission Director in the beginning of every Financial Year. As far as possible, piecemeal proposals and untimely submission of proposals may be avoided. 5.2 Approval of Proposals

Approval of Proposals

The Mission Director will appraise the proposals with the assistance of the Technical Support Group. The proposals within the guidelines / norms may be approved by Mission Director upto the level specified in the financial powers. The proposals which go beyond the approved guidelines, special cases, innovative projects or for which cost norms are not fixed etc. will be appraised by the Mission Director and will be submitted to the Executive Committee for approval.

In case of Entrepreneurship Development and Employment Generation (EDEG) credit-linked proposals, the same will be appraised and approved by banks as done earlier for „Poultry Venture Capital Fund‟ etc. However, in some cases of technology upgradation which come for the first time or is new, the same may be appraised by bank and forwarded with views/ comments of NABARD to Mission Director for approval.

Fund Flow Mechanism

The funds will be released to the Department of Animal Husbandry of concerned State / UT Government. It has been decided from 2014-15 onwards, all plan schemes under which central assistance is provided to the States shall be classified and budgeted as Central Assistance to State Plans. That is, funds would now be transferred to States/ UTs through consolidated funds of the States concerned (treasury route) using major heads 3601 and 3602 and there should be shift from current practice of transfer of funds directly to implementing agencies/ societies (direct transfer route/ society mode) using the functional Heads, as per the current practice.

However, for the Central Sector components like Central Farms (Central Poultry Development Organizations, Central Sheep Breeding Farm, Central Fodder Development Organizations) and Entrepreneurship Development and Employment Generation [EDEG] component under Sub-Mission on Livestock Development may be released as per earlier mode i.e. to the Organizations and fund-channelizing agency (NABARD) directly respectively.

Funds to the tune of 1.5% of the sanctioned amount may be given towards administrative charges or operational expenses in case of operating Entrepreneurship Development and Employment Generation [EDEG] Cell of the State Government or any such agency. Similarly in case of credit-linked components where there is a separate fund channelizing agent like NABARD, 1% of the total subsidy disbursed annually may be given as fund channelizing charges including costs for data compilation and reports to be submitted to the GoI.

Flexi-funds: The introduction of a flexi – fund component within the Centrally Sponsored Schemes (CSS) has been made to achieve the following objectives:

(i) To provide flexibility to States to meet local needs and requirements within the overall objective of each programme or scheme;
(ii) To pilot innovations and improved efficiency within the overall objective of the scheme and its expected outcomes;
(iii) To undertake mitigation / restoration activities in case of natural calamities in the sector covered by the CSS . Flexi- funds will be a part of the CSS (10%) and the name of NLM will precede the word „flexi- funds‟ in the communication to States. There will be no separate budget and account head for this purpose.

As flexi- funds are a part of the concerned CSS, the same States share (including beneficiary contribution, if any) would be applicable for the flexi –fund component as well, However, States may provide additional share (including beneficiary contribution, if any) over and above the required State s hare for the flexi- funds component of the allocation for the CSS.

States may use the flexi-funds for the CSS to meet the objectives mentioned above in accordance with the broad objectives of the main Scheme. The flexi- funds may also be utilized for mitigation/restoration activities in the event of natural calamities in accordance with the broad objectives in the event of natural calamities in accordance with the broad objectives of the CSS. However, the specific guidelines of the CSS, applicable for 90% of the CSS allocation, will not be essential for the Flexi – funds component of the CSS, except for State‟s share requirements.

The flexi-funds of a CSS for NLM, however, shall not be diverted to fund activities / schemes in any other sector. But it would be permissible to converge flexi-funds of different schemes to improve efficiency and effectiveness of outcomes. The purpose of providing flexi-funds is to enable Sates to undertake new innovative schemes in the particular area covered by the CSS. Flexi-funds shall not be used to substitute State‟s own non-plan or Plan schemes/expenditure.

It shall also not be used for construction/repairs of offices residences for Government officials, general publicity, and purchase of vehicles /furniture for offices, distribution of consumer durables / non durables, incentives/rewards for staff and other unproductive expenditure. Schemes taken up with Flexi-funds shall invariably carry the name of concerned CSS.

States wishing to use flexi funds as part of the normal 90% component are free to do so.

6. Gramin Bhandaran Yojana

Gramin Bhandaran Yojana is a capital investment subsidy scheme for the construction or renovation of rural warehouses or godowns for storing farm produce. The scheme is aimed at assisting farmers in increasing their holding capacity. This could, in turn, lead to the sale of produce at rewarding prices by avoiding distress sales.

Objective

The scheme seeks to:

- Create scientific storage capacity with allied facilities in rural areas to help farmers in storing farm produce, processed farm produce and agricultural inputs.
- Promote grading, standardization and quality control of agricultural produce so as to improve its marketability.
- Prevent distress sale immediately after harvest by providing the facility of pledge financing and marketing credit.
- Create a robust agricultural marketing infrastructure in the country by facilitating the creation of a national system of warehouse receipts in respect of agricultural commodities stored in such warehouses.
- Revive the prospects of agricultural investments by encouraging private and cooperative sectors to invest in the creation of storage infrastructure in the country.

Eligibility

- Loans under the scheme is extended to:
- Marketing Boards
- Agro-processing co-operative societies
- Agro-processing corporations
- Agro-industrial corporations
- Other corporations
- Quality testing laboratories
- Partnership firms
- Companies
- Agricultural Produce Marketing Committees
- Farmers
- Proprietary firms
- Co-operatives
- Non-Governmental Organizations
- Farmers’ groups
- Self-help groups

Location Specifications

- Warehouses, for the purpose of this scheme, can be constructed/located anywhere outside the jurisdiction of the Municipal Corporation Area. Also, rural warehouses located in Food Parks promoted by the Ministry of Food Processing Industries are eligible for assistance.

- Warehouses constructed under the scheme must be structurally sound in terms of engineering considerations and appropriate for the storage of agricultural produce. The licensing requirements vary in accordance with the different states. Rural warehouses of 1,000 or more tonnes capacity should be accredited by the Central Warehousing Corporation (CWC).

Subsidy

The entrepreneur is free to decide on the capacity of a warehouse. The disbursal of subsidies, however, would be restricted to a capacity of between 100 tonnes and 30,000 tonnes. Smaller-size rural warehouses of up to 50 tonnes capacity are also considered based on viability analysis/topography of the region. Rural warehouses located in hilly areas qualify if their capacity is not more than 25 tonnes.

The rates of subsidy are as tabulated below:

S. N	Category of Applicant	Rate of Subsidy
1	SC/ST entrepreneurs and their cooperatives	33.33% of the capital cost of the project, subject to a maximum of INR 3 crores
2	Farmers, agricultural graduates and cooperatives	25% of the capital cost of the project, subject to a maximum of Rs. 2.25 crores
3	Individuals, companies and corporations	15% of the capital cost of the project, subject to a maximum of INR 1.35 crores
4	Renovation of warehouses of cooperatives with the aid of NCDC	25% of the capital cost of the project.

The above-mentioned subsidy would be released through NABARD for projects funded by select banks (listed below). Entrepreneurs may avail these benefits by pledging security of mortgage of land and warehouse.

What does it Cover?

The credit facility covers construction costs of boundary wall, grading, platform, packaging, internal road, and internal drainage system. Besides these, the benefit would be extended to quality certification and warehousing facilities.

Affiliated Banks

Subsidy linked to institutional credit is granted for projects funded by the following institutions:

- Urban Cooperative Banks
- Regional Rural Banks
- Commercial Banks
- North Eastern Development Finance Corporation (NEDFI)
- State Cooperative Agricultural and Rural Development Bank
- State cooperatives banks
- Agricultural Development Finance Committee

Pledge Loan Facilities

Farmers who maintain their products in the warehouses would be eligible for pledge loan facilities on hypothecation of their produce. The terms and conditions of such deals would be in accordance with the guidelines issued by the Reserve Bank of India (RBI)/National Bank for Agriculture and Rural Development (NABARD) and as per the banking practices followed by financial institutions.

NAFED

National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED)

FIFA

Federation of Indian FPOs and Aggregators (FIFA)

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